

6.7 Irrigation and Water Conservation

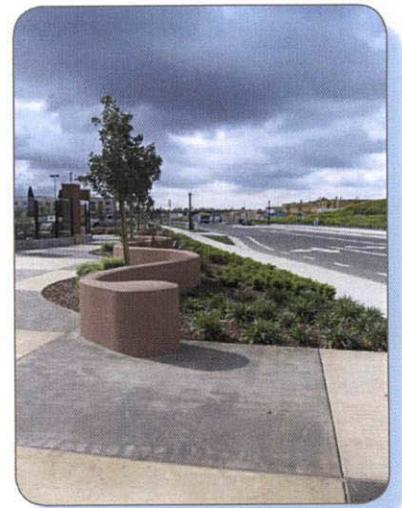
- Irrigation systems should be designed to ensure the efficient use of water and discourage vandalism.
- To help ensure an efficient irrigation system, plants should be grouped in hydrozones, which are combinations of plants with similar water needs. To avoid under- and over-watering the irrigation system will need to be regulated to the needs of each hydrozone.
- The use of low-water native plants and ornamentals is highly encouraged.
- All landscape areas must be irrigated with an automatic irrigation system controlled by a timer.
- Rain shut-off valves and moisture sensors shall be used as necessary to minimize over watering in commercial and mixed-use areas and along streetscapes.
- Irrigation controls and pedestals shall be screened from view by plant material or other attractive site elements.
- Drip and/or bubbler type irrigation shall be used for shrubs and trees for deeper root watering and to promote water conservation.

- Conventional spray irrigation systems with head-to-head coverage shall be used for turf areas. Avoid using misting spray heads as they can lose significant amounts of moisture to evaporation and wind drift.
- Organic material such as bark mulch to an approximate depth of three (3) inches shall be used on all exposed soil within planter areas to reduce moisture evaporation and help control weeds.
- All landscaping areas must comply with the local water-use standards.

6.8 Fencing and Walls

Fences and walls provide security, privacy, sound attenuation as well as create separation between uses of differing intensities. However, when they are used in excess, walls and fences can discourage pedestrian movement between residential, commercial and public use areas. The main principal for using walls and fences within Commerce Station is to provide them when they are necessary but to minimize their use through implementation of proper site planning and appropriate building orientation.

- Walls and fences shall not be used in a way that may reduce connectivity between the different land uses within the PUD.



LOW LANDSCAPE WALLS



SEAT WALL



RAISED PLANTER BED



OPEN STEEL / IRON FENCING

- High-quality fencing and wall materials that are aesthetically pleasing shall be used in order to complement the character of the unique areas within the Commerce Station community.
- Permeable fencing shall be used to allow visual access to view corridors, parks and public spaces.
- High masonry walls shall be avoided except to screen or prevent private access.
- All walls should coordinate with the architecture of the building with which they are associated.
- Solid screen walls are not permitted within the building setback area of the front yard of the building.
- Vine plantings are strongly encouraged at ten (10) foot (on center) spacing on all solid walls and screen fences.
- The selection of wall materials shall consider graffiti control. Materials that discourage graffiti are strongly preferred. The use of materials that facilitate graffiti removal without marring the original appearance of the wall is strongly encouraged.
- Graffiti must be adequately controlled by the owner.
- No chain link fencing is allowed within Commerce Station.

7. Signage and Graphics

The Commerce Station PUD comprises a variety of land uses and internal destinations. Land uses are grouped together into unique, but related neighborhoods. Architectural design, landscape elements and project signage all work together to identify and highlight the unique character of each neighborhood while also reinforcing the perception of Commerce Station as a singular place. Signage detailed in this section establishes a common vocabulary of sign design, quality level, materials, colors and techniques that is to be implemented throughout the project site.

Project signage is intended to serve the following purposes:

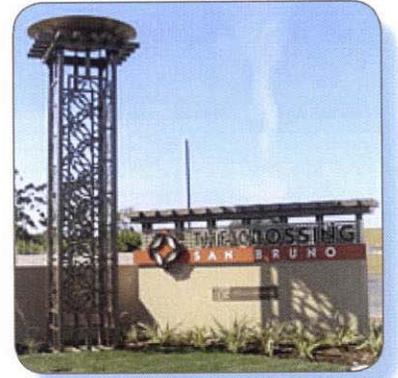
- Present the overall project identity (name).
- Present neighborhood identity at arrival points.
- Enhance the visibility of businesses.
- Provide retail tenant identity to freeway travelers.
- Define the gateways and boundaries of the project.
- Promote wayfinding.
- Identify roads and destinations within the project.

7.1 Purpose and Hierarchy

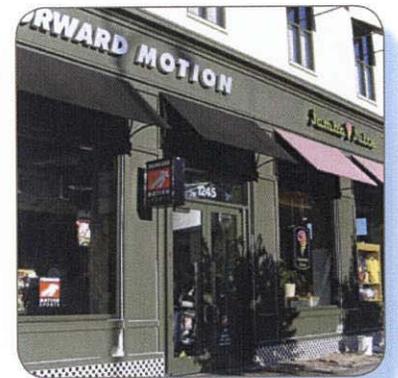
Signage hierarchy for the project is as follows:

Freestanding Signage:

- A. Freeway Pylon Sign
- B. External Monument Signs
- C. Major Entry Gateway Signs
- D. Minor Entry Gateway Signs
- E. Directional Signs - Vehicular Wayfinding
- F. Directional Signs - Pedestrian Wayfinding



MONUMENTS



STOREFRONTS



WAYFINDING

- G. Street Name Signs
- H. Regulatory Signs

Office and Retail Tenant Identity Signage:

- A. Wall Signs
- B. Primary Projecting Signs
- C. Secondary Projecting / Suspended Signs
- D. Building Directory
- E. Awning / Canopy Signage
- F. Window Graphics
- G. Menu Displays
- H. Detached Signs
- I. Special Signage

This section supersedes the provisions of the City of Sacramento Sign Ordinance and establishes locations, quantities, content and maximum sign sizes allowed for these graphic elements. In addition, this section describes the individual sign types that comprise the Project Signage program. Included in the description of each sign type is a character sketch of each that shall be used to guide design development of the program. Signs must be designed as integral parts of landscaped areas to become part of the fabric that ties Commerce Station together as one place (see Section 6 - Landscape and Streetscape).

7.2 Freestanding Signage

Freestanding signage shall include a Freeway Pylon Sign, Entry Monument Signs, Multi-Tenant Monument Signs, Directory Signs and Ornamental Banners. The locations of each sign type is depicted in Figure 7A, followed by specific signage criteria for each freestanding signage type.

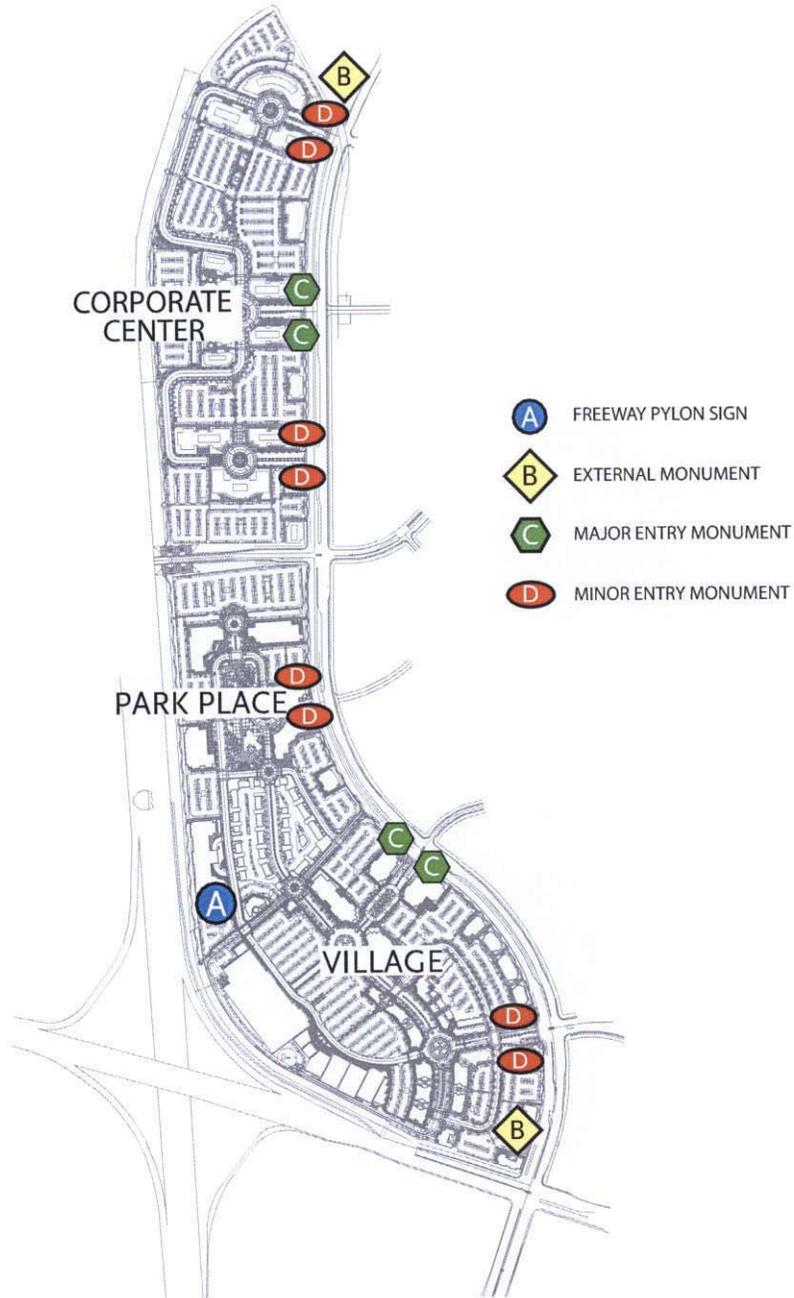


FIGURE 7A:
FREESTANDING SIGNAGE PLAN

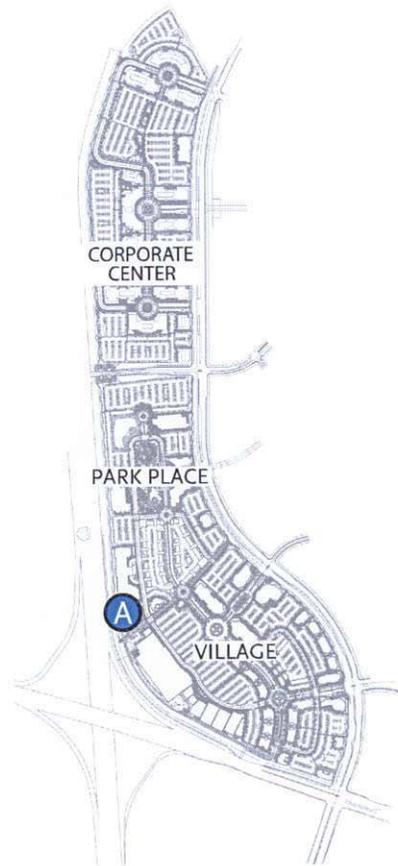


FIGURE 7B:
FREEWAY PYLON SIGN LOCATION

A. FREEWAY PYLON SIGN

Description and Purpose:

A freestanding pylon sign oriented to freeway traffic announces the project identity and displays retail and office tenant names. Sign is double-sided and oriented perpendicular to the freeway (see Figure 7C). Sign may have one (1) Anchor Tenant panel, a maximum of four (4) Major Tenant panels, and a maximum of one (1) Pad Tenant panel. The Pad Tenant panel may be subdivided into a maximum of four (4) equal spaces for tenant logos.

Quantity and Location:

One (1) sign fronting I-5 at the location indicated (see Figure 7B).

Materials:

Stone, stucco, natural and painted metals and/or other materials related to building architecture of Commerce Station. Acrylic may be used for illuminated portions of the sign only.

Lighting:

Halo, indirect and/or internal illumination.

Overall Sign Size:

72'-0" H x 31'-0" W Maximum

Letter/Logo Heights:

Project Identification:	2'-6" Letter; 6'-0" Logo Maximum
Anchor Tenant:	4'-0" Letter; 10'-0" Logo Maximum
Major Tenant:	3'-0" Letter/Logo Maximum
Pad Tenant:	3'-6" H x 3'-6" W Logo Maximum

Sign Areas:

- Project Identification: 60 SF Maximum per side
- Anchor Tenant: 200 SF Maximum per side
- Major Tenant: 75 SF Maximum per side
- Pad Tenant: 15 SF Maximum per side

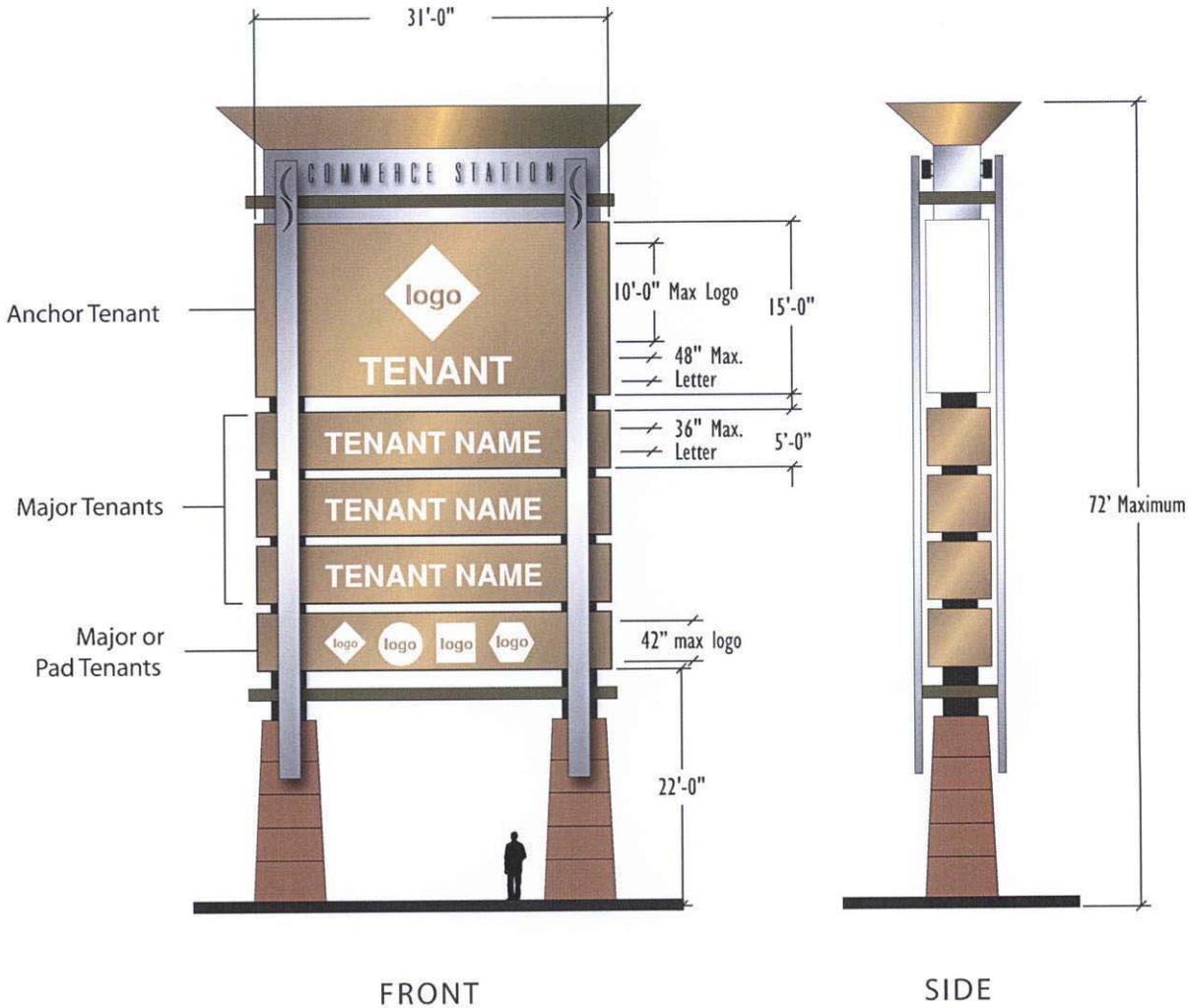


FIGURE 7C:
FREEWAY PYLON SIGN ILLUSTRATION

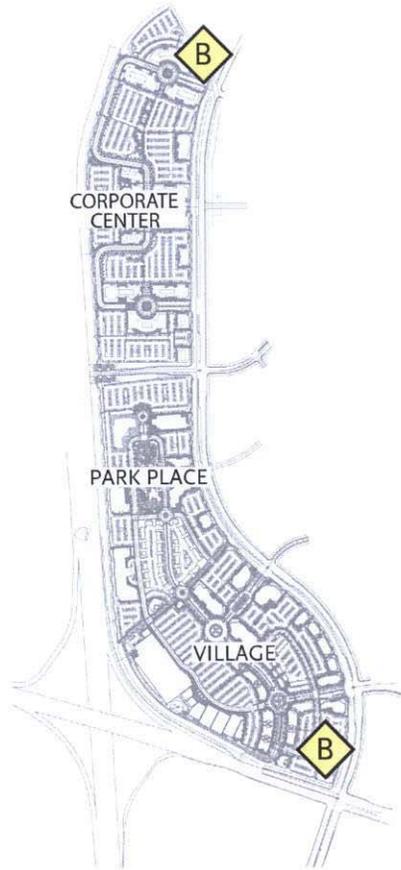


FIGURE 7D:
EXTERNAL MONUMENT LOCATIONS

B. EXTERNAL MONUMENT SIGNS

Description and Purpose:

A freestanding monument sign designed as an integral part of a landscape external monument feature (see Section 6.1 - Monument Features). Sign is single-sided, oriented toward arriving traffic, and establishes project identity at the outer limits of Commerce Station (see Figure 7E).

Quantity and Location:

Two (2) signs total, one located at each end of the project's North/South boundaries as indicated (see Figure 7D).

Materials:

Stone, stucco, natural and painted metals and/or other materials related to the building architecture of Commerce Station.

Lighting:

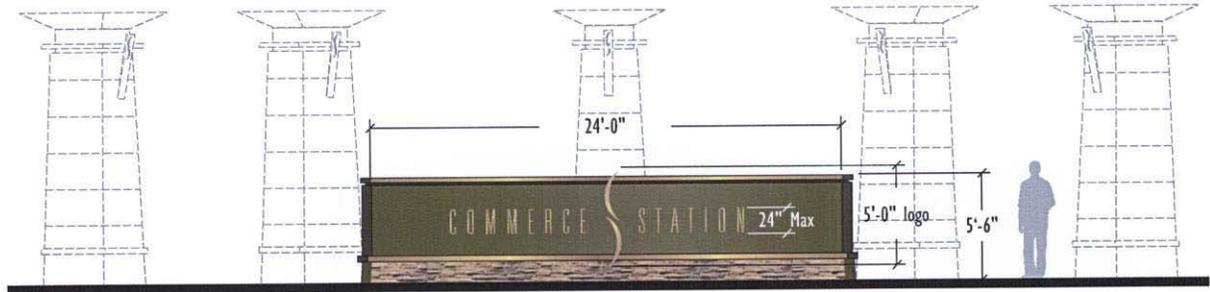
Sign shall be halo and/or indirectly lit from the surrounding landscaped areas.

Overall Sign Size:

5'-6" H x 24'-0" W Maximum

Letter/Logo Heights:

Project Identification: 2'-0" Letter; 5'-0" Logo Maximum



DASHED LINES INDICATE LANDSCAPE FEATURE (SEE SECTION 6.1)

FIGURE 7E:
EXTERNAL MONUMENT SIGN ILLUSTRATION



FIGURE 7F:
MAJOR ENTRY GATEWAY SIGN LOCATIONS

C. MAJOR ENTRY GATEWAY SIGNS

Description and Purpose:

A freestanding monument sign designed as an integral part of a landscape major entry monument feature (see Section 6.1 - Monument Features). Sign is single-sided, oriented toward arriving traffic, and provides project and tenant identity (see Figure 7G).

Quantity and Location:

Four (4) signs total, two located at each of the project's major entries as indicated (see Figure 7F).

Materials:

Stone, stucco natural and painted metals and/or other materials related to the building architecture of Commerce Station. Retail tenants may use corporate colors and logos.

Lighting:

Project Identification: Halo and/or indirectly lit from the surrounding landscaped areas.

Retail Tenant ID: Internally lit, halo lit or lit from landscaped areas.

Office Tenant ID: Lit from landscaped areas.

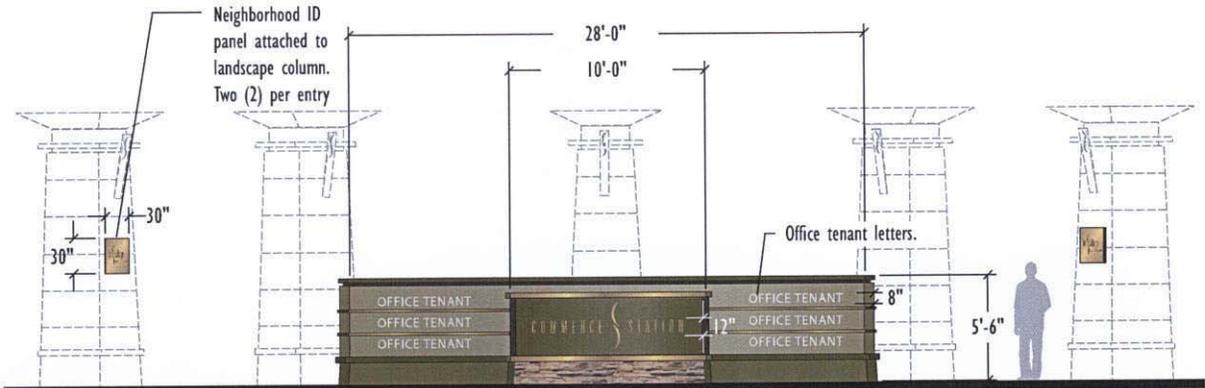
Neighborhood ID: Lit from landscaped areas.

Overall Sign Size:

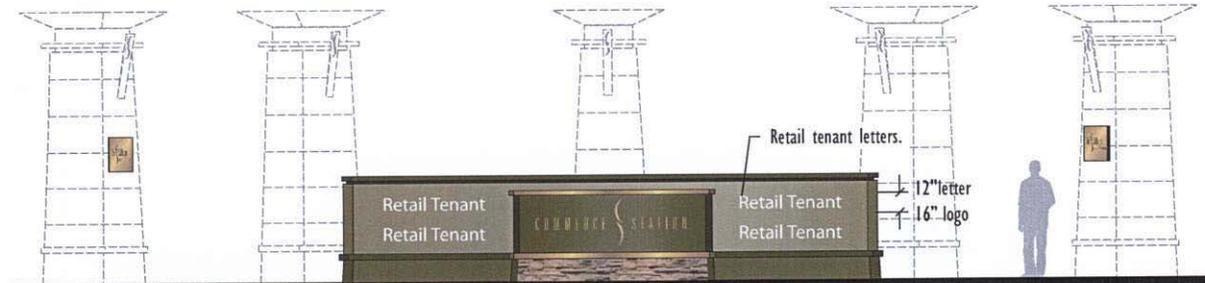
5'-6" H x 28'-0" W Maximum

Letter/Logo Heights:

- Project Identification: 0'-16" Letter; 3'-6" Logo Maximum
- Retail Tenant ID: 0'-12" Letter; 0'-16" Logo Maximum
4 Tenants Maximum
- Office Tenant ID: 0'-8" Letter/Logo Maximum
6 Tenants Maximum
- Neighborhood ID: 2'-6" H x 2'-6" W Panel Maximum
2 Panels per Landscape Feature



TYPICAL CORPORATE CENTER ENTRY FEATURE WITH OFFICE TENANT LETTERS
DASHED LINES INDICATE LANDSCAPE FEATURE (SEE SECTION 6.1)



TYPICAL PARK PLACE ENTRY FEATURE WITH RETAIL TENANT LETTERS
DASHED LINES INDICATE LANDSCAPE FEATURE (SEE SECTION 6.1)

FIGURE 7G:
MAJOR ENTRY GATEWAY SIGN ILLUSTRATIONS

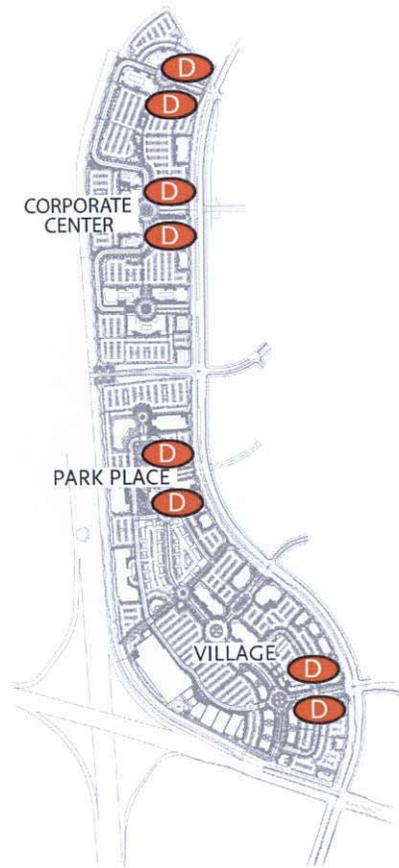


FIGURE 7H-
MINOR ENTRY GATEWAY SIGN LOCATIONS

D. MINOR ENTRY GATEWAY SIGNS

Description and Purpose:

A freestanding monument sign designed as an integral part of a landscape minor entry monument feature (see Section 6.1 - Monument Features). Sign is single-sided, oriented toward arriving traffic, and provides project, neighborhood and tenant identity (see Figure 7I).

Quantity and Location:

Eight (8) signs total, two located at each of the project's minor entries as indicated (see Figure 7H). Signage elements shall be installed on both sides of the entry intersection.

Materials:

Stone, stucco, natural and painted metals and/or other materials related to the building architecture of Commerce Station. Retail tenants may use corporate colors and logos.

Lighting:

Project Identification: Halo and/or indirectly lit from the surrounding landscaped areas.

Retail Tenant ID: Internally lit, halo lit or lit from landscaped areas.

Office Tenant ID: Lit from landscaped areas.

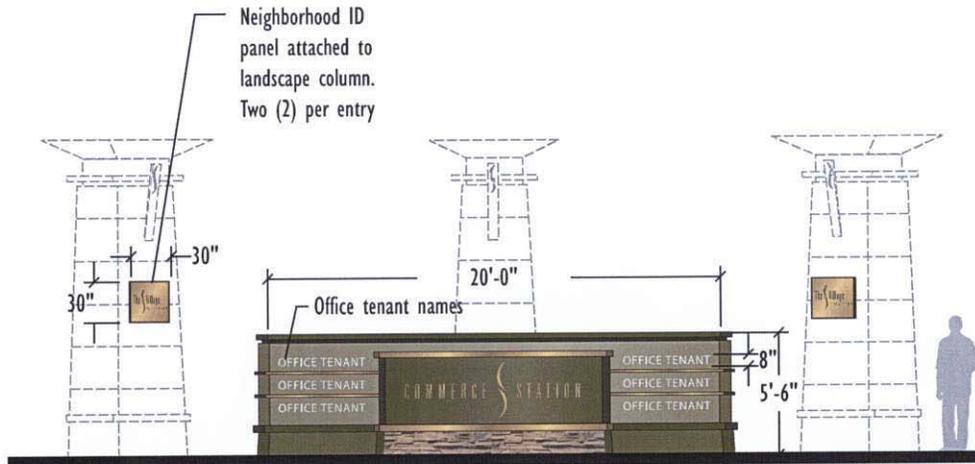
Neighborhood ID: Lit from landscaped areas.

Overall Sign Size:

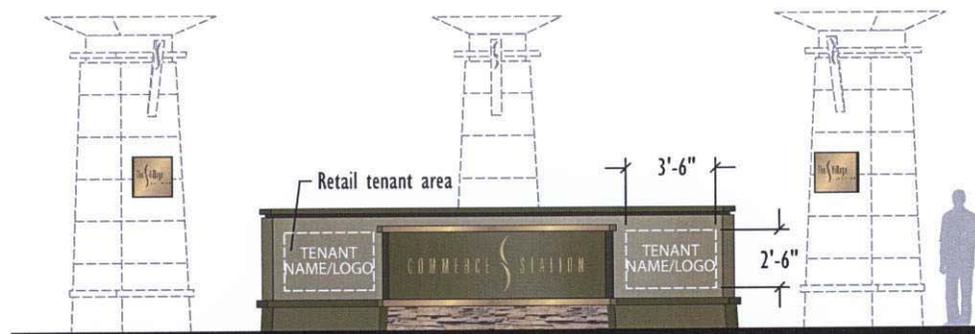
5'-6" H x 20'-0" W Maximum

Letter/Logo Heights:

- Project ID: 0'-16" Letter; 3'-6" Logo Maximum
- Retail Tenant ID: Must fit into 3'-6" H x 2'-6" area as shown in Figure 71.
4 Tenants Maximum, 2 per side
- Office Tenant ID: 0'-8" Letter/Logo Maximum
6 Tenants Maximum, 3 per side
- Neighborhood ID: 2'-6" H x 2'-6" W Panel Maximum
2 Panels per Landscape Feature

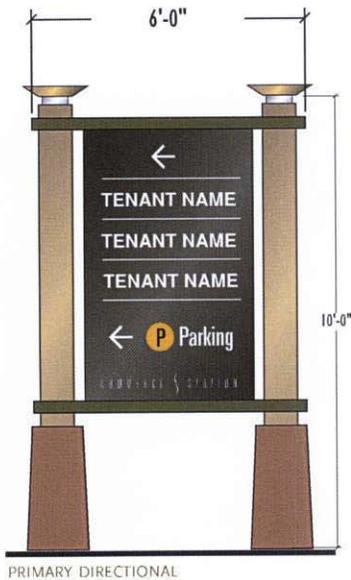


TYPICAL CORPORATE CENTER ENTRY FEATURE WITH OFFICE TENANT LETTERS
DASHED LINES INDICATE LANDSCAPE FEATURE (SEE SECTION 6.1)

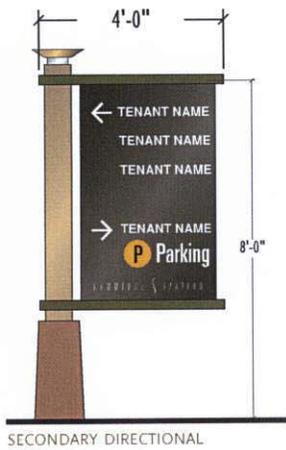


TYPICAL PARK PLACE ENTRY FEATURE WITH RETAIL TENANT LETTERS
DASHED LINES INDICATE LANDSCAPE FEATURE (SEE SECTION 6.1)

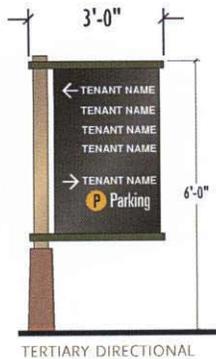
FIGURE 71 -
MINOR ENTRY GATEWAY FEATURE ILLUSTRATION



PRIMARY DIRECTIONAL



SECONDARY DIRECTIONAL



TERTIARY DIRECTIONAL

FIGURE 7J:
VEHICULAR DIRECTIONAL SIGNS

E. DIRECTIONAL SIGNS - VEHICULAR WAYFINDING

Description and Purpose:

Freestanding signage to facilitate vehicular navigation of the project (see Figure 7J).

Quantity and Location:

As required to facilitate vehicular flow. Maximum number of wayfinding signs is not regulated. Signs may be located in advance of intersections and vehicular decision points throughout the project.

Materials:

Painted and natural metals with stone, stucco or other base materials related to building architecture of Commerce Station.

Lighting:

Signs may be internally lit, unlit, or lit from landscaped areas. If unlit, directional information shall be reflective.

Overall Sign Size:

Sign sizes shall vary according to the amount of information needing to be conveyed at each location.

Maximum size shall be as follows:

Overall Height:	10'-0" Maximum
Overall Width:	6'-0" Maximum
Sign Area:	40 SF Maximum per side

F. DIRECTIONAL SIGNS - PEDESTRIAN WAYFINDING

Description and Purpose:

Freestanding signage to facilitate pedestrian navigation and encourage on-foot exploration of the PUD. Signs may have site directory maps and areas for promotional displays (see Figure 7K).

Quantity and Location:

As required to facilitate pedestrian flow. Maximum number of wayfinding signs is not regulated. Signs may be located at pedestrian decision points throughout the project.

Materials:

Painted and natural metals with stone, stucco or other base materials related to building architecture of Commerce Station.

Lighting:

Signs may be internally lit, unlit, or lit from landscaped areas.

Sign Size:

Sign sizes shall vary according to the amount of information needing to be conveyed at each location.

Maximum size shall be as follows:

- Overall Height: 10'-0" Maximum
- Overall Width: 5'-0" Maximum
- Sign Area: 30 SF Maximum per side

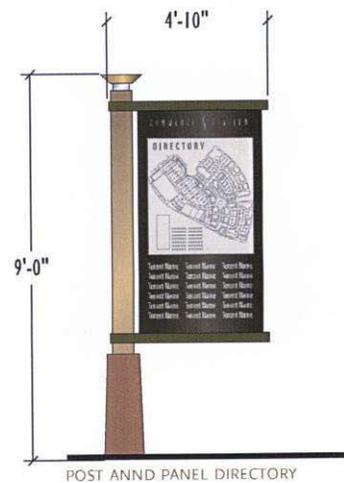
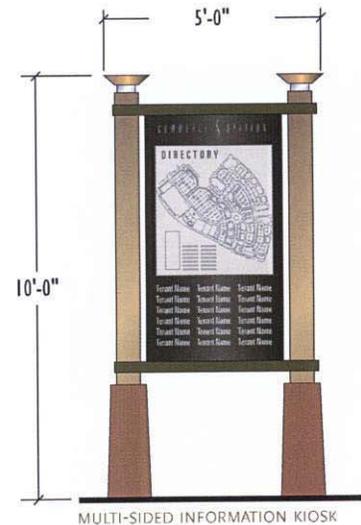
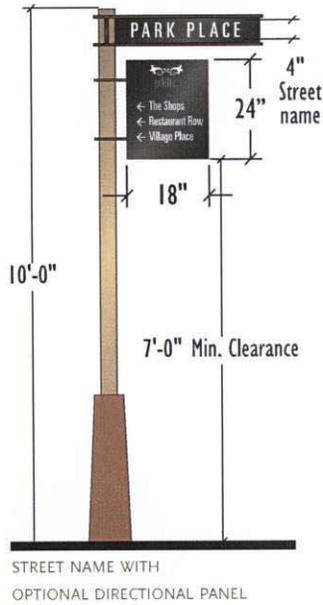


FIGURE 7K:
PEDESTRIAN DIRECTIONAL SIGNS



G. STREET NAME SIGNS

Description and Purpose:

Freestanding signage to identify streets within Commerce Station. Signs may have an optional directional panel as shown (see Figure 7L).

Quantity and Location:

Two (2) signs per intersection minimum. Signs shall be located at all street intersections within the project.

Materials:

Natural and painted metals with optional stone, stucco or other base materials related to building architecture of Commerce Station. Street name shall be reflective vinyl.

Lighting:

Signs are unlit.

Sign Size:

Overall Height:	10'-0" Maximum
Street Name Height:	0'-4" Letter Minimum All Capital Letters
Directional Panel:	2'-0" H x 1'-6" W Maximum (Optional)
Sign Clearance:	7'-0" Minimum

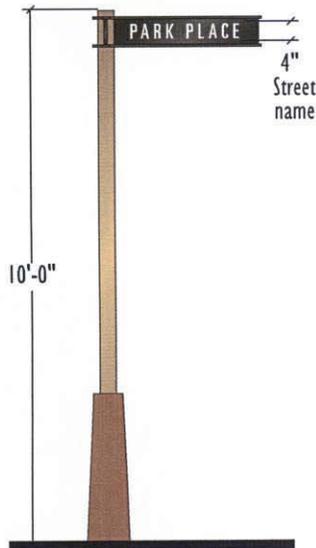


FIGURE 7L:
STREET NAME SIGNS

H. REGULATORY SIGNS

Description and Purpose:

Freestanding (as shown in Figure 7M) or wall mounted signage for the purpose of on-site regulatory enforcement.

Quantity and Location:

One (1) sign at each vehicular and parking structure entry. Signs may also be located at entries to parking areas and around outdoor congregation spaces.

Materials:

Signs shall be designed to complement other signage and design elements of Commerce Station. Regulatory information shall be reflective vinyl.

Lighting:

Signs are unlit.

Sign Size:

- Overall Height: 5'-0" Maximum
- Panel Area: 8 SF Maximum per side

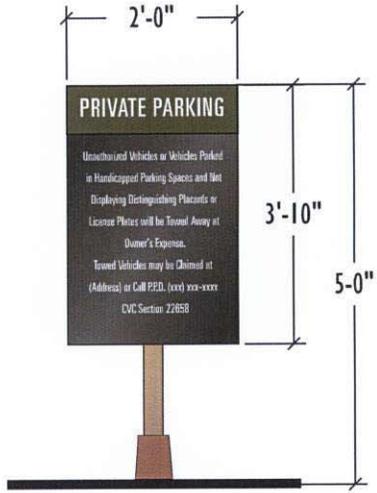


FIGURE 7M:
REGULATORY SIGNS

7.3 Tenant Signage

SIGN TYPES

Tenant signage includes all signs for the purpose of identifying and promoting businesses within Commerce Station. All tenant signage shall be designed to complement the architecture of the surrounding buildings and enhance the character of the development. Creative signage design, expert craftsmanship and high quality sign materials shall be the hallmark of Commerce Station.

Tenants are permitted the use of a combination of sign types, depending on the sign zone they occupy (see Figure 7Y - Sign Zone Diagram, on Page 124). The general criteria for all tenant sign types is described in this section. Sign types are as follows:

- A. Wall Signs
- B. Primary Projecting Signs
- C. Secondary Projecting / Suspended Signs
- D. Building Directory
- E. Awning / Canopy Signage
- F. Window Graphics
- G. Menu Displays
- H. Detached Signs
- I. Special Signage

Specific signage criteria for each zone is as follows.

1. Mixed-Use Zone Page 125
2. Business Center Zone Page 128
3. Corporate Center Zone Page 131
4. Commercial Center Zone Page 134

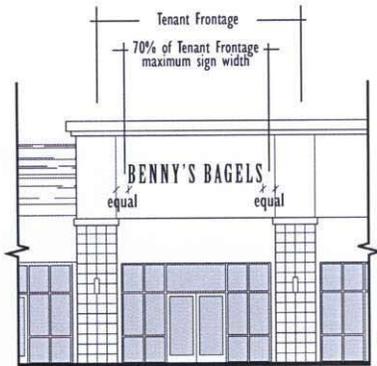


FIGURE 7N:
LINE LENGTH EQUALS 70% OF TENANT FRONTAGE

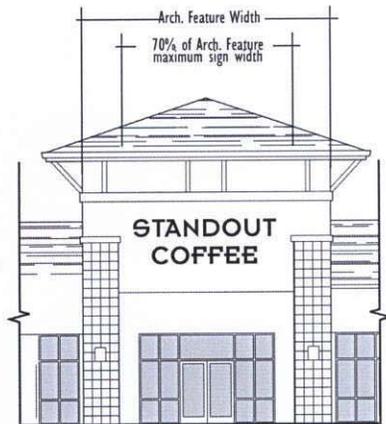


FIGURE 7O:
LINE LENGTH EQUALS 70% OF ARCHITECTURAL FEATURE

A. WALL SIGNS

Description and Purpose:

Signs mounted to exterior building walls for the purpose of primary tenant identity and promotion. Signs may be fabricated or flat cutout individual letters and logos. Sign cabinets and sign frames are allowed only with landlord approval and when designed as an integral part of the building or storefront. Exposed raceway signs are not permitted. Primary wall signs shall display tenant name and/or logo only. Secondary wall signs may display department or service names, such as "Pharmacy", "Garden Center", etc.

Location:

Except for upper floor wall signs in the Business Center and Corporate Center zones, all signs must be located on exterior walls of tenant's space.

Line Length:

The overall length of the sign shall not exceed 70% of the width of the occupant's building frontage or architectural feature that it is attached to (see Figures 7N and 7O).

See specific Sign Zone regulations for the following:

- Quantity
- Sign Area
- Letter/Logo Height
- Location Height
- Lighting
- Color

B. PRIMARY PROJECTING SIGNS

Description and Purpose:

Projecting signs may be used for the purpose of primary tenant identity by first floor businesses (see Figure 7P).

Quantity and Location:

Projecting signs may be used in lieu of the same number of Wall Signs. See Sign Zone for permitted number of signs. Total number of primary projecting and wall signs may not exceed the maximum quantity specified in the Sign Zone regulations. Projecting signs are attached perpendicular to the building surface

Materials:

Sign construction may consist of cut or fabricated and painted metals, exterior plastics and various sculpted materials. Signs shall be artistically designed to complement the building architecture and/or storefront.

Clearance Height:

Minimum of 8'-0" from sidewalk to bottom of sign (see Figure 7p).

Projection Distance:

Maximum of 3'-0" from building face (see Figure 7p), except in the Commercial Zone, where the maximum projection is 6'-0" from the building face.

Lighting:

Signs may be internally lit, exposed neon channel letters, halo lit, unlit or indirectly lit.

Color:

Custom colors are permitted.

See specific Sign Zone regulations for the following:

- Sign Area
- Location Height

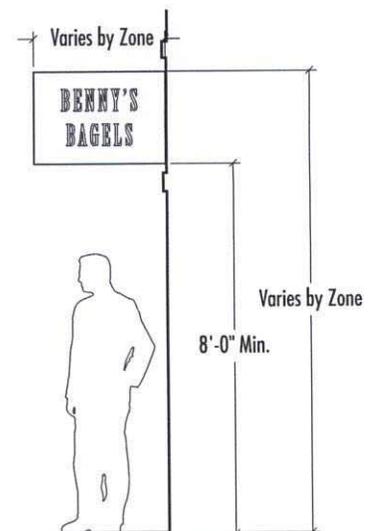


FIGURE 7P:
PRIMARY PROJECTING SIGN

C. SECONDARY PROJECTING / SUSPENDED SIGNS

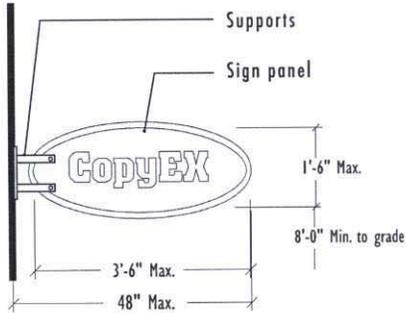


FIGURE 7Q:
SECONDARY PROJECTING SIGN

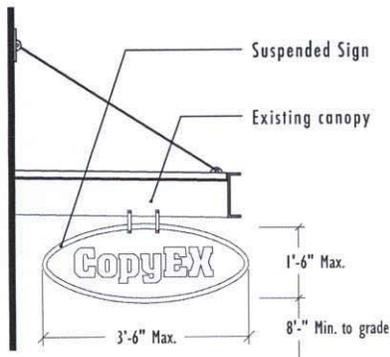


FIGURE 7R:
SECONDARY SUSPENDED SIGN

Description and Purpose:

Secondary projecting signs and signs suspended from canopies and awnings are permitted to identify the tenant's public entry (see Figures 7Q and 7R).

Quantity and Location:

Maximum of one (1) sign per tenant entry. Signs may be suspended from existing canopies and awnings or attached to the building.

Materials:

Signs shall be dimensional and make creative use of layering and materials. Flat sign panels with painted or adhesive lettering are not permitted. Sign construction shall consist of cut or fabricated and painted metals, cut and painted acrylic and other exterior plastics and various exterior grade sculpted materials.

Sign Area:

Maximum of 4 SF per side.

Location Heights:

Maximum of 12'-0" from sidewalk to top of sign.
Minimum of 8'-0" from sidewalk to bottom of sign.

Projection Distance:

Maximum of 3'-0" from building face (see Figure 7p),

Lighting:

Signs may be unlit or indirectly lit.

Color:

Custom colors are permitted.

D. BUILDING DIRECTORY

Description and Purpose:

Freestanding or wall mounted signs to identify upper floor tenants (see Figures 7S and 7T).

Quantity and Location:

Maximum of one (1) sign per building entry located near the building lobby entrance.

Materials:

Signs shall be constructed of high quality materials relating to the building architecture.

Sign Area:

Maximum of 20 SF.

Location Height:

Maximum of 6'-0" from sidewalk to top of sign.

Lighting:

Signs may be unlit or indirectly lit.

Color:

Sign face or cabinet shall relate to the building colors. Tenant names shall all appear in one standard color.

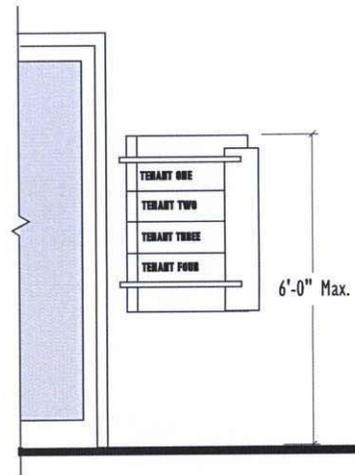


FIGURE 7S:
WALL MOUNTED DIRECTORY

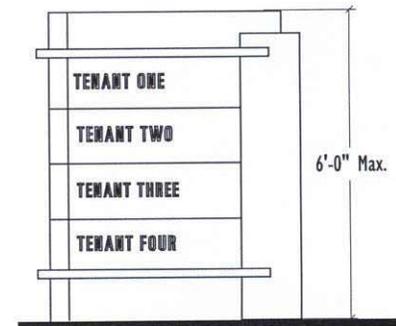


FIGURE 7T:
FREESTANDING DIRECTORY

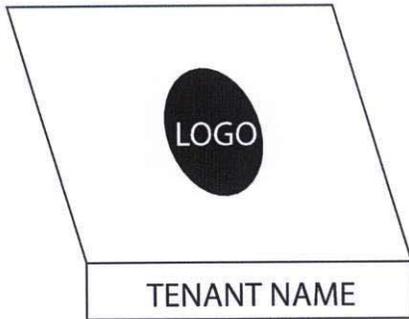


FIGURE 7U:
AWNING GRAPHICS

E. AWNING / CANOPY SIGNAGE

Description and Purpose:

An identification emblem, insignia, logo, graphic or other similar feature painted, placed, or installed on an awning or canopy (see Figure 7U).

Materials:

Graphics shall be adhesive vinyl, painted or screenprinted on canvas or awning material.

Sign Area:

Name and graphic shall not exceed 25% of the awning surface area.

Lighting:

Signs may be unlit or indirectly lit.

Color:

Custom colors are permitted.

F. WINDOW GRAPHICS

Description and Purpose:

Graphics for the purpose of tenant identification and display of courtesy information (hours, credit cards etc.) only (see Figure 7V).

quantity and location:

One (1) sign per tenant entry. Tenant may install graphics on entry door glass, sidelights and/or windows.

Materials:

Adhesive vinyl applied to glass.

Sign Area:

Maximum of 5 SF.

Color:

Custom colors are permitted.

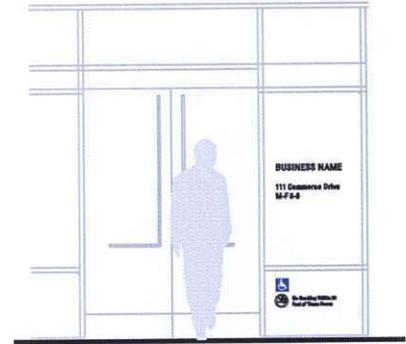


FIGURE 7V:
WINDOW GRAPHICS



FIGURE 7W:
MENU DISPLAY

G. MENU DISPLAYS

Description and Purpose:

Restaurant tenants may display menus in wall mounted display cabinets. Cabinets shall be artistically designed to complement the building or storefront architecture (see Figure 7W).

Quantity and Location:

One (1) sign per occupant entry located near tenant's main entry door.

Materials:

Signs shall be constructed of high quality metals with painted or natural finishes designed for outdoor applications.

Sign Area:

Maximum of 6 SF.

Lighting:

Cabinets may be externally or internally lit.

Color:

Custom colors are permitted.

H. DETACHED SIGNS

Description and Purpose:

Freestanding signs to be used by Hotel/Recreation Use tenants for identification and building addressing (see Figure 7X).

Quantity and Location:

Maximum of one (1) per street frontage. Sign shall be located at or near occupant driveway entries. All detached signs shall be located ten (10) feet from any property line and five feet from any driveway in order to provide a clear vision area.

Sign Area:

Maximum of 50 SF.

Location Height:

Maximum of 6'-0" from grade to top of sign.

Materials:

Signs shall be constructed of high quality materials relating to the building architecture.

Lighting:

Signs may be internally lit, halo lit, unlit or indirectly lit.

Color:

Custom colors are permitted.

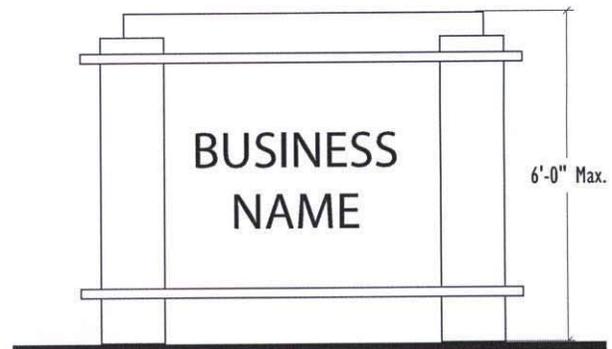


FIGURE 7X:
DETACHED SIGN

I. SPECIAL SIGNAGE

Subject to the review and approval, retail businesses and facilities that are entertainment or culturally oriented and contribute to the active night-life of Commerce Station may be permitted creative signage which does not conform to the requirements of this document.

Examples of special signs include, but are not limited to the following: exposed neon tubing, flashing, or traveling lights, etc.

To be considered for approval, tenant must demonstrate that the proposed signage is appropriate to the tenant's business and compatible with and beneficial to the character of Commerce Station.

SIGN ZONES

In addition to the general signage criteria provided by Sign Type, the following is signage criteria specific to the Sign Zones as depicted in Figure 7Y.

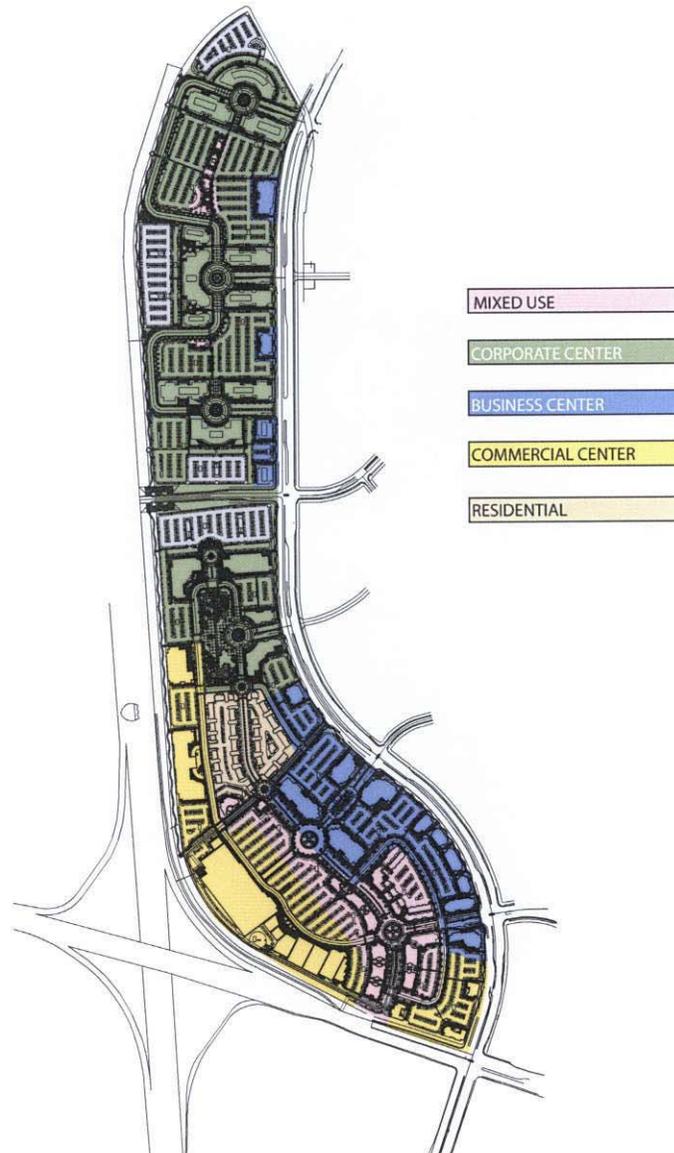


FIGURE 7Y:
SIGN ZONE DIAGRAM

1. MIXED-USE ZONE

The Mixed-Use zone consists of first floor retail spaces with offices or residential uses on the upper floors. All signage in the Mixed-Use zone shall be designed to enhance the village character of the surrounding buildings, streetscape and landscaped areas. Creative and well-constructed signage is essential to the success of businesses at Commerce Station. Sign materials shall be of the highest quality with weatherproof finishes.

First floor retail and office occupants and upper floor office and residential occupants are allowed a combination of signage elements as established in the following section.

A. WALL SIGNS

FIRST FLOOR TENANT WALL SIGNS

Quantity:

One (1) wall sign may be located on each tenant building frontage with a maximum of three (3) signs.

Sign Area:

Maximum of 2 SF per lineal frontage of the facade upon which the sign is located, not to exceed 45 SF.

Letter/Logo Height:

Maximum of 2'-0".

Location Height:

Signs shall be located below the second floor window sill line.

Lighting:

Signs shall be internally lit, exposed neon channel letters, halo lit, unlit or indirectly lit.

Color:

Custom colors are permitted.

UPPER FLOOR TENANT WALL SIGNS

Quantity:

Maximum of two (2) signs per building frontage.

Sign Area:

Maximum of 50 SF.

Letter/Logo Height:

Maximum of 2'-0".

Location Height:

Signs shall be located above the second floor level but below the top of the parapet or building wall.

Lighting:

Non illuminated or halo illuminated.

Color:

Custom colors are permitted with landlord approval.

B. PRIMARY PROJECTING SIGNS

Sign Area:

Maximum of 30 SF per side.

Location Height:

Maximum of 20'-0" from sidewalk to top of sign. Top of sign may not project above the building roof or parapet nor encroach on upper floor windows in areas with residential occupants on upper floors.

C. SECONDARY PROJECTING / SUSPENDED SIGNS

See corresponding Sign Types category for signage criteria.

D. BUILDING DIRECTORIES

See corresponding Sign Types category for signage criteria.

E. AWNING / CANOPY SIGNAGE

See corresponding Sign Types category for signage criteria.

F. WINDOW GRAPHICS

See corresponding Sign Types category for signage criteria.

G. MENU DISPLAYS

See corresponding Sign Types category for signage criteria.

H. DETACHED SIGNS

Not permitted.

I. SPECIAL SIGNAGE

See corresponding Sign Types category for signage criteria.

2. BUSINESS CENTER ZONE

The Business Center Zone consists of first floor retail or office spaces with office uses on the upper floors. All signage in the Business Center Zone shall be designed to enhance the business character of the surrounding buildings, streetscape and landscaped areas.

A. WALL SIGNS

FIRST FLOOR TENANT WALL SIGNS

Quantity:

One (1) wall sign per occupant building frontage with a maximum of three (3) signs.

Sign Area:

Maximum of 2 SF per lineal frontage of the facade upon which the sign located, not to exceed 45 SF.

Letter/Logo Height:

Maximum of 2'-0".

Location Height:

Signs shall be located below the second floor window sill line.

Lighting:

Signs shall be internally lit, exposed neon channel letters, halo lit, unlit or indirectly lit.

Color:

Custom colors are permitted.

UPPER FLOOR TENANT WALL SIGNS

Quantity:

Maximum of three (3) signs of different logo/name may appear on a single building face provided there are architectural building features which separate the signs. A minimum of 50 feet clear space must be maintained between any two different logo/name signs.

Sign Area:

Maximum of 120 SF. The length of the sign shall not exceed 25% percent of the length of linear building face on which the sign is affixed.

Letter/Logo Height:

Maximum of 3'-0".

Location Height:

Signs shall be located above the second floor level but below the top of the parapet or building wall.

Lighting:

Non illuminated or halo illuminated.

Color:

Custom colors are permitted with landlord approval.

B. PRIMARY PROJECTING SIGNS

Sign Area:

Maximum of 16 SF per side.

Location Height:

Maximum of 15'-0" from sidewalk to top of sign. Top of sign may not project above the building roof or parapet nor encroach on upper floor windows.

C. SECONDARY PROJECTING / SUSPENDED SIGNS

See corresponding Sign Types category for signage criteria.

D. BUILDING DIRECTORIES

See corresponding Sign Types category for signage criteria.

E. AWNING / CANOPY SIGNAGE

See corresponding Sign Types category for signage criteria.

F. WINDOW GRAPHICS

See corresponding Sign Types category for signage criteria.

G. MENU DISPLAYS

See corresponding Sign Types category for signage criteria.

H. DETACHED SIGNS

Not permitted.

I. SPECIAL SIGNAGE

Not permitted.

3. CORPORATE CENTER ZONE

The Corporate Center Zone consists of first floor retail or office spaces with office uses on the upper floors. All signage in the Corporate Center Zone shall be designed to enhance the corporate center character of the surrounding buildings, streetscape and landscaped areas.

A. WALL SIGNS

FIRST FLOOR TENANT WALL SIGNS

Quantity:

One (1) wall sign per occupant building frontage with a maximum of three (3) signs.

Sign Area:

Maximum of 2 SF per lineal frontage of the facade upon which the sign located, not to exceed 45 SF.

Letter/Logo Height:

Maximum of 2'-0".

Location Height:

Signs shall be located below the second floor window sill line.

Lighting:

Signs shall be internally lit, exposed neon channel letters, halo lit, unlit or indirectly lit.

Color:

Custom colors are permitted with landlord approval.

UPPER FLOOR TENANT WALL SIGNS

Quantity:

Maximum of three (3) signs of different logo/names may appear on a single building face provided there are architectural building features which separate the signs. A minimum of 50 feet clear space must be maintained between any two different logo/name signs.

Sign Area:

Maximum of 150 SF.

Letter/Logo Height:

Maximum of 5'-0".

Location Height:

Signs shall be located above the second floor level but below the top of the parapet or building wall.

Lighting:

Non illuminated or halo illuminated.

Color:

Custom colors are permitted with landlord approval.

B. PRIMARY PROJECTING SIGNS

Sign Area:

Maximum of 16 SF per side.

Location Height:

Maximum of 15'-0" from sidewalk to top of sign. Top of sign may not project above the building roof or parapet nor encroach on upper floor windows.

C. SECONDARY PROJECTING / SUSPENDED SIGNS

See corresponding Sign Types category for signage criteria.

D. BUILDING DIRECTORIES

See corresponding Sign Types category for signage criteria.

E. AWNING / CANOPY SIGNAGE

See corresponding Sign Types category for signage criteria.

F. WINDOW GRAPHICS

See corresponding Sign Types category for signage criteria.

G. MENU DISPLAYS

See corresponding Sign Types category for signage criteria.

H. DETACHED SIGNS

Not permitted.

I. SPECIAL SIGNAGE

Not permitted.

4. COMMERCIAL CENTER ZONE

This section provides for signage and graphics for retail merchants, hospitality and recreation uses. Creative and well-constructed signage is essential to the success of businesses at Commerce Station. Signage must be in scale with the individual buildings, allowing for adequate amounts of visual open space on the building facades.

A. WALL SIGNS

ALL TENANTS

Lighting:

Signs may be internally lit, exposed neon channel letters, halo lit, unlit or indirectly lit.

Color:

Custom colors are permitted.

ANCHOR RETAIL TENANTS

(75,000 SF OR MORE OF LEASE SPACE)

Quantity:

Primary Signs: One (1) per tenant building frontage with a maximum of two (2) signs permitted for tenants with freeway frontage.

Secondary Signs: Two (2) per tenant building frontage with a maximum of four (4) signs permitted for tenants with freeway frontage.

Sign Area (aggregate):

Maximum of 3 SF per linear foot of tenant building frontage, not to exceed 350 SF per frontage. Primary and secondary signs shall be included in the total aggregate sign area for that individual frontage.

Letter/Logo Height:

Primary Sign: 6'-0" maximum letter height.

Logo mark to be appropriately scaled for building frontage.

Secondary Sign: 3'-0" maximum letter height.

MAJOR TENANTS

(10,000 - 74,999 SF OF LEASE SPACE)

Quantity:

Primary Signs: One (1) per tenant building frontage with a maximum of two (2) signs permitted for tenants with freeway frontage.

Secondary Signs: Two (2) per tenant building frontage with a maximum of four (4) signs permitted for tenants with freeway frontage.

Sign Area (aggregate):

Maximum of 3 SF per linear foot of tenant building frontage, not to exceed 200 SF per tenant frontage. Primary and secondary signs shall be included in the total aggregate sign area for that individual frontage.

Letter/Logo Height:

Primary Sign: 4'-0" maximum letter height.

Logo mark to be appropriately scaled for building frontage.

Secondary Sign: 2'-0" maximum letter height.

MINOR TENANTS

(UP TO 9,999 SF OF LEASE SPACE)

Quantity:

Primary Signs: One (1) per tenant building frontage with a maximum of two (2) signs permitted for occupants located on corners.

Secondary Signs: One (1) sign on entry side of building.

Sign Area (aggregate):

Maximum of 1.5 SF per front foot of building occupancy. Primary and secondary signs shall be included in the total aggregate sign area for that individual frontage.

Letter/Logo Height:

Primary Sign: 2'-6" maximum letter height..

Logo mark to be appropriately scaled for building frontage.

Secondary Sign: 1'-0" maximum letter height.

PAD BUILDING - SINGLE TENANT

(2,500 SF OR MORE OF LEASE SPACE)

Quantity:

Maximum of three (3) primary wall signs, one per building frontage. Secondary signs are not permitted.

Sign Area (aggregate):

Maximum of 2 SF per front foot of building occupancy, not to exceed 250 SF per tenant frontage.

Letter/Logo Height:

Primary Sign: 3'-0" maximum letter height.

Logo mark to be appropriately scaled for building frontage.

PAD BUILDING - MULTIPLE TENANTS

(2,500 SF OR MORE OF LEASE SPACE)

Quantity:

Maximum of two (2) primary wall signs per tenant, one (1) per building elevation. Secondary signs are not permitted.

Sign Area (aggregate):

Maximum of 1.25 SF per front foot of building occupancy.

Letter/Logo Height:

Primary Sign: 2'-9" maximum letter height.

Logo mark to be appropriately scaled for building frontage.

HOSPITALITY / RECREATION TENANTS

Quantity:

Maximum of one (1) primary wall sign per building frontage with a maximum of three (3) primary signs. Secondary signs are not permitted. Lit signs shall not face residential uses.

Sign Area (aggregate):

Maximum of 3 SF per front foot of building occupancy, not to exceed 200 SF per occupant frontage.

Letter/Logo Height:

Primary Sign: 5'-0" maximum letter height.
Logo mark to be appropriately scaled for building frontage.

B. PRIMARY PROJECTING SIGNS

Sign Area:

Maximum of 150 SF per side.

Location Height:

Top of sign may not project above the building roof or parapet nor encroach on upper floor windows.

C. SECONDARY PROJECTING / SUSPENDED SIGNS

See corresponding Sign Types category for signage criteria.

D. BUILDING DIRECTORIES

See corresponding Sign Types category for signage criteria.

E. AWNING / CANOPY SIGNAGE

See corresponding Sign Types category for signage criteria.

F. WINDOW GRAPHICS

See corresponding Sign Types category for signage criteria.

G. MENU DISPLAYS

See corresponding Sign Types category for signage criteria.

H. DETACHED SIGNS

Not permitted.

I. SPECIAL SIGNAGE

Not permitted.

7.4 General Design Requirements

- All signage, permanent or temporary, must comply with applicable building codes and have the required City of Sacramento building permits prior to installation.
- The content of exterior signage shall be limited to tenant's trade name and/or logo. In no case shall the wording of sign describe the products sold, prices, advertising slogans, except as part of the occupant's trade name or logo.
- All electrical signs shall bear the UL label and their installation must comply with all local building and electrical codes.
- No exposed conduit or raceways will be permitted.
- All conductors, transformers, and other related equipment shall be concealed.
- All sign fastenings, bolts, and clips shall be non-corrosive; galvanized iron, stainless steel, aluminum, brass, or bronze.
- Location of all openings for conduit and sleeves in sign panels of building shall be indicated on drawings.
- No sign maker's labels or other identification will be permitted on the exposed surface of signs, except those required by ordinance, which shall be located in an inconspicuous location.

7.5 Definition of Terms

The following words and phrases when used in these guidelines shall be construed as defined in this section:

Animated Sign:

Any sign which is designed and constructed to give a message through a sequence of progressive changes of parts or lights or degree of lighting.

Architectural Feature:

Any part of a building elevation that is visually defined from the rest of the building by a change in vertical plane, color or material.

Architectural Projection:

A marquee, porch, canopy or other similar architectural projection.

Attached Sign:

Any sign which is fastened, attached, connected or supported in whole or in part by a building, or structure other than a sign structure which is supported wholly by the ground.

Banner:

Any fabric decorative or signage element projecting from a pole or wall by means of supporting arms.

Detached Sign:

Any sign not supported in whole or in part by a building, or structure other than by a sign structure which is supported wholly by the ground.

Directional Sign:

Any sign which serves solely to designate the location or direction of any place or area.

Directly Illuminated Sign:

Any sign designed to provide artificial light directly or through transparent or translucent material from a source of light within or on such sign, including, but not limited to, neon and incandescent lamp signs.

Flashing Sign:

An illuminated sign which exhibits changing light or color effect by blinking or any other such means so as to provide a non constant illumination.

Freeway:

The section of Interstate 5 that abuts the project. The term includes the main traveled portion of the traffic way, all land situated within the right-of-way, and all ramps and appurtenant land and structures.

Front Footage of Building Occupancy:

A single lineal dimension measured horizontally along an exterior wall of a building which defines the limits of a particular occupancy at that location.

Halo Lighting:

Method of illuminating letters, numbers or shapes where the face and sides of the shape is opaque and the back is clear or open, The shape is spaced off the wall or sign face so that light emits from the back of the shape and illuminates the wall or sign face creating a halo effect.

Identification Sign:

A sign which serves to tell only the name, address, and lawful use of the premises upon which it is located.

Indirectly Illuminated Sign:

A sign whose illumination is derived entirely from an external artificial source which is arranged so that no direct rays of light are projected from such artificial source into residences or streets.

Letter/Logo Height:

The vertical distance measured from the bottom most point of an individual letter or logo that is mounted directly to a wall or other building surface, to the highest point of the letter or logo. The letter with the greatest height in a name or group of words shall be used for measuring purposes.

Location Height:

The vertical distance measured from the adjacent street grade or upper surface of the nearest curb of a street other than an elevated roadway, whichever permits the greatest height, to the highest point of such sign.

Monument Sign:

A sign which is erected with its base on the ground or on a support substantially equivalent in width and depth to the base of the sign; which incorporates into its design the design and building materials of the building and structures on the same premises that the sign serves, and which does not exceed twelve feet in height.

Moving Sign:

Any sign or device which has any visible moving part, visible revolving part, or visible mechanical movement of any description, or other apparent visible movement achieved by electrical, electronic, or kinetic means, including intermittent electrical pulsations, or by actions of wind currents.

Multiple Family Structure:

Any residential structure containing three or more living units.

Name Plate:

A sign which designates the name and address of a person or persons occupying the premises upon which it is located.

Occupant Building Frontage:

Any exterior wall of a tenant or building occupant's space beginning at a building corner or demising wall, and continuing to the next corner or demising wall.

Occupancy:

A separate use of property carried on at all or a portion of a building parcel.

Offsite Sign:

Any sign not located on the premises of the business or entity indicated or advertised by such sign. This definition shall include billboards, poster panels, painted bulletins and other similar advertising displays.

Onsite Sign:

A sign directing attention to a business, commodity, service, or entertainment conducted, sold, or offered upon the same premises as those upon which the sign is maintained.

Panel Height:

The vertical distance measured from the bottom most point of a sign panel, not including bracket or support members, to the highest point of the sign panel.

Parcel:

A parcel of land shown on a subdivision map, record of survey map, parcel map, or a parcel described by metes and bounds which constitutes one development site whether composed of a single unit of land or contiguous units under common ownership.

Portable Sign:

Any sign not permanently affixed to the ground or a structure on the premises it is intended to occupy.

Projecting Sign:

Any sign which is located, in whole or in part, in or over the right-of-way of any street, sidewalk, or alley, or other public thoroughfare. A projecting sign shall also include any sign affixed to or part of a marquee, canopy, or vestibule where such sign is located in or over the street right-of-way.

Roof Sign:

Any sign or portion thereof located on, or extending over the roof of a building and either supported by the roof or by an independent structural frame. A sign which is attached flat against the wall of a penthouse or other similar roof structure which is part of the enclosed floor area of the building shall not be considered a roof sign.

Rotating Sign:

Any sign or portion thereof which physically revolves about an axis.

Setback Area:

The open space area defined in the City of Sacramento's zoning ordinance, to the extent this ordinance is consistent with the Schumacher Development Agreement (City Agreement #99-162).

Sign:

Includes every advertising message, announcement, declaration, demonstration, display, illustration, insignia, surface or space erected or maintained in view of the observer thereof for identification, advertisement or promotion of the interests of any person, entity, product, or service.

Sign Area:

The entire area within a single continuous perimeter composed of a rectangular shape which enclose the extreme limits of the advertising message, announcement, declaration, demonstration, display, illustration, insignia, surface or space of a similar nature, together with any frame or other material, color, or condition which forms an integral part of the display and is used to differentiate such sign from the wall or background against which it is placed; excluding the necessary supports or uprights on which such sign is placed. Where a sign has two or more faces, the area of all faces shall be included in determining the area of the sign, except that only one face of a double-faced sign shall be considered in determining the sign area, provided both faces are parallel and the distance between faces does not exceed two feet.

Further, where a sign consists only of individual letters, numerals, symbols, or other similar components and is painted on or attached flat against the wall of a building, and where such individual components are without integrated background definition and are not within a circumscribed frame area, the total area of the sign shall be the area enclosed by a polygon of no more than eight (8) sides created by square or rectangle shapes surrounding the lettering or symbols.

Street Frontage:

The length of a lot or parcel of land along or fronting on a street or other principal thoroughfare but not including such length along an alley, watercourse, railroad right-of-way or limited access roadway or freeway.

Non-illuminated Sign:

A sign not illuminated either directly or indirectly.

Wind Sign:

Any sign or portion thereof or series of signs, banners, flags or other objects designed and fastened in such a manner as to move upon being subjected to pressure by wind or breeze.

Appendix - Exhibit A

**Schumacher Development Agreement
(City Agreement #99-162)**

ORDINANCE NO. 99-050

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF SEP 28 1999

AN ORDINANCE RELATING TO THE APPROVAL OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND KERN W. SCHUMACHER, ET AL., FOR PROPERTIES LOCATED IN NORTH NATOMAS, EAST OF I-5/HWY 99, BETWEEN DEL PASO ROAD AND ELKHORN BOULEVARD; SACRAMENTO, CA

(P98-041) (APNs: 201-0300-016 to 018, 026 to 029, 061; 225-0030-026 to 031; 225-0040-017, 029 to 032, and portions of 014, 034, 035)

BE IT ENACTED BY THE CITY 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 Kern W. Schumacher, et al., a copy of which is attached hereto.

SECTION 2.

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

PASSED FOR PUBLICATION: September 21, 1999

PASSED: September 28, 1999

EFFECTIVE: October 28, 1999

James R. Yee MAYOR

ATTEST:
Valerie A. Burrows
CITY CLERK

P98-041

FOR CITY CLERK USE ONLY

ORDINANCE NO.: 99-050
DATE ADOPTED: SEP 28 1999

*Recording Benefits the City of Sacramento,
a Government Entity - No Fee Required.*

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City Clerk
City of Sacramento
915 I Street
Sacramento, CA 95814

**NORTH NATOMAS
DEVELOPMENT AGREEMENT**

North Natomas Development Agreement
nda_13.rev (rev. 15 Sep 99)

FOR CITY CLERK USE ONLY

CITY AGREEMENT NO. 99-162

ORDINANCE NO. 99-050

DATE ADOPTED: SEP 28 1999

**NORTH NATOMAS
DEVELOPMENT AGREEMENT**

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FOR CITY CLERK USE ONLY		99-050
99-162	ORDINANCE NO. _____	SEP 28 1999
CITY AGREEMENT NO. _____	DATE ADOPTED: _____	

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SACRAMENTO
AND**

KERN W. SCHUMACHER, ET AL.

This Development Agreement (hereinafter "Agreement") is made and entered into this 28th day of Sept., 1999, by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"), and KERN W. SCHUMACHER (as to Parcel 1 of the Property); and KERN W. SCHUMACHER; MORRIS H. KULMER and CLAIRE NIELSEN, as trustees of the Kern W. Schumacher Trust for Brooke A. Schumacher dated July 2, 1979; MORRIS H. KULMER and CLAIRE NIELSEN, as trustees of the Kern W. Schumacher Trust for Hollye F. Schumacher dated July 2, 1979; MORRIS H. KULMER and CLAIRE NIELSEN, as trustees of the Kern W. Schumacher Trust for Troy W. Schumacher dated July 2, 1979; MORRIS H. KULMER and CLAIRE NIELSEN, as trustees of the Kern W. Schumacher Trust for Todd M. Schumacher dated July 2, 1979; TROY W. SCHUMACHER; CLAIRE NIELSEN, as custodian for Brooke A. Schumacher under the California Uniform Transfers to Minors Act; and CLAIRE NIELSEN, as custodian for Hollye F. Schumacher under the California Uniform Transfers to Minors Act (as to Parcel 2 of the Property) (collectively hereinafter the "LANDOWNER").

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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 Sections 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 the Assessor Parcels Nos. 201-0300-016, 201-0300-017, 201-0300-018, 201-0300-026, 201-0300-027, 201-0300-028, 201-0300-029, 201-0300-061, 225-0030-026, 225-0030-027, 225-0030-028, 225-0030-029, 225-0030-030, 225-0030-031, 225-0040-017, 225-0040-029, 225-0040-030, 225-0040-032, 225-0040-014, 225-0040-034, and 2251-0040-035. 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.

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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 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,

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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 Sections 65864, et seq.

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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.

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.

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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.

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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 Sections 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

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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.

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.

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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 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.

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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 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.

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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 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).

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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 [n/a] (the Lender), have executed and are bound by this Agreement.

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 subparagraph, 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 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

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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

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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.

(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.

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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 E.(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.

(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

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or to govern the sequence of development of land within the NNCP area, shall apply to the Property. The provisions of this subparagraph apply to modifications adopted or imposed by the City Council, or through the initiative or referendum process; provided, however, nothing in this subparagraph shall limit the ability of CITY to act in accordance with the provisions of subparagraphs 5.E.(4), (5) and (6) of this Agreement.

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

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subparagraph. 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 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.

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such district on the Property or any portion thereof; or (ii) to protest the nature and amount of any tax, fee, assessment or charge imposed pursuant to this subparagraph.

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.

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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 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

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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 subparagraph 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

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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 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: (i) is complete and is accompanied by payment of CITY fees applicable on the date of filing of the application; (ii) 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; (iii) 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; (v) 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 (vi) 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,

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

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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 subparagraph 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, 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

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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:

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(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 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.

(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

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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 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

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that such judgment determines that the validity of this Agreement is, directly or indirectly affected by the New Law, the provisions of subparagraphs (1) and (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

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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 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

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