



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 2/22/2011

Report Type: Consent

Title: Sale of City-owned Property to Chrysler

Report ID: 2011-00101

Location: Business 80 at Fulton Avenue (District 2)

Recommendation: Adopt a City Resolution 1) authorizing the negotiated sale of 5.119± acres of vacant land located at 3701 Fulton Avenue to Chrysler Group Realty Company, LLC ("CRC"); 2) authorizing the City Manager to execute the "Agreement for Sale of Real Property" between the City of Sacramento and CRC ; 3) authorizing the City Manager to execute such additional necessary documents and to take such additional necessary actions to implement the Agreement; and 4) authorizing reimbursement from sale proceeds to appropriate City Departments, for costs related to processing the sale.

Contact: Diana Sasser, Project Manager, (916) 808-5519, Department of Economic Development

Presenter: None

Department: Economic Development Division / Marianne Wetzel, Supervisor, Real Estate Services, 808-6270; Janelle Gray, Treasury Manager, 808-8296

Division: Citywide Development

Dept ID:

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Chrysler Sales Agreement

City Attorney Review

Approved as to Form
Joseph Cerullo
2/17/2011 10:00:14 AM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Janelle Gray
1/27/2011 5:05:35 PM

Approvals/Acknowledgements

Department Director or Designee: Jim Rinehart - 2/16/2011 3:17:51 PM

Assistant City Manager: Cassandra Jennings - 2/16/2011 5:40:11 PM

Eileen Teichert, City Attorney

Shirley Concolino, City Clerk
Gus Vina, Interim City Manager

Russell Fehr, City Treasurer

Description/Analysis

Issue: Subject to City Council approval, a negotiated Agreement for Purchase and Sale of Real Property (“Agreement”) allows CRC to acquire approximately 5.119± acres of real City property, in fee, located at 3701Fulton Avenue. In addition, CRC will require various easements on the property as described in Sections 5(d)(4) and 5(d)(5) of the Agreement. The acquisition purchase price is \$2,336,224.00. An independent fee appraisal was conducted and the purchase price is above the appraised market-value.

The subject property is a component of a \$6.975 million bridge loan provided by the City through the 2006 Community Reinvestment Capital Improvement Program (2006 CRCIP). The estimated fair-share allocation of the bond proceeds associated with the subject property is \$1.93 million. To mitigate the loss of repayment on the allocated share of the bridge loan, it will be necessary to call a portion of the 2006 CRCIP Series B bonds.

In addition, the subject property was pledged as a lease instrument as part of the 2001 Capital Improvement Revenue Bonds Master Lease Program (“Master Lease”). In order to clear title and complete the sale, the subject property must be removed from the Master Lease. Staff anticipates returning to Council for approval of any necessary legal documents associated with amendment of the Master Lease.

Policy Considerations: This project is consistent with direction given by Council to find a compatible and productive use for the subject property.

Environmental Considerations: California Environmental Quality Act (CEQA): On June 16, 2007, the City Council certified an Environmental Impact Report (EIR) for the Fulton Avenue Development Project, which envisioned an auto dealership on the subject site.

Approving the sale of this property will not, by itself, cause a significant change in the environment. While it does provide for construction of a commercial enterprise on the second parcel, construction cannot occur without subsequent City approval and Planned Unit Development (PUD) revisions, which would be preceded by CEQA review.

Sustainability: This report does not address any sustainability issues.

Commission/Committee Action: None

Rationale for Recommendation: Approval of the Agreement allows CRC to acquire the property for eventual development as an auto dealership. As a sales tax generator, a potential auto dealership at this site would be a valuable addition to the City’s economy.

Financial Considerations: Pursuant to the Agreement, CRC is to compensate the City the amount of \$2,336,224.00 as the full purchase price for the property conveyed by the City. Aside from the administrative costs to process the sale, the City will not incur any additional costs for this transaction. The Department of General Services, Real Estate Services Section is requesting reimbursement of administrative costs related to processing the sale, estimated at \$31,000, from sale proceeds. In addition, the Office of the City Treasurer is also requesting

reimbursement from sale proceeds for additional costs incurred to modify previous bond documents, estimated to be no more than \$16,000.

In determining the debt implications associated with the proposed CRC land purchase, and based on recent U.S. Treasury Rates, the Office of the City Treasurer estimates that the proceeds from this sale will allow the City to call approximately 95% of the pro-rata share of bonds related to the acreage CRC intends to purchase. The City will absorb a portion of debt service from a subsequent land sale; however, calling the bonds will ultimately provide the City with debt service relief. Further, the anticipated economic impact of a new dealership should mitigate the cost of the inherited debt service. After administrative costs, and utilizing treasury rates from January 19, 2011, proceeds from the land sale would allow the city to call \$1.9 Million in Taxable 2006 Capital Improvement Revenue Bonds, which were allocated via a bridge loan towards improvements to the land CRC intends to purchase. The subsequent land sale and call of bonds should provide the city with an estimated debt service relief of \$3.088 Million between June 1, 2011 and December 1, 2036.

Emerging Small Business Development (ESBD): There are no emerging small business development impacts for this report.



RESOLUTION NO.
Adopted by the Sacramento City Council

**APPROVING AND AUTHORIZING THE NEGOTIATED SALE OF 5.119± ACRES OF
VACANT CITY PROPERTY LOCATED AT 3701 FULTON AVENUE TO CHRYSLER
GROUP REALTY COMPANY, LLC**

BACKGROUND

- A. The City owns the property at 3701 Fulton Avenue, the site of the Fulton Avenue Development Project.
- B. The City had leased the site, comprising about 21 acres of Del Paso Park, to the Sacramento Trapshooting Club since approximately 1915. The lease expired on September 30, 2004, but the Trapshooting Club continued to operate on the site under a month-to-month agreement until June 30, 2006.
- C. In 2002, the City Council directed staff to examine potential alternatives for the “highest and best” uses for the site.
- D. In March 2004, Colliers International presented the City with an opportunity to lease the site to Mel Rapton, Inc., which does business as Mel Rapton Honda.
- E. An Exclusive Right to Negotiate (ERN) was executed on June 1, 2004, between the City and Mel Rapton, Inc. The ERN granted Mel Rapton, Inc. the exclusive right to negotiate with the City for lease of the site. It was renewed twice and expired on August 31, 2007.
- F. On April 18, 2006, the City Council allocated \$6.4 million of Community Reinvestment Capital Improvement Program (CRCIP) funding for remediation of the site.
- G. On June 5, 2007, the City Council approved a Ground Lease for the 21-acre site between the City and an affiliate of Mel Rapton, Inc., Rapton Investment Group, LLC. (Resolution 2007-341). The Ground Lease authorized Mel Rapton, Inc. to develop the site with two auto dealerships.
- H. The City Council certified an environmental impact report (EIR) for the Fulton Avenue Development Project on June 16, 2007 (Resolution 2007-029) and amended the zoning of the site to C-4 PUD (Ordinance 2007-004).
- I. Mel Rapton, Inc. subsequently developed the north half of the site as the new location of Mel Rapton Honda. Because of a decline in the domestic automobile market, Rapton Honda was unable to secure a second dealership on the south half of the site, which totals ±8.50 acres and remains vacant.

- J. In early 2010, Chrysler Group Realty Company, LLC (Chrysler) approached the City about purchasing a portion of the vacant south half of the site, which Chrysler desires to develop as an auto dealership.
- K. An ERN was executed on September 21, 2010, between the City and Chrysler, granting Chrysler the exclusive right to negotiate with the City for the purchase of ±5.119 acres in the vacant south half of the site. The ERN was subsequently extended.
- L. On October 19, 2010, the City Council approved an amendment to the Ground Lease, by which Raption Investment Group relinquished its leasehold on the vacant ±8.5 acres.
- M. The City and Chrysler have successfully completed their negotiations under the ERN. Chrysler desires to purchase ±5.119 acres of the vacant ±8.5 acres, and the City desires to sell the ±5.119 acres to Chrysler.

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

- Section 1.** The facts set forth in the Background are correct.
- Section 2.** In accordance with section 3.88.090 of the Sacramento City Code, the City Council hereby finds that the sale of the above-described ±5.152 acres without first calling for bids is in the best interest of the City.
- Section 3.** The City Manager or the City Manager's designee is hereby authorized to sign, on the City's behalf, an Agreement for Sale of Real Property with Chrysler Group Realty Company, LLC in the form attached to this resolution as **Exhibit A**. Under this agreement, Chrysler Group Realty Company, LLC will pay the City **\$2,336,224** for ±5.119 acres located at 3701 Fulton Avenue.
- Section 4.** The City Manager or the City Manager's designee is hereby authorized to execute such additional necessary documents and to take such necessary additional actions to implement the Agreement for Sale of Real Property.
- Section 5.** The Department of General Services, Facilities & Real Property Management Division, Real Estate Services Section, shall be reimbursed from sale proceeds for administrative costs to process the sale in an amount not to exceed \$31,000.
- Section 6.** The Office of the City Treasurer shall be reimbursed from sale proceeds for additional costs incurred to modify previous bond documents in an amount not to exceed \$16,000.
- Section 7.** The Office of the City Treasurer, shall use the remaining sale proceeds to call approximately 95% of the pro-rata share of CRCIP bonds related to

the ±5.119 acres, thereby providing the City with future debt-service relief.

Section 7. The City Manager or the City Manager's designee is authorized to adjust the necessary revenue and expenditure budgets to reflect the sale of the ±5.119 acres and the call of bonds.

Table of Contents:

Exhibit A – Purchase and Sale Agreement with Chrysler Group Realty Company, LLC



File No.: SAL-10-08-00
Project: Chrysler Sale 3701 Fulton Ave (portion of)
APNs: 254-0310-001 & -002 (portion of)
Escrow No.: 10-5010307-PA
Title Company: Fidelity National Title Company
Date of Title Insurance Commitment: November 4, 2010

AGREEMENT FOR SALE OF REAL PROPERTY

This *Agreement for Sale of Real Property*, dated February 22, 2011, for purposes of identification, is between **Chrysler Group Realty Company LLC**, a Delaware limited-liability company (“Chrysler”); and the **City of Sacramento**, a California municipal corporation (the “City”).

Background

- A. The City owns in fee simple the ±5.119-acre parcel described and depicted in **Exhibit A** (the “Property”). Until 2004, the Property was part of the ±21-acre parcel depicted in **Exhibit B** (the “21-Acre Parcel”), which the City had leased to the Sacramento Trapshooting Club for nearly 80 years. The club used the 21-Acre Parcel as a shooting range.
- B. After the club’s lease expired, the City remediated the 21-Acre Parcel (to remove lead, arsenic, and polynuclear aromatic hydrocarbons) in accordance with California law and subject to supervision by the County of Sacramento Environmental Management Department. The approved remediation actions—set out in a Final Response Plan dated February 21, 2007, and a Final Implementation Plan dated March 14, 2007 (collectively, the “Remediation Plan”)—required the City to excavate the contaminated soil from the 21-Acre Parcel; to consolidate the excavated soil on the eastern side of the 21-Acre Parcel; and to cap the consolidated soil with a fabric membrane, twenty inches of clean soil, four inches of aggregate base, and four inches of asphalt concrete.
- C. When the remediation actions described in Paragraph B were completed in accordance with the Remediation Plan, the City and the County of Sacramento Environmental Management Department entered into two agreements: a *Maintenance Agreement* for the cap (City Agreement No. 2008-1001), which was recorded with the Sacramento County Clerk/Recorder in Book 20081218 at page 0870; and a *Covenant to Restrict Use of Property – Environmental Restriction* (City Agreement No. 2008-1002), which was recorded with the Sacramento County Clerk/Recorder in Book 20081218 at page 0871.
- D. Concurrently with the remediation actions described in Paragraph B, the City developed the 21-Acre Parcel for commercial use, taking the following steps: the City (1) certified an environmental-impact report that studied the effects of remediating and developing the 21-Acre Parcel; (2) reconfigured the 21-Acre Parcel into two legal parcels as depicted in **Exhibit B**, with one parcel north of the centerline of Raption Lane and one south of the centerline; (3) changed the zoning designation of the 21-Acre Parcel to C-4 (Heavy Commercial Zone);

and (4) approved a planned-unit development that allows the sale of new and used automobiles on the 21-Acre Parcel.

- E. In June 2007, the City leased the 21-Acre parcel to Rapton Investment Group LLC (“Rapton”), which constructed a Honda dealership on the northern half of the 21-Acre Parcel (City Agreement No. 2007-0555). Rapton originally intended to sublease the southern half of the 21-Acre Parcel, but in October 2010 it elected instead to relinquish its leasehold on the southern half, which includes the Property.
- F. Chrysler desires to acquire the Property from the City for the following purposes: (1) to construct and operate an automobile dealership; and (2) to conduct ancillary uses such as retail selling of automobile-related merchandise (other than fuel) and maintaining, repairing, and painting automobiles. To that end, the City and Chrysler entered into an *Exclusive Right to Negotiate* dated September 7, 2010 (City Agreement No. 2010-0872) (the “ERN”).
- G. In accordance with the ERN, Chrysler entered the Property and conducted the test borings, surveys, studies, and environmental site assessments that Chrysler determined to be appropriate. Based on those borings, surveys, studies, and assessments, as well as on its other investigations, Chrysler has determined that the physical and environmental condition of, legal entitlements for, and zoning designation of the Property are acceptable; that utilities of adequate capacity to serve Chrysler’s needs are available to the Property; that the Property will satisfy Chrysler’s financial and competitive objectives in the trade area; and that, in general, the Property is feasible for Chrysler’s proposed dealership, economically and otherwise.
- H. Chrysler’s Investment Committee has reviewed and approved Chrysler’s proposed acquisition of the Property on the terms set forth below. The City is willing to sell the Property to Chrysler on those terms.

With these background facts in mind, the City and Chrysler hereby agree as follows:

- 1. **Definitions.** This section defines the terms “Business Day,” “Chrysler Easements,” “Effective Date,” “include,” “Intended Use,” and “Property.” Other terms are defined elsewhere in this agreement where they first appear.
 - (a) “Business Day” means any day the City’s offices located at 915 I Street, Sacramento, California, are open to the public.
 - (b) “Chrysler Easements” means the easements described in Section 5(d)(4).
 - (c) “Effective Date” means the date as of which both the City and Chrysler have signed this agreement, as indicated by the dates in the signature blocks below (not including the signature block for the City Clerk).
 - (d) “Include” and its variants are not restrictive. For example, “includes” means “includes but not limited to,” and “including” means “including but not limited to.”

(e) “Intended Use” means (1) constructing and operating an automobile dealership on the Property; and (2) conducting ancillary uses on the Property such as retail selling of automobile-related merchandise (other than fuel) and maintaining, repairing, and painting automobiles.

(f) “Property” means the ±5.119-acre parcel described and depicted in **Exhibit A**.

2. Conveyance of Fee Title and Granting of Chrysler Easements. In accordance with the terms set forth below, the City shall—

(a) convey fee-simple title to the Property to Chrysler; and

(b) grant the Chrysler Easements to Chrysler.

3. Escrow. To consummate this transaction, the parties have opened escrow number 10-5010307-PA with Fidelity National Title Company, 8950 Cal Center Drive, Building 3, Suite 100, Sacramento, California (“Escrow Holder”).

4. Purchase Price. The total purchase price for the City’s conveyance of fee-simple title to the Property and granting of the Chrysler Easements is **\$2,336,224.00** (the “Purchase Price”). Chrysler shall pay the Purchase Price to the City as follows:

(a) Within ten Business Days after the Effective Date, Chrysler shall deliver to Escrow Holder, by certified check or cashier’s check drawn to the order of Escrow Holder, an earnest-money cash deposit of \$25,000 (the “Deposit”). Any interest that accrues on the Deposit will become part of the Deposit.

(b) Chrysler shall deposit the balance of the Purchase Price with Escrow Holder, in cash or by certified check or cashier’s check drawn to the order of Escrow Holder, in accordance with Section 5(b)(1).

(c) Chrysler shall pay the full Purchase Price to the City through escrow on the Closing Date set forth in Section 5(c).

5. Closing. Within five Business Days after the Effective Date, the parties shall deposit a copy of this agreement with Escrow Holder. Escrow Holder shall use Sections 2, 3, 4, 5, and 13 of this agreement as escrow instructions, together with any additional escrow instructions the City and Chrysler jointly issue to Escrow Holder.

(a) *The City’s Deliveries through Escrow.*

(1) At least one Business Day before the Closing Date, the City shall sign and deliver to Escrow Holder a grant deed that conveys to Chrysler fee-simple title to the Property free of all liens, charges, encroachments, encumbrances, restrictions, easements, tenancies, and other title defects except the following: (A) easements or rights-of-way for public roads, public utilities, and private utilities; and (B) the title exceptions described in **Schedule 5(a)(1)(B)**.

- (2) At least one Business Day before the Closing Date, the City shall sign and deliver to Escrow Holder the documents described in Sections 5(d)(3), 5(d)(4), and 5(d)(6).
- (3) At least one Business Day before the Closing Date, the City shall deposit the following with Escrow Holder: one half of the fees Escrow Holder charges for escrow services in connection with this transaction.
- (4) As required, the City shall deliver to Escrow Holder any additional documents and items that Escrow Holder reasonably needs to close escrow.

(b) *Chrysler's Deliveries through Escrow.*

- (1) At least one Business Day before the Closing Date, Chrysler shall deposit the balance of the Purchase Price with Escrow Holder.
- (2) At least one Business Day before the Closing Date, Chrysler shall deposit the following with Escrow Holder (collectively, the "Incidental Expenses"): one half of the fees Escrow Holder charges for escrow services in connection with this transaction; all charges for preparation of escrow documents, if any; all costs to prepare preliminary reports and title commitments (typically included in the cost of title insurance); all recording costs, if any (by law, there are no recording fees for documents to which the City is a party); the cost of a policy of title insurance; the cost of any appraisal reports prepared for this transaction at Chrysler's request, including any addenda to the reports, if not previously paid; all transfer taxes; and all other costs of escrow and closing *except for* the cost to prepare legal descriptions for the Property, which the City shall pay.
- (3) At least one Business Day before the Closing Date, Chrysler shall sign and deliver to Escrow Holder the documents described in Sections 5(d)(3) and 5(d)(5).
- (4) As required, Chrysler shall deliver to Escrow Holder any additional documents and items that Escrow Holder reasonably needs to close escrow.

(c) *Closing of Escrow.* As soon as is practicable after the City and Chrysler have notified Escrow Holder in writing that they have satisfied or waived all conditions precedent to closing set forth in Section 5(d), but no later than the 45th Business Day after the Effective Date (the actual date of closing being the "Closing Date"), Escrow Holder shall consummate the transaction contemplated by this agreement by doing the following (the "Closing"):

- (1) paying the City, in cash, the full Purchase Price (increased or decreased by the prorating required under Section 5(g));
- (2) paying the Incidental Expenses as appropriate; and

- (3) causing the deeds described in Sections 5(a)(1), 5(d)(4), and 5(d)(5) and the documents described in Sections 5(d)(3) and 5(d)(6) to be recorded with the Sacramento County Clerk/Recorder.

(d) *Conditions Precedent to Closing.*

- (1) Zoning. On the Closing Date, the zoning designation of the Property is C-4 (Heavy Commercial Zone) and allows Chrysler's Intended Use.
- (2) City Approval. The Sacramento City Council has approved this agreement by a resolution adopted at a duly noticed public meeting.
- (3) Rapton Lane. The City, Chrysler, and Rapton (if the City and Chrysler determine that Rapton should be a party) have executed and deposited with Escrow Holder, for recording at the Closing, an agreement for maintenance of Rapton Lane.
- (4) Easements Granted to Chrysler. The City has executed the following deeds and deposited them with Escrow Holder for recording at the Closing (collectively, the "Chrysler Easements"):
 - (A) Roadway Easement. A deed granting to Chrysler a non-exclusive easement appurtenant for use of, and access over, the private road identified in **Exhibit B** as Rapton Lane ("Raption Lane"), excluding the portion of Rapton Lane that is on the Property.
 - (B) Sewer Easement and Quitclaim Deed. A deed granting to Chrysler a non-exclusive easement appurtenant for the north-to-south lateral sewer line that connects the Property to a sewer point-of-service in Haggin Oaks Drive and quitclaiming to Chrysler all of the City's interests in that sewer line.
 - (C) Access Easement. A deed granting to Chrysler a non-exclusive easement appurtenant for access from the Property to Rapton Lane.
- (5) Easements Granted by Chrysler. Chrysler has executed the following deeds and deposited them with Escrow Holder for recording at the Closing:
 - (A) Roadway Easement for Rapton. A deed granting to Rapton a non-exclusive easement in gross for use of, and access over, the portion of Rapton Lane that is on the Property. This easement is to be coterminous with City Agreement No. 2007-0555, as amended and extended.
 - (B) Roadway Easement for the City. A deed granting to the City a non-exclusive easement appurtenant for use of, and access over, the portion of Rapton Lane that is on the Property.
- (6) Consents from Rapton. The City has deposited the following documents with Escrow Holder, for recording at the Closing:

- (A) Consent to Easement for Sewer Line. A document by which Raption consents to the easements appurtenant described in Sections 5(d)(4)(A) and 5(d)(4)(B).
 - (B) Consent to the City's Use of Raption Lane. A document by which Raption consents to the use by the City and the City's successors in interest of the portion of Raption Lane that is subject to City Agreement No. 2007-0555, as amended and extended.
- (7) Design Drawing. The City has notified Chrysler in writing that the City's Planning Department has approved Chrysler's Design Review Application for a new automobile dealership on the Property. This condition will be considered waived if Chrysler does not diligently respond to all of the Planning Department's requests for information and documents the Planning Department needs to approve the application.
- (8) Maintenance Agreement for Cap. The City has provided Chrysler with written evidence showing, to Chrysler's satisfaction, that the Property is no longer subject to the Maintenance Agreement identified in Recital C above (i.e., City Agreement No. 2008-1001).
- (e) *Title Commitment.* Chrysler has obtained from Escrow Holder, at Chrysler's sole cost, a commitment to issue an owner's policy of title insurance (title number 5010307 dated November 4, 2010) insuring that clear title to the Property will vest in Chrysler upon the Closing (the "Commitment").
- (f) *Commission.* Chrysler has retained CB Richard Ellis, a real-estate broker, in connection with this transaction. Chrysler shall pay all commissions, fees, and costs owed to CB Richard Ellis in connection with this transaction and shall indemnify the City for any action by Chrysler that causes the City to be liable for a sales- or real-estate-brokerage commission arising from this transaction.
- (g) *Prorating of Taxes and Assessments.* Taxes for the current fiscal year are to be prorated as of the Closing Date. If the tax bills for the current fiscal year are not available at the time of the Closing, then taxes are to be prorated on the basis of the most recent tax bills available. When the appropriate tax bill for the current fiscal period becomes available, either party may elect to have the taxes re-prorated, and any adjustments from the original proration will be made accordingly. All assessments affecting the Property are to be prorated as of the Closing Date.
- (h) *Standard Escrow Instructions.* For escrow matters not specifically addressed in this agreement, Escrow Holder's standard escrow instructions will apply. Sections 2, 3, 4, 5, and 13 of this agreement control if a conflict arises between them and Escrow Holder's standard escrow instructions.

6. The City's Representations and Warranties. Subject to any disclosures contained in this agreement, the City makes the following representations and warranties regarding the

Property as of the Effective Date, and the City shall re-make these representations and warranties at the Closing Date.

- (a) The City owns the Property in fee simple, has the exclusive right to sign this agreement and convey the Property, and is authorized to enter into this agreement.
- (b) The City has not employed any broker or real-estate agent in connection with this transaction.
- (c) To the City's actual knowledge, the following statements are true. As used in this Section 6(c), "actual knowledge" means the actual knowledge of Gus Vina (Interim City Manager) and James R. Rinehart (Director of Economic Development) as of the Effective Date or the Closing Date, as appropriate, without any independent investigation or inquiry having been made, and without any imputed or constructive knowledge or any duty to investigate.
 - (1) The City has delivered to the Chrysler accurate and complete copies of the documents identified in **Schedule 6(c)(1)**, each of which relates to the physical or environmental condition of the Property (the "Reports"). The City makes no representations or warranties as to the accuracy of the Reports, and if Chrysler relies on the Reports it will do so at its own risk.
 - (2) Except as described in the Reports and in Section 6(c)(10), the City has not received notice of any material violation of any federal, state, or local statute, ordinance, regulation, rule, administrative or judicial order, or other requirement that would have a material adverse effect on Chrysler's Intended Use of the Property if unresolved.
 - (3) The City has not been served with process in, and has not been overtly threatened with, any litigation, arbitration, or administrative proceeding, in any court or before or by any agency of a federal, state, or local government, that (A) relates to ownership or use of the Property or any portion of the Property; and (B) would have a material adverse effect on Chrysler's Intended Use of the Property if resolved adversely to the City.
 - (4) Except for matters of record disclosed in the Commitment or in any amendment to the Commitment that is issued before the Closing Date, there are—
 - (A) no leases, licenses, easements, or other third-party rights to use or occupy any portion of the Property, other than (i) the right of Rapton Investment Group LLC and the City to use the portion of the private road, Rapton Lane, that is on the Property; (ii) a City water-line easement on the eastern side of the Property; (iii) a public-utility easement on the southern and western borders of the Property; and (iv) the right of the public to use a public street or other right-of-way, if applicable;

- (B) no adverse parties in possession of any portion of the Property; and
 - (C) no rights to purchase the Property or any portion of the Property that are prior to the Effective Date or are held or claimed by any third party.
- (5) There are no unrecorded agreements or restrictions that would affect Chrysler’s Intended Use of the Property. But when Chrysler submits its development plans to the City’s Planning Commission, the Planning Commission may require, as a condition of approval, that Chrysler enter into a maintenance agreement covering drainage from the Property to the adjacent Haggin Oaks Golf Complex.
- (6) As of the Closing Date, the City will have paid all bills and claims for any work done on the Property at the City’s direction.
- (7) There are no condemnation or eminent-domain proceedings pending or anticipated with respect to the Property or any part of the Property.
- (8) There is no lease, license, permit, option, right of first refusal or other agreement affecting the Property that requires termination before the satisfaction of any condition to the Closing.
- (9) Unless this agreement expressly and unambiguously provides otherwise, the City has **not** made, and with this agreement does **not** make, any representation or warranty to Chrysler concerning the compliance of the Property—
- (A) with any statute, ordinance, regulation, rule, order, decree, or other law or governmental requirement listed in **Schedule 6(c)(9)(A)** (“Environmental Laws”), except that the City represents it has no actual knowledge of any noncompliance of the Property with Environmental Laws; or
 - (B) with any other statute, ordinance, regulation, rule, order, decree, law, or governmental requirement.
- (10) The Property is not subject to any “Superfund” or similar lien or to any claim by any government regulatory agency or third party related to the release or threatened release of any substance, material, waste, or pesticide listed in **Schedule 6(c)(10)** (“Hazardous Substances”); and, during the City’s ownership of the Property, no litigation or governmental action or proceeding has been maintained or threatened against the City, and the City has not entered into any settlement with any third parties, with respect to the actual or alleged presence, disposal, release, or threatened release of any Hazardous Substances on, from, in, or under the Property, except as follows:

In 2007, under the supervision of the County of Sacramento Environmental Management Department, and in accordance with the Remediation Plan (see Paragraph B in the Background), the City remediated the 21-Acre Parcel by excavating contaminated soil and consolidating the excavated soil on the land

designated in **Exhibit A-2** as Parcel B, which is **not** part of the Property. The contaminants in the soil include lead (up to 9,000 milligrams per kilogram), arsenic (up to 49 milligrams per kilogram), and polynuclear aromatic hydrocarbons (with benzo[a]pyrene equivalent up to 14 milligrams per kilogram). The consolidated soil was capped with a fabric membrane, twenty inches of clean soil, four inches of aggregate base, and four inches of asphalt concrete. When the remediation was completed in accordance with the Remediation Plan, the City and the County of Sacramento Environmental Management Department entered into two agreements: a *Maintenance Agreement* for the cap (City Agreement No. 2008-1001), which was recorded with the Sacramento County Clerk/Recorder in Book 20081218 at page 0870; and a *Covenant to Restrict Use of Property – Environmental Restriction* (City Agreement No. 2008-1002), which was recorded with the Sacramento County Clerk/Recorder in Book 20081218 at page 0871.

- (d) The City's performance under this agreement will not constitute a breach or default under any other agreement to which the City is bound or to which the Property is subject.
- (e) The City has not made, and with this agreement does not make, any representation or warranty to Chrysler concerning the suitability of the Property for the Intended Use, other than a letter dated November 10, 2010, from David Kwong, the City's Planning Director, to Deborah M. Cox, a paralegal with Howard & Howard, the law firm that represents Chrysler in this transaction, a copy of which is attached as **Exhibit C**.
- (f) The City's Planning Department is the only governmental agency that must approve Chrysler's Design Review Application for a new automobile dealership on the Property.

7. Chrysler's Representations and Warranties. Subject to any disclosures contained in this agreement, Chrysler makes the following representations and warranties as of the Effective Date, and Chrysler shall re-make these representations and warranties at the Closing Date:

- (a) Chrysler's Investment Committee has reviewed and approved this agreement.
- (b) Chrysler is duly organized, validly existing, and in good standing under Delaware law and is authorized to do business in California.
- (c) Chrysler is duly authorized to enter into and perform this agreement and has the authority and financial resources needed (1) to acquire the Property in accordance with this agreement and (2) to develop the Property as an automobile dealership.
- (d) Chrysler's entering into, and performing under, this agreement does not violate Delaware law or Chrysler's limited-liability-company agreement.
- (e) To Chrysler's actual knowledge, no general assignments for the benefit of creditors and no voluntary or involuntary proceedings in bankruptcy are pending or threatened

against Chrysler. As used in this Section 7(e), “actual knowledge” means the actual knowledge of Mark E. Nagel, Vice President, as of the Effective Date or the Closing Date, as appropriate, without any independent investigation or inquiry having been made, and without any imputed or constructive knowledge or any duty to investigate.

- (f) Chrysler has retained no broker or real-estate agent in connection with this transaction other than CB Richard Ellis.

8. Survival of Representations and Warranties. The representations and warranties set forth in Sections 6 and 7 will survive the Closing for one year.

9. Chrysler’s Right to Terminate. Chrysler may terminate this agreement at any time, by giving written notice to the City and Escrow Holder, if any of the events described in Section 9(a), 9(b), or 9(c) occurs. If Chrysler terminates this agreement under this Section 9, then Escrow Holder shall return the Deposit to Chrysler after deducting any Incidental Expenses (see Section 5(b)(2)).

- (a) Between the Effective Date and the Closing Date, a rezoning of the Property is enacted or proposed that, in Chrysler’s sole judgment, would render the Property unsuitable for the Intended Use.
- (b) Either party has actual knowledge or constructive notice of an actual or proposed condemnation or eminent-domain proceeding that will affect all or a portion of the Property.
- (c) Any of the City’s representations and warranties set forth in Section 6 is false in any material respect when made or becomes false in any material respect before the Closing Date.

10. The City’s Right to Terminate. The City may terminate this agreement at any time, by giving written notice to Chrysler and Escrow Holder, if any of Chrysler’s representations and warranties set forth in Section 7 is false in any material respect when made or becomes false in any material respect before the Closing Date. If the City terminates this agreement under this Section 10, then Escrow Holder shall deliver the Deposit to the City after deducting any Incidental Expenses (see Section 5(b)(2)).

11. Physical Condition of the Property.

- (a) Except as expressly and unambiguously provided otherwise in Section 6, the City has **not** made and does **not** make any representations or warranties of any kind, express or implied, written or oral, about the following: the physical or environmental condition of the Property; the suitability of the Property for the Intended Use; any limitations on Chrysler’s use of the Property, including limitations arising from zoning laws, Environmental Laws, or other statutes, ordinances, regulations, rules, administrative or judicial orders, or governmental requirements; the costs of conducting the Intended Use on the Property; or the condition of the soils, surface waters, or ground waters of the

Property. Chrysler has ascertained the condition of the Property through its own independent investigation and has relied solely on that independent investigation when entering into this agreement. **By taking possession of the Property, Chrysler—**

- (1) **acknowledges that the Property is satisfactory for the Intended Use;**
 - (2) **accepts the Property in an “as is” condition with all faults then existing, including the presence of any Hazardous Substances, whether known or unknown; and**
 - (3) **assumes all responsibility for the Property’s condition and then-existing faults, although Chrysler reserves its rights against other parties.**
- (b) Chrysler fully, finally, and forever releases and discharges the City from all claims pertaining to, or arising out of, the physical or environmental condition of the Property, including the presence of any Hazardous Substances, whether known or unknown. This release of liability, which will survive the Closing, does all the following:
- (1) It covers all past, present, and future claims, rights, liabilities, demands, obligations, duties, promises, costs, expenses, damages, injuries, and other losses or rights of any kind, whatever the theory of recovery, and whether known or unknown, suspected or unsuspected, anticipated or unanticipated, fixed or contingent, or matured or unmatured.
 - (2) It includes reasonable attorneys’ fees, litigation costs, and consultants’ costs related to the physical or environmental condition of the Property.
 - (3) It includes all rights and benefits that Chrysler and all persons and entities claiming by, through, under, or in concert with Chrysler may have under California Civil Code section 1542, which states as follows: **“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor.”**
- (c) Chrysler hereby acknowledges that it is acquiring the Property subject to all existing statutes, ordinances, regulations, rules, administrative or judicial orders, and other governmental requirements; and that, except as expressly and unambiguously provided otherwise in Section 6, neither the City nor any of the City’s elected officials, officers, employees, or agents has made any warranties, representations, or statements regarding any statutes, ordinances, regulations, rules, orders, or requirements of any governmental or quasi-governmental body, entity, district, agency, or court having authority with respect to the use, condition, or occupancy of the Property.

12. The City’s Default.

- (a) If the City defaults in the performance of this agreement, then Chrysler may elect, at its discretion and in addition to any other rights or remedies provided by law or this agreement, to do either of the following:

Section 14 because of any insurance coverage the City or Chrysler may have. As used in this Section 14, “costs” includes reasonable attorneys’ fees incurred through final resolution on appeal, whether for the City’s outside counsel or the City Attorney.

- (a) *Pre-Closing Activities.* Chrysler shall indemnify, defend (with attorneys reasonably acceptable to the City), and hold harmless the City and the City’s elected officials, officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs that arise in any way from the acts or omissions of Chrysler or Chrysler’s directors, officers, employees, agents, or invitees while on the Property or the land burdened by the Chrysler Easements at any time between the Effective Date and the Closing Date.
- (b) *Post-Closing Activities.* Chrysler shall indemnify, defend (with attorneys reasonably acceptable to the City), and hold harmless the City and the City’s elected officials, officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs that arise in any way, directly or indirectly, from the acts or omissions of Chrysler or Chrysler’s directors, officers, employees, agents, or invitees with respect to the land burdened by the Chrysler Easements, except as follows: Chrysler is not obligated under this Section 14(b) to the extent such liabilities, claims, demands, damages, or costs arise from the acts or omissions of the City or the City’s elected officials, officers, employees, or agents. Chrysler’s obligation under this Section 14(b) includes liabilities, claims, demands, damages, and costs arising from, or related to, any Hazardous Substances on, under, or from the land burdened by the Chrysler Easements.

15. The City’s Indemnification of Chrysler. This Section 15 is to be interpreted and applied broadly in favor of Chrysler and Chrysler’s directors, officers, employees, and agents, and it will survive both the termination of this agreement and the Closing. Chrysler does not waive, and will not be deemed to waive, any rights it may have against the City under this Section 15 because of any insurance coverage the City or Chrysler may have. The City shall indemnify, defend (with attorneys reasonably acceptable to Chrysler), and hold harmless Chrysler and Chrysler’s directors, officers, employees, and agents from and against all liabilities, claims, demands, damages, and costs (including reasonable attorneys’ fees and litigation costs through final resolution on appeal) that arise in any way, directly or indirectly, from the physical or environmental condition on the Closing Date of the land burdened by the Chrysler Easements, including any Hazardous Substances in, on, or about that land on the Closing Date, except as follows: the City is not obligated under this Section 15 for such liabilities, claims, demands, damages, or costs to the extent they arise from—

- (a) the acts or omissions of Chrysler or Chrysler’s directors, officers, employees, agents, or invitees; or
- (b) Chrysler’s violation of the *Maintenance Agreement* or the *Covenant to Restrict Use of Property – Environmental Restriction* described in Section 6(c)(10).

16. Loss and Destruction. The Uniform Vendor and Purchaser Risk Act set forth in California Civil Code section 1662 and its provisions governing the allocation of risk of loss will govern this transaction, except where this agreement specifies a contrary result.

17. City Option to Repurchase. The City has the option to repurchase the Property from Chrysler, at the Purchase Price set forth in Section 4, if, within 24 months after the Closing Date, Chrysler has not developed the Property as an automobile dealership. The Property will be considered so developed when the City, acting as a governmental entity, has issued a certificate of occupancy for the dealership.

- (a) To exercise this option, the City must deliver notice to Chrysler, in accordance with Section 19(a), within 25 months after the Closing Date. The notice must include escrow instructions in the form of **Exhibit D**. On receiving the notice, Chrysler shall sign the escrow instructions and deposit them with Escrow Holder.
- (b) Concurrently with signing this agreement, the City and Chrysler shall sign a memorandum of option in the form of **Exhibit E**. The City may record the memorandum of option with the Sacramento County Clerk/Recorder.
- (c) This Section 17 and the option it grants will survive the Closing.

18. Force Majeure.

- (a) "Force Majeure Event" means a cause of delay that is not the fault of the party who is required to perform under this agreement and is beyond that party's reasonable control, including the elements (including floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.
- (b) Except as otherwise expressly provided in this agreement, if any act required by this agreement to be performed by either the City or Chrysler is prevented or delayed because of a Force Majeure Event, then the time for performance will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.
- (c) This Section 18 does not excuse either party's obligation to perform an act when performance is rendered difficult or impossible solely because of that party's financial condition.

19. Miscellaneous Provisions.

- (a) *Notices.* Any notice or other communication under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this Section 19(a) to the persons identified below. A mailed notice or

other communication will be effective or will be considered to have been given on the third day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this Section 19(a).

If to the City:

City of Sacramento
Economic Development Department
915 I Street, Third Floor
Mail Station 18000
Sacramento, California 95814
Attention: Jim Rinehart, Director

If to Chrysler:

Chrysler Group Realty Company LLC
1000 Chrysler Drive, CIMS 485-03-20
Auburn Hills, Michigan 48326-2766
Attention: Director, Dealership
Properties and Facilities

with a copy to—

City of Sacramento
Facilities and Real Property
Management
5730 24th Street, Bldg. 4
Sacramento, CA 95822
Attention: Supervisor, Real Estate
Services Section

- (b) *Time of Essence.* Time is of the essence of this agreement.
- (c) *Assignment.* Chrysler may not assign this agreement without the City's prior written consent. The valid assignment of this agreement will not relieve Chrysler of liability under this agreement.
- (d) *Successors and Assigns.* This agreement inures to the benefit of, and is binding upon, the successors and assigns of the parties.
- (e) *Attorneys' Fees.* The party prevailing in any litigation concerning this agreement or the Property will be entitled to an award by the court of reasonable attorneys' fees and litigation costs through final resolution on appeal in addition to any other relief that may be granted in the litigation. If the City is the prevailing party, then this Section 19(e) will apply whether the City is represented in the litigation by outside counsel or by the City Attorney.
- (f) *Severability.* If a court with jurisdiction holds any nonmaterial provision of this agreement to be invalid, void, or unenforceable, then the other provisions will remain in full force.

- (g) *Interpretation.* This agreement is to be interpreted and applied in accordance with California law without regard to conflict-of-laws principles, except that the rule of interpretation in California Civil Code section 1654 will not apply. Schedules 5(a)(1)(B), 6(c)(1), 6(c)(9)(A), and 6(c)(10) and Exhibits A, B, C, D, and E are part of this agreement.
- (h) *Waiver.* A party's failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party's breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of the other party's breach of any provision in this agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in writing and signed by the waiving party.
- (i) *Entire Agreement.* This agreement sets forth the parties' entire understanding regarding the matters addressed and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by another written agreement signed by both parties.
- (j) *Counterparts.* The parties may execute this agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement.

(Signature page follows)

City of Sacramento

By: _____
Gus Vina, Interim City Manager

Dated: February __, 2011

Recommended for Approval

By: _____
Marianne Wetzal, Supervisor
Real Estate Services Section
Department General Services

By: _____
James R. Rinehart, Director
Economic Development Department

Approved as to Form
Sacramento City Attorney

By: _____
Joseph Cerullo Jr.
Senior Deputy City Attorney

Attest:
Sacramento City Clerk

By: _____
Dated: February __, 2011

Chrysler Group Realty Company LLC

By: _____

Dated: February __, 2011

By: _____

Dated: February __, 2011

Approved as to Form

By: _____

Schedule 5(a)(1)(B)

Agreement for Sale of Real Property City of Sacramento & Chrysler Group Realty Company LLC

Title Exceptions

Identified on Schedule B, Section II, EXCEPTIONS, of the Commitment of Title Report issued by Fidelity National Title Company (Report # 10-5010307, dated November 4, 2010), a correct copy of which is set forth below:

Title No. 10-5010307
Locate No. CAFNT0934-0934-0010-0005010307

SCHEDULE B – SECTION II EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

- 1. The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
- 2. Rights of the public** as to any portion of the land lying within the area commonly known as Fulton Avenue and Rapton Lane (Private).
- 3. Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
Purpose: Easements for Planting and Maintaining Trees, Installing and maintaining electrolliers, water pipes etc.
Affects: The Westerly and Southerly 12.5 feet as shown on the Parcel Map filed in Book 207 of Parcel Maps, at Page 9.

Purpose: P.U.E
Affects: as shown on the Parcel Map filed in Book 207 of Parcel Maps, at Page 9.
- 4. Recitals** as shown on that certain map recorded May 8, 2008, Book 207 of Parcel Maps,, Page 9, of Official Records, which, among other things states:
"Chain link fence along southerly boundary line as shown on the Parcel Map filed in Book 207 of Parcel Maps, at Page 9."

Reference is made to said map for full particulars.
- 5. The fact that the ownership** of said land does not include rights of access to or from the street, highway, or freeway abutting said land, such rights having been relinquished by the document,

Recorded: November 21, 1950, Book 1948, Page 435, of Official Records
Affects: Along the Southerly line and as shown on the Parcel Map filed in Book 207 of Parcel Maps, at Page 9.

and re-recorded January 3, 1951, Book 1970, Page 361, of Official Records

END OF SCHEDULE B – SECTION II

Schedule 6(c)(1)

Agreement for Sale of Real Property City of Sacramento & Chrysler Group Realty Company LLC

Documents Relating to the Physical Condition of the Property

1. Fulton Avenue Development Final Environmental Impact Report
2. Final Implementation Plan Documentation – Sacramento Trapshooting Club
3. Covenant to Restrict Use of Property – Environmental Restriction (City Agreement No. 2008-1002, recorded with the Sacramento County Clerk/Recorder in Book 20081218 at page 0871)
4. Maintenance Agreement – Parcel B Portion of APN 254-011-027 (City Agreement No. 2008-1001, recorded with the Sacramento County Clerk/Recorder in Book 20081218 at page 0870)

Schedule 6(c)(9)(A)

Agreement for Sale of Real Property City of Sacramento & Chrysler Group Realty Company LLC

Environmental Laws

For purposes of this agreement, “Environmental Laws” means any statute, ordinance, regulation, rule, order, decree, or other law or requirement that is enacted, promulgated, or issued by any federal, state, or local government entity (whether before, on, or after the Effective Date) and—

- regulates, relates to, or imposes liability or standards of conduct concerning any Hazardous Substance (defined below);
- regulates land use or regulates or protects the environment (as used here, “environment” means the physical conditions that exist in, on, or above the Property or the lands burdened by the Chrysler Easements, including air, soil, soil vapor, surface water, groundwater, flora, and fauna); or
- pertains to occupational health or industrial hygiene or to occupational or environmental conditions on, under, or about the Property or the lands burdened by the Chrysler Easements.

Without limiting the generality of the foregoing, “Environmental Laws” includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (42 U.S.C. § 9601 et seq.); the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. § 6901 et seq.); the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) (33 U.S.C. § 1251 et seq.); the Toxic Substances Control Act (TSCA) (15 U.S.C. § 2601 et seq.); the Hazardous Materials Transportation Act (HMTA) (49 U.S.C. § 1801 et seq.); the Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.); the Superfund Amendments and Reauthorization Act (SARA) (42 U.S.C. § 6901 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.); the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 et seq.); the Occupational Safety and Health Act (OSHA) (29 U.S.C. §§ 655 and 657); the California Underground Storage of Hazardous Substance Act (Cal. Health & Saf. Code, § 25280 et seq.); the California Hazardous Waste Control Act (Cal. Health & Saf. Code, § 25100 et seq.); the California Safe Drinking Water and Toxic Enforcement Act (Cal. Health & Saf. Code, § 24249.5 et seq.); and the Porter-Cologne Water Quality Act (Cal. Water Code, § 13000 et seq.), together with any amendments of these statutes and regulations promulgated under them (whether enacted or promulgated before, on, or after the Effective Date).

Schedule 6(c)(10)

Agreement for Sale of Real Property City of Sacramento & Chrysler Group Realty Company LLC

Hazardous Substances

For purposes of this agreement, “Hazardous Substance” means—

- (1) any substance defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic waste,” “solid waste,” “pollutant,” or “contaminant” under Environmental Laws (defined in Schedule 6(c)(9)(A));
- (2) any substance listed as hazardous substances in 49 C.F.R. § 172.101 or its successor by the U.S. Department of Transportation or in 40 C.F.R. Part 302 or its successor by the U.S. Environmental Protection Agency;
- (3) any other substance, material, or waste that is or becomes regulated or classified as hazardous or toxic under Environmental Laws (defined above);
- (4) any material, waste, or substance that is (a) a petroleum or refined petroleum product, (b) asbestos or asbestos-containing materials, (c) polychlorinated biphenyl, (d) designated as a hazardous substance under 33 U.S.C. § 1321 or its successor or listed under 33 U.S.C. § 1317 or its successor, (e) a flammable explosive, (f) a radioactive material, or (g) a lead-based paint;
- (5) any substance listed by the State of California under subdivision (a) of California Health and Safety Code section 25249.8, as amended, or under any successor to that statute, as a chemical known by the state to cause cancer or reproductive toxicity;
- (6) any material that, because of its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, threatens to damage health, safety, or the environment or is required by any law or public agency to be remediated;
- (7) any material that, if present, would require remediation under the guidelines set forth in California’s Leaking Underground Fuel Tank Field Manual, regardless of whether the presence of the material resulted from a leaking underground fuel tank;
- (8) any pesticide regulated under the federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.) or its successor;
- (9) any material regulated under the federal Clean Air Act (42 U.S.C. 7401 et seq.) or under division 26 of the California Health and Safety Code, or their successors;

- (10) any material that qualifies as an “extremely hazardous waste,” “hazardous waste,” or “restricted hazardous waste” under section 25115, 25117, or 25122.7 of the California Health and Safety Code, or as “medical waste” under section 25281, 25316, 25501, 25501.1, 25023.2, or 39655 of the California Health and Safety Code, or their successors; and
- (12) any material listed or defined as a “hazardous waste,” “extremely hazardous waste,” or an “acutely hazardous waste” under chapter 11 of title 22 of the California Code of Regulations or any successor to that chapter.

Exhibit A

Agreement for Sale of Real Property City of Sacramento & Chrysler Group Realty Company LLC

Legal Description & Plat Map of the Property

The Property consists of a ±5.119-acre parcel, identified as “Area A-1,” that is described in Exhibit A-1 (two pages) and depicted in Exhibit A-2 (one page).

Exhibit A-1

Description of Area A-1

Being a portion of Parcel A, as shown and so designated on that certain Parcel Map entitled "Haggin Oaks" filed for record in Book 207 of Parcel Maps, at Page 9, Sacramento County Records situate in Sections 26 and 31 of Rancho Del Paso, City of Sacramento, County of Sacramento, State of California, said property being more particularly described as follows:

Beginning at a 3/4 inch iron pipe with cap stamped L.S. 7944 marking the southeast corner of said Parcel A as shown on said Parcel Map; thence from said **POINT OF BEGINNING** coincident with the south line of said Parcel A for the following 4 arcs, courses and distances:

1. from a radial line which bears South 16°41'46" East, 104.50 feet along the arc of a non-tangent 2750.00 foot radius curve to the right through a central angle of 02°10'38" to a found 6" x 6" concrete highway monument marking an angle point in the south line of said Parcel A;
2. South 75°28'52" West a distance of 265.91 feet to a found 6" x 6" concrete highway monument marking an angle point in the south line of said Parcel A;
3. South 80°50'34" West a distance of 140.71 feet to a found 6" x 6" concrete highway monument marking an angle point in the south line of said Parcel A; and
4. North 89°45'38" West a distance of 257.87 feet to the intersection with the easterly right-of-way line of Fulton Avenue as shown on said Parcel Map;

thence leaving said south line of Parcel A, coincident with said easterly right-of-way line of Fulton Avenue for the following 8 arcs, courses and distances:

1. from a radial line which bears South 45°12'16" West, 50.22 feet along the arc of a non-tangent 64.33 foot radius curve to the right through a central angle of 44°43'42";
2. North 00°04'02" West a distance of 4.68 feet;
3. North 24°46'04" East a distance of 38.13 feet to a point of curvature;
4. from a radial line which bears North 83°20'29" West, 107.17 feet along the arc of a non-tangent 292.83 foot radius curve to the right through a central angle of 20°58'07" to a point of reverse curvature;
5. 131.05 feet along the arc of a tangent 536.67 foot radius curve to the left through a central angle of 13°59'28";
6. South 76°21'50" East a distance of 5.50 feet to a point of curvature;
7. from a radial line which bears North 76°21'50" West, 36.90 feet along the arc of a non-tangent 25.83 foot radius curve to the right through a central angle of 81°50'27"; and
8. North 05°28'37" East a distance of 29.50 feet to a found 1-1/2 inch long by 1/4 inch diameter mag nail tagged L.S. 7944 marking the intersection of the easterly right-of-way line of Fulton Avenue with the centerline of the private Rapton Drive as shown on said Parcel Map;

thence leaving said easterly right-of-way line of Fulton Avenue, coincident with the centerline of private Rapton Drive for the following 2 arcs:

1. from a radial line which bears South $05^{\circ}28'37''$ West, 73.05 feet along the arc of a non-tangent 459.00 foot radius curve to the left through a central angle of $09^{\circ}07'06''$ to a found 1-1/2 inch long by 1/4 inch diameter mag nail tagged L.S. 7944 marking the point of compound curvature; and
2. 151.13 feet along the arc of a tangent 2994.00 foot radius curve to the left through a central angle of $02^{\circ}53'32''$ to a found 1-1/2 inch long by 1/4 inch diameter mag nail tagged L.S. 7944 marking the intersection of the centerline of private Raption Drive with the easterly line of said Parcel A;

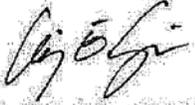
thence leaving said centerline of private Raption Drive, coincident with the easterly line of Parcel A for the following 3 courses and distances:

1. South $13^{\circ}32'50''$ East a distance of 62.66 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944 marking an angle point in said easterly line of Parcel A;
2. North $76^{\circ}27'10''$ East a distance of 350.00 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944 marking an angle point in said easterly line of Parcel A; and
3. South $13^{\circ}32'50''$ East a distance of 281.46 feet to the Point of Beginning.

Containing 5.119 acres of land, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this description is California State Plane Coordinate System, Zone 2, NAD'83, as measured between GPS Station "G3709", and GPS Station "G3810 as shown and so designated on that certain Record of Survey entitled "Record of Survey GPS Static Survey" filed for record in Book 63 of Surveys, at Page 29, Sacramento County Records. Said bearing is North $61^{\circ}25'55''$ East. Distances shown are ground based.


Craig E. Spiess P.L.S. 7944
Expires: December 31, 2011
Date: 5/6/10



PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

Exhibit A-2
Plat to Accompany
Description of Area A-1

HAGGIN OAKS
PORTION OF PARCEL A - 207 P.M. 9
 CITY OF SACRAMENTO
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA

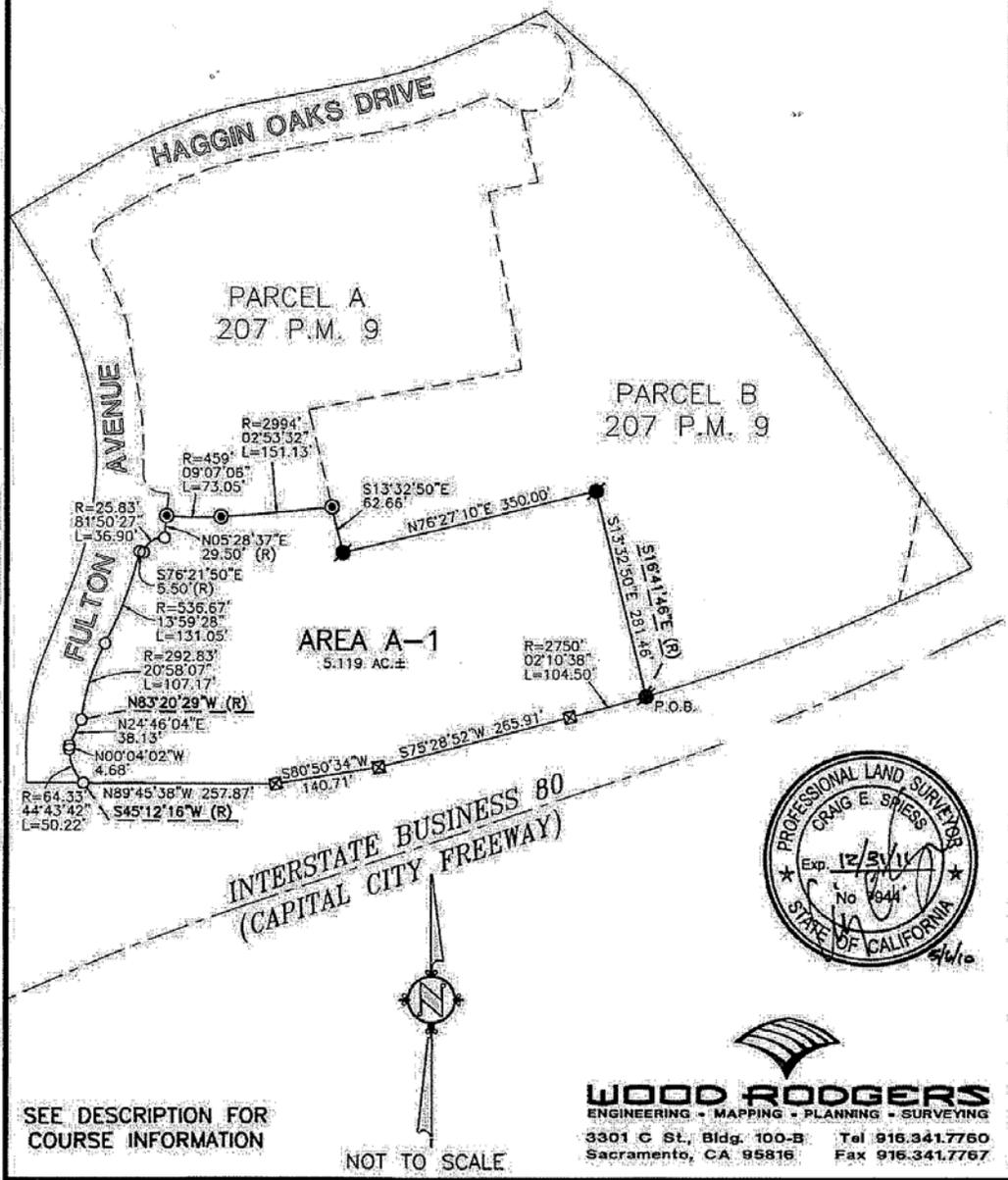


Exhibit B

Agreement for Sale of Real Property

City of Sacramento & Chrysler Group Realty Company LLC

Overall Plat Map Showing Rapton Lane

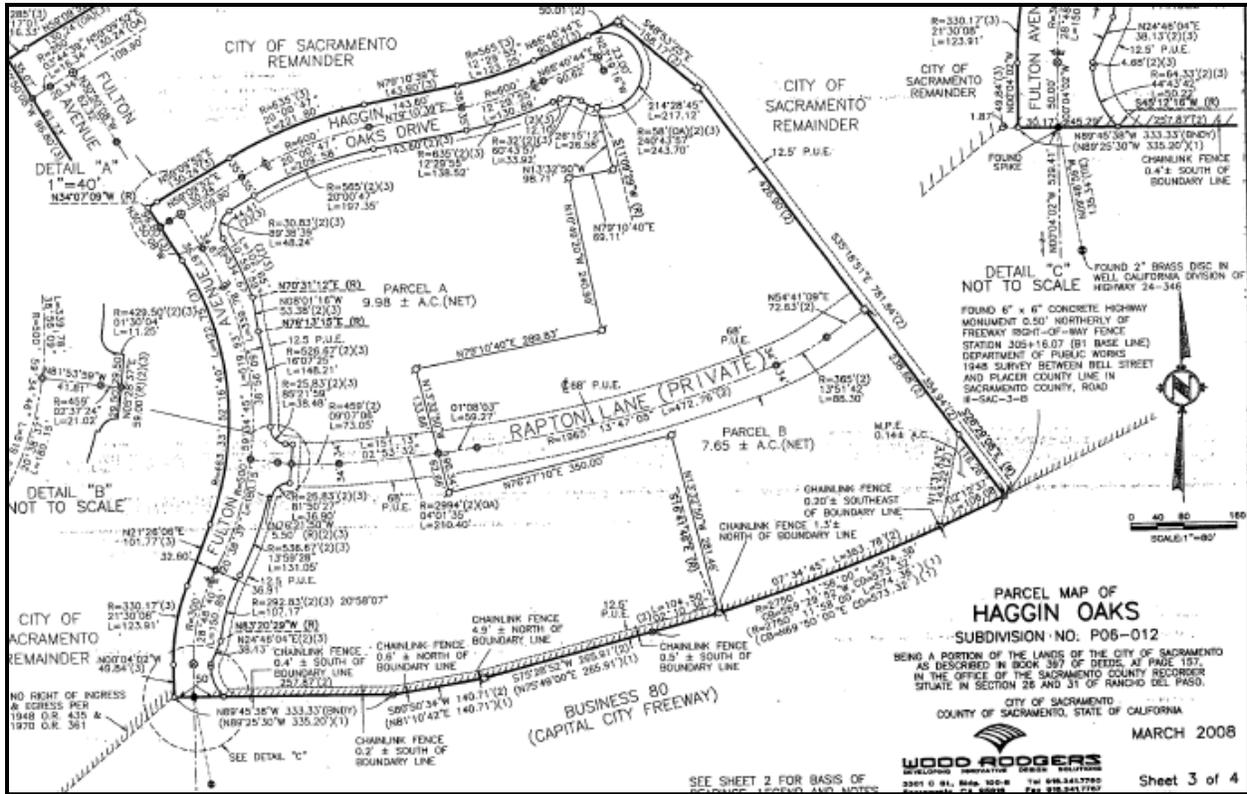


Exhibit C

Copy of Letter Dated November 10, 2010, from the City's Planning Department

(See attached 30 pages)



COMMUNITY DEVELOPMENT
DEPARTMENT
PLANNING DIVISION

CITY OF SACRAMENTO
CALIFORNIA

RICHARDS BLVD., RM 300
SACRAMENTO, CA 95811

November 10, 2010

Ms. Deborah M. Cox
Howard and Howard Attorneys PLLC
c/o Chrysler Group Realty Company LLC
1000 Chrysler Drive
CIMS: 485-03-20
Auburn Hills, Michigan 48326

Re: 5.119 Acres located at Raption and Fulton Avenue, Being Part of Parcel A in Haggin Oaks Subdivision, Sacramento, California, more particularly described as Parcel A-1 on the attached drawing and description, incorporated herein as Exhibit A ("Property") City of Sacramento ("City").

Dear Ms. Cox:

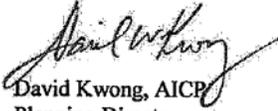
At your request, this letter will confirm that:

1. This office maintains the records relating to zoning classifications and violations with respect to Property.
2. Insofar as is shown by the records maintained by our office, as of the date of this letter, there exist no zoning violations with respect to the property owned by the City, located at 3630 Fulton Avenue, containing approximately 5.119 acres, which is part of a larger development as an automobile dealership.
3. The Project is located within the Heavy Commercial Fulton Avenue Planned Unit Development (C-4-PUD) zone, as described in the Zoning Ordinance for the City (the "Ordinance"), and the current proposed use of the Property as an automobile dealership is a permitted use within the Fulton Avenue Planned Unit Development with the review and approval of a Planning Director's Plan Review. Accordingly, applicable provisions from the Fulton Avenue Planned Unit Development Guidelines are attached hereto as Exhibit B.

Page 1 of 30

4. Buyer's proposed use of the Property for an automobile dealership with sales and service, and ancillary parking lot and other ancillary uses ("automobile use"), is a permitted use within the Fulton Avenue Planned Unit Development provided the project complies with the Fulton Avenue Planned Unit Development Guidelines.
5. Accordingly, based on the foregoing, as of the date of this letter, the Project is subject to any required planning entitlement approvals by the City, building permits and the like.

Sincerely,



David Kwong, AICP
Planning Director

Cc: Jim Reinhardt, Economic Development Director
Joseph Cerullo, Senior Deputy City Attorney
Greg Bitter, Principal Planner

Exhibit A

1518.000
05/05/10
CPS

EXHIBIT "A"

DESCRIPTION OF AREA A-1

Being a portion of Parcel A as shown and so designated on that certain Parcel Map entitled "Huggin Oaks" filed for record in Book 207 of Parcel Maps, at Page 9, Sacramento County Records situate in Sections 26 and 31 of Rancho Del Paso, City of Sacramento, County of Sacramento, State of California, said property being more particularly described as follows:

Beginning at a 3/4 inch iron pipe with cap stamped L.S. 7944 marking the southeast corner of said Parcel A as shown on said Parcel Map; thence from said POINT OF BEGINNING coincident with the south line of said Parcel A for the following 4 arcs, courses and distances:

1. from a radial line which bears South 16°41'46" East, 104.50 feet along the arc of a non-tangent 2750.00 foot radius curve to the right through a central angle of 02°10'38" to a found 6" x 6" concrete highway monument marking an angle point in the south line of said Parcel A;
2. South 75°28'52" West a distance of 265.91 feet to a found 6" x 6" concrete highway monument marking an angle point in the south line of said Parcel A;
3. South 80°50'34" West a distance of 140.71 feet to a found 6" x 6" concrete highway monument marking an angle point in the south line of said Parcel A; and
4. North 89°45'38" West a distance of 257.87 feet to the intersection with the easterly right-of-way line of Fulton Avenue as shown on said Parcel Map;

thence leaving said south line of Parcel A, coincident with said easterly right-of-way line of Fulton Avenue for the following 8 arcs, courses and distances:

1. from a radial line which bears South 45°12'16" West, 50.22 feet along the arc of a non-tangent 64.33 foot radius curve to the right through a central angle of 44°43'42";
2. North 00°04'02" West a distance of 4.68 feet;
3. North 24°46'04" East a distance of 38.13 feet to a point of curvature;
4. from a radial line which bears North 83°20'29" West, 107.17 feet along the arc of a non-tangent 292.83 foot radius curve to the right through a central angle of 20°58'07" to a point of reverse curvature;
5. 131.05 feet along the arc of a tangent 536.67 foot radius curve to the left through a central angle of 13°59'28";
6. South 76°21'50" East a distance of 5.50 feet to a point of curvature;
7. from a radial line which bears North 76°21'50" West, 36.90 feet along the arc of a non-tangent 25.83 foot radius curve to the right through a central angle of 81°50'27"; and
8. North 05°28'37" East a distance of 29.50 feet to a found 1-1/2" inch long by 1/4" diameter may nail tagged L.S. 7944 marking the intersection of the easterly right-of-way line of Fulton Avenue with the centerline of the private Raption Drive as shown on said Parcel Map;

thence leaving said easterly right-of-way line of Fulton Avenue, coincident with the centerline of private Raption Drive for the following 2 arcs:

J:\1000-s\1518-Raption Honda\Met Raption OAG\Geomatics\docs\Descriptions\FAD-PCL-A-CI.EAN.doc
Page 1 of 2

1. from a radial line which bears South 05°28'37" West, 73.05 feet along the arc of a non-tangent 459.00 foot radius curve to the left through a central angle of 09°07'06" to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the point of compound curvature; and
2. 151.13 feet along the arc of a tangent 2994.00 foot radius curve to the left through a central angle of 02°53'32" to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the intersection of the centerline of private Raption Drive with the easterly line of said Parcel A;

thence leaving said centerline of private Raption Drive, coincident with the easterly line of Parcel A for the following 3 courses and distances:

1. South 13°32'50" East a distance of 62.66 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944 marking an angle point in said easterly line of Parcel A;
2. North 76°27'10" East a distance of 350.00 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944 marking an angle point in said easterly line of Parcel A; and
3. South 13°32'50" East a distance of 281.46 feet to the Point of Beginning.

Containing 5.119 acres of land, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this description is California State Plane Coordinate System, Zone 2, NAD'83, as measured between GPS Station "G3709", and GPS Station "G3810 as shown and so designated on that certain Record of Survey entitled "Record of Survey GPS Static Survey" filed for record in Book 63 of Surveys, at Page 29, Sacramento County Records. Said bearing is North 61°25'55" East. Distances shown are ground based.

[Signature]

Craig E. Spiess P.L.S. 7944
Expires: December 31, 2011

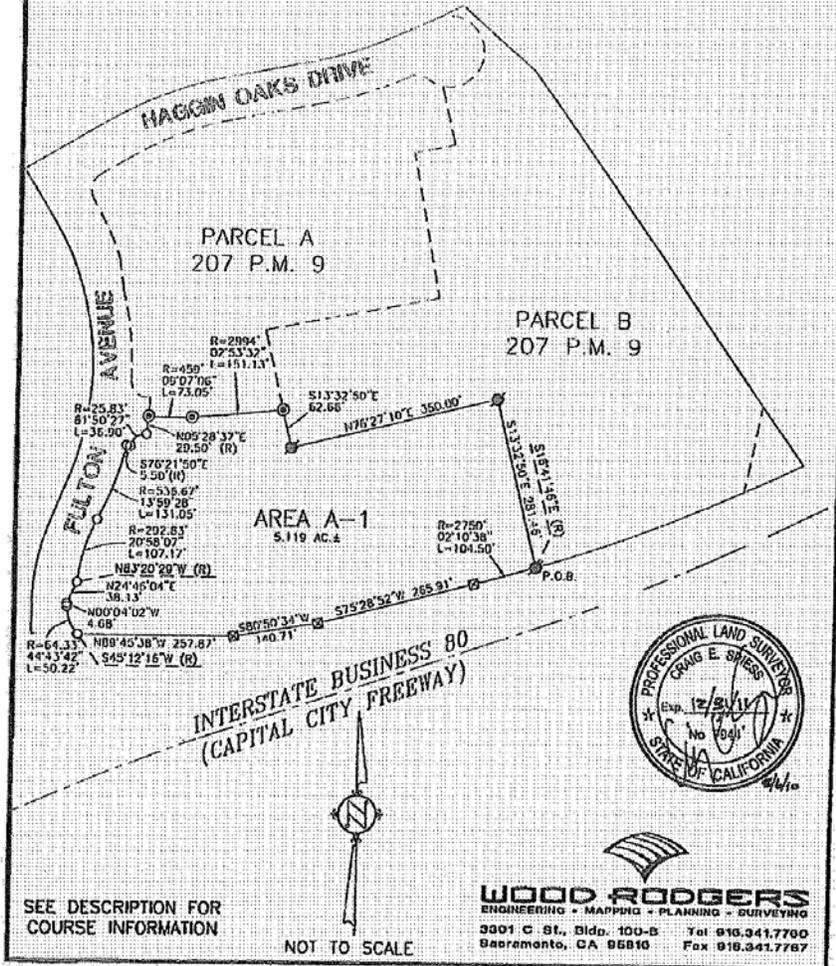
Date: 5/6/10



PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT "B"
 PLAT TO ACCOMPANY
 DESCRIPTION

HAGGIN OAKS
 PORTION OF PARCEL A - 207 P.M. 9
 CITY OF SACRAMENTO
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA



SEE DESCRIPTION FOR
 COURSE INFORMATION

NOT TO SCALE

WOOD RODGERS
 ENGINEERING • MAPPING • PLANNING • SURVEYING
 3301 C St., Bldg. 100-B Tel 916.341.7700
 Sacramento, CA 95816 Fax 916.341.7767

EXHIBIT "A"

DESCRIPTION OF AREA A-2

Being a portion of Parcel A as shown and so designated on that certain Parcel Map entitled "Haggin Oaks" filed for record in Book 207 of Parcel Maps, at Page 9, Sacramento County Records situate in Sections 26 and 31 of Rancho Del Paso, City of Sacramento, County of Sacramento, State of California, said property being more particularly described as follows:

Beginning at a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the intersection of the easterly right-of-way line of Fulton Avenue with the centerline of the private Raptor Drive as shown on said Parcel Map; thence from said POINT OF BEGINNING coincident with said easterly right-of-way line of Fulton Avenue for the following 7 arcs, courses and distances:

1. North 05°28'37" East a distance of 29.50 feet to a point of curvature;
2. from a radial line which bears South 05°28'37" West, 11.25 feet along the arc of a non-tangent 429.50 foot radius curve to the right through a central angle of 01°30'04" to a point of compound curvature;
3. 38.48 feet along the arc of a tangent 25.83 foot radius curve to the right through a central angle of 85°21'59" to a point of reverse curvature;
4. 148.21 feet along the arc of a tangent 526.67 foot radius curve to the left through a central angle of 16°07'25";
5. North 08°01'16" West a distance of 53.38 feet to a point of curvature;
6. from a radial line which bears North 70°31'12" East, 102.65 feet along the arc of a non-tangent 534.67 foot radius curve to the left through a central angle of 10°59'59"; and
7. 48.24 feet along the arc of a tangent 30.83 foot radius curve to the right through a central angle of 89°38'39" to the southerly right-of-way line of Haggin Oaks Drive as shown on said Parcel Map;

thence leaving said easterly right-of-way line of Fulton Avenue, coincident with said southerly right-of-way line of Haggin Oaks Drive for the following 7 arcs, courses and distances:

1. North 59°09'52" East a distance of 44.41 feet to a point of curvature;
2. 197.35 feet along the arc of a tangent 565.00 foot radius curve to the right through a central angle of 20°00'47";
3. North 79°10'39" East a distance of 143.60 feet to a point of curvature;
4. 138.52 feet along the arc of a tangent 635.00 foot radius curve to the left through a central angle of 12°29'55";
5. North 66°40'44" East a distance of 12.10 feet to a point of curvature;
6. 33.92 feet along the arc of a tangent 32.00 foot radius curve to the right through a central angle of 60°43'57" to a point of reverse curvature; and
7. 26.58 feet along the arc of a tangent 58.00 foot radius curve to the left through a central angle of 26°15'12";

thence leaving said southerly right-of-way line of Huggin Oaks Drive, coincident with the easterly line of said Parcel A for the following 5 courses and distances:

1. South 13°32'50" East a distance of 98.71 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944;
2. South 79°10'40" West a distance of 69.11 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944;
3. South 10°49'20" East a distance of 240.99 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944;
4. South 79°10'40" West a distance of 289.83 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944; and
5. South 13°32'50" East a distance of 133.68 feet to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the centerline of the private Raption Drive as shown on said Parcel Map;

thence leaving said easterly line of Parcel A, coincident with said centerline of the private Raption Drive for the following 2 arcs:

1. from a radial line which bears South 06°32'01" East, 151.13 feet along the arc of a non-tangent 2994.00 foot radius curve to the right through a central angle of 02°53'32" to a point of compound curvature;
2. 73.05 feet along the arc of a tangent 459.00 foot radius curve to the right through a central angle of 09°07'06" to the Point of Beginning.

Containing 4.857 acres of land, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this description is California State Plane Coordinate System, Zone 2, NAD'83, as measured between GPS Station "G3709", and GPS Station "G3810 as shown and so designated on that certain Record of Survey entitled "Record of Survey GPS Static Survey" filed for record in Book 63 of Surveys, at Page 29, Sacramento County Records. Said bearing is North 61°25'55" East. Distances shown are ground based.

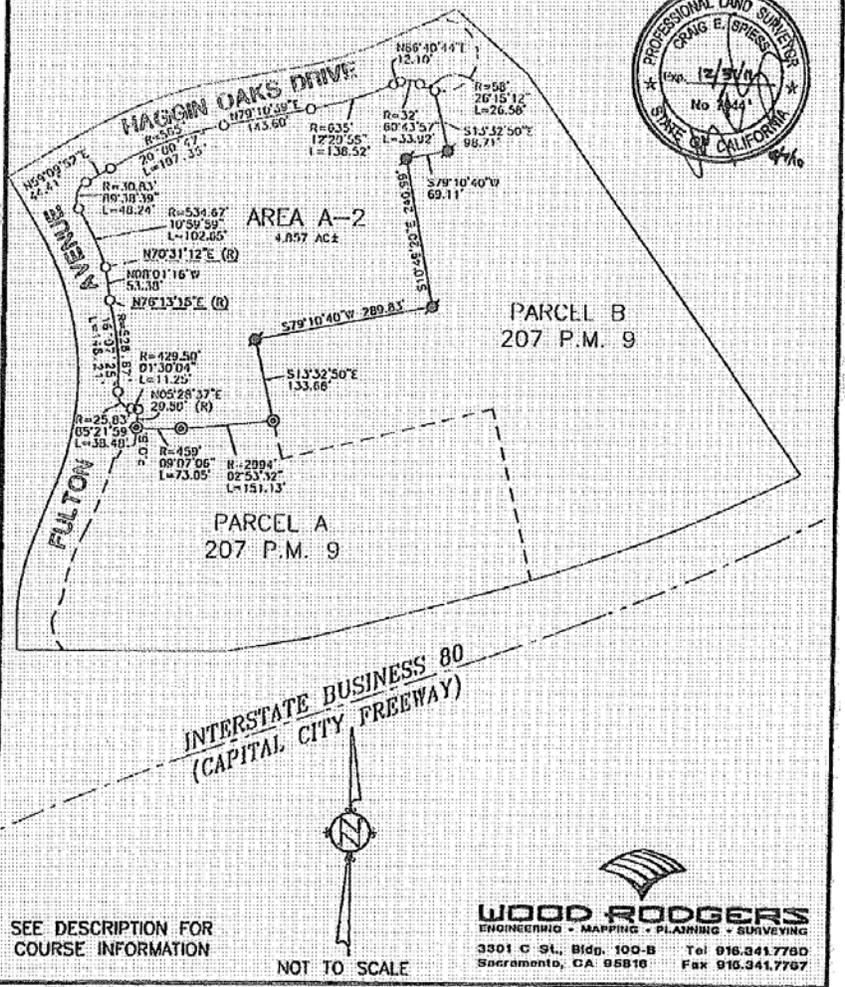

 Craig E. Spiess P.L.S. 7944
 Expires: December 31, 2011
 Date: 5/7/10



PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT "B"
 PLAT TO ACCOMPANY
 DESCRIPTION

HAGGIN OAKS
 PORTION OF PARCEL A - 207 P.M. 9
 CITY OF SACRAMENTO
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA



SEE DESCRIPTION FOR
 COURSE INFORMATION

NOT TO SCALE

WOOD RODGERS
 ENGINEERING • MAPPING • PLANNING • SURVEYING
 3301 C St., Bldg. 100-B Tel 916.341.7760
 Sacramento, CA 95816 Fax 916.341.7767

EXHIBIT "A"

DESCRIPTION OF AREA B-1

Being a portion of Parcel B as shown and so designated on that certain Parcel Map entitled "Hugin Oaks" filed for record in Book 207 of Parcel Maps, at Page 9, Sacramento County Records situate in Sections 26 and 31 of Rancho Del Paso, City of Sacramento, County of Sacramento, State of California, said property being more particularly described as follows:

Commencing at a found 6" x 6" concrete highway monument marking the southeast corner of said Parcel B as shown on said Parcel Map; thence coincident with the south line of said Parcel B, from a radial line which bears South 26°29'08" East, 106.08 feet along the arc of a non-tangent 2750.00 foot radius curve to the right through a central angle of 02°12'37" to the True Point of Beginning; thence from said TRUE POINT OF BEGINNING continuing from a radial line which bears South 24°16'32" East, 363.78 feet along the arc of a non-tangent 2750.00 foot radius curve to the right through a central angle of 07°34'45" to a found 3/4 inch iron pipe with cap stamped L.S. 7944 marking an angle point in the westerly line of said Parcel B; thence leaving the south line of Parcel B, coincident with said westerly line of Parcel B, North 13°32'50" West a distance of 281.46 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944; thence coincident with the prolongation of said westerly line of Parcel B, North 13°32'50" West a distance of 47.73 feet to the centerline of private Raption Drive as shown on said Parcel Map; thence coincident with said centerline of private Raption Drive for the following 3 arcs, courses and distances:

1. from a radial line which bears South 16°10'02" East, 181.26 feet along the arc of a non-tangent 1965.00 foot radius curve to the left through a central angle of 05°17'07" to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the point of compound curvature;
2. 88.30 feet along the arc of a tangent 365.00 foot radius curve to the left through a central angle of 13°51'42" to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944; and
3. North 54°41'09" East a distance of 72.63 feet to a found 1-1/4 inch iron pipe with cap stamped L.S. 7944 marking the intersection with the east line of said Parcel B;

thence leaving said centerline of private Raption Drive, coincident with the east line of Parcel B, South 35°18'51" East a distance of 238.68 feet to the intersection with the multi-purpose easement line as shown on said Parcel Map; thence leaving said east line of Parcel B, coincident with the multi-purpose easement line, South 11°31'43" West a distance of 143.22 feet to the Point of Beginning.

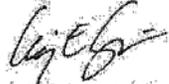
Containing 2.956 acres of land, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this description is California State Plane Coordinate System, Zone 2, NAD'83, as measured between GPS Station "G3709", and GPS Station "G3810 as shown and so designated on that certain Record of Survey entitled "Record of Survey GPS Static Survey" filed

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for record in Book 63 of Surveys, at Page 29, Sacramento County Records. Said bearing is North 61°25'55" East. Distances shown are ground based.



Craig E. Spiess P.L.S. 7944
Expires: December 31, 2011

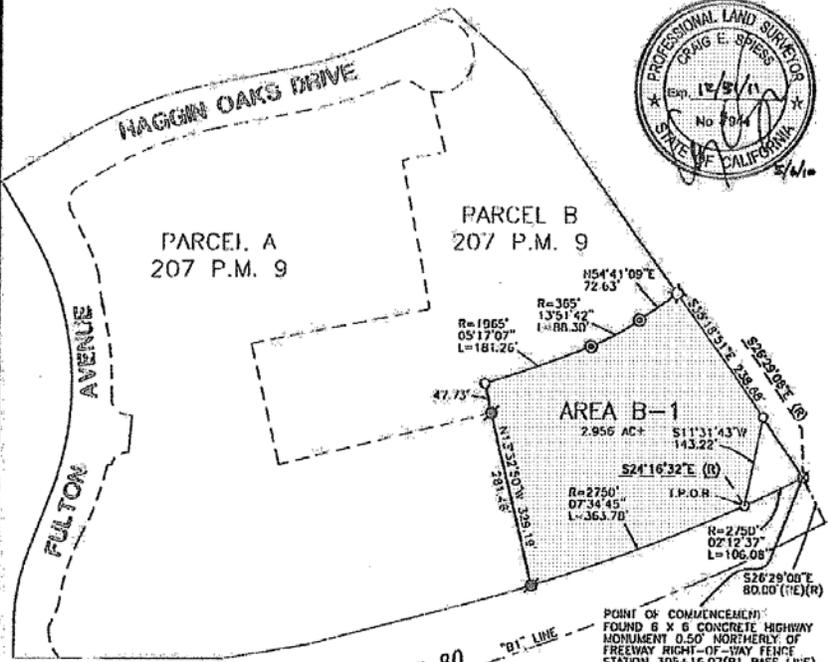
Date: 5/6/10



PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT "B"
 PLAT TO ACCOMPANY
 DESCRIPTION

HAGGIN OAKS
 PORTION OF PARCEL B - 207 P.M. 9
 CITY OF SACRAMENTO
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA



POINT OF COMMENCEMENT:
 FOUND 6 X 6 CONCRETE HIGHWAY
 MONUMENT 0.50' NORTHERLY OF
 FREEWAY RIGHT-OF-WAY FENCE
 STATION 305+16.07 (B) BASE LINE)
 DEPARTMENT OF PUBLIC WORKS
 1945 SURVEY BETWEEN DEL. STREET
 AND PLACER COUNTY LBIL IN
 SACRAMENTO COUNTY, ROAD
 III-SAC-3-B

INTERSTATE BUSINESS 80
 (CAPITAL CITY FREEWAY)



SEE DESCRIPTION FOR
 COURSE INFORMATION

NOT TO SCALE

WOOD RODGERS
 ENGINEERING - MAPPING - PLANNING - SURVEYING
 3301 C St., Bldg. 100-B Tel 916.341.7700
 Sacramento, CA 95810 Fax 916.341.7707

EXHIBIT "A"

DESCRIPTION OF AREA B-2

Being a portion of Parcel B as shown and so designated on that certain Parcel Map entitled "Haggin Oaks" filed for record in Book 207 of Parcel Maps, at Page 9, Sacramento County Records situate in Sections 26 and 31 of Rancho Del Paso, City of Sacramento, County of Sacramento, State of California, said property being more particularly described as follows:

Beginning at a found 6" x 6" concrete highway monument marking the southeast corner of said Parcel B as shown on said Parcel Map; thence from said POINT OF BEGINNING coincident with the south line of said Parcel B, from a radial line which bears South 26°29'08" East, 106.08 feet along the arc of a non-tangent 2750.00 foot radius curve to the right through a central angle of 02°12'37" to the intersection with the multi-purpose easement line as shown on said Parcel Map; thence leaving said south line of Parcel B, coincident with said multi-purpose easement line, North 11°31'43" East a distance of 143.22 feet to the east line of said Parcel B; thence leaving said multi-purpose easement line, coincident with the east line of said Parcel B, South 35°18'51" East a distance of 116.26 feet to the Point of Beginning.

Containing 6,109 square feet of land, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this description is California State Plane Coordinate System, Zone 2, NAD'83, as measured between GPS Station "G3709", and GPS Station "G3810 as shown and so designated on that certain Record of Survey entitled "Record of Survey GPS Static Survey" filed for record in Book 63 of Surveys, at Page 29, Sacramento County Records. Said bearing is North 61°25'55" East. Distances shown are ground based.

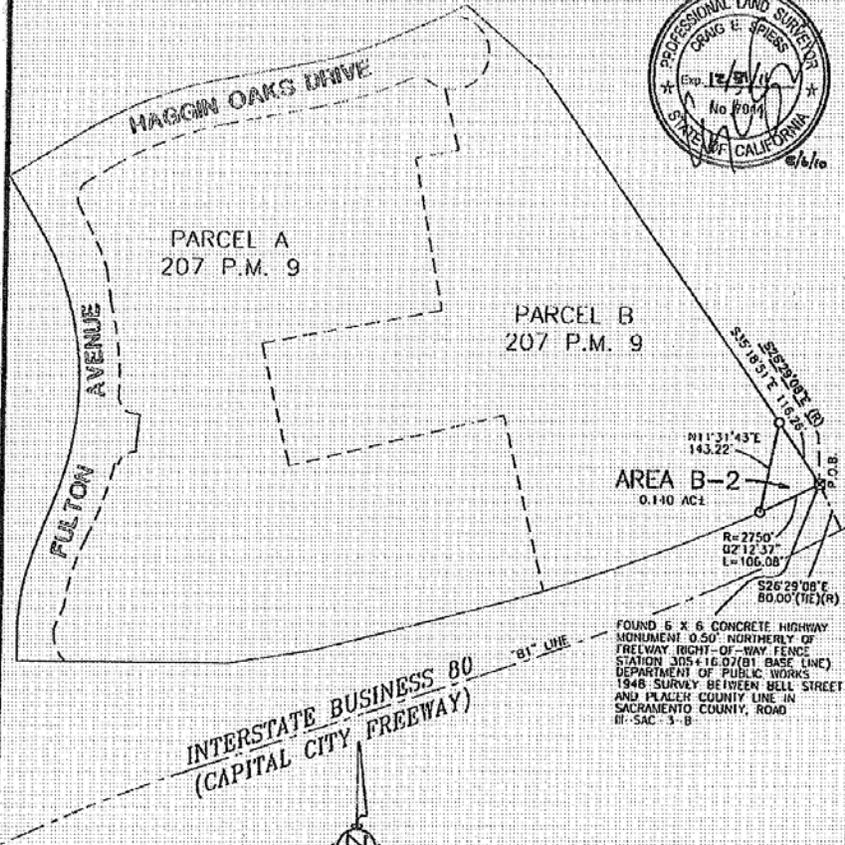

Craig E. Spiess P.L.S. 7944
Expires: December 31, 2011
Date: 5/6/10



PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT "B"
 PLAT TO ACCOMPANY
 DESCRIPTION

HAGGIN OAKS
 PORTION OF PARCEL B - 207 P.M. 9
 CITY OF SACRAMENTO
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA



SEE DESCRIPTION FOR
 COURSE INFORMATION

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 3301 C St., Bldg. 100-B Tel 916.341.7780
 Sacramento, CA 95816 Fax 916.341.7787

EXHIBIT "A"

DESCRIPTION OF AREA B-3

Being a portion of Parcel B as shown and so designated on that certain Parcel Map entitled "Haggin Oaks" filed for record in Book 207 of Parcel Maps, at Page 9, Sacramento County Records situate in Sections 26 and 31 of Rancho Del Paso, City of Sacramento, County of Sacramento, State of California, said property being more particularly described as follows:

Beginning at a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the intersection of the westerly line of said Parcel B with the centerline of the private Raption Drive as shown on said Parcel Map; thence from said POINT OF BEGINNING coincident with said westerly line of Parcel B for the following 5 courses and distances:

1. North 13°32'50" West a distance of 133.68 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944;
2. North 79°10'40" East a distance of 289.83 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944;
3. North 10°49'20" West a distance of 240.99 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944;
4. North 79°10'40" East a distance of 69.11 feet to a found 3/4 inch iron pipe with cap stamped L.S. 7944; and
5. North 13°32'50" West a distance of 98.71 feet to the southerly right-of-way line of Haggin Oaks Drive as shown on said Parcel Map;

thence coincident with said right-of-way line of Haggin Oaks Drive, from a radial line which bears South 11°09'29" West, 217.12 feet along the arc of a non-tangent 58.00 foot radius curve to the left through a central angle of 214°28'45" to the northerly line of said Parcel B; thence coincident with said northerly line of Parcel B, North 64°01'34" East a distance of 50.01 feet to a found 1-1/4 inch iron pipe with cap stamped L.S. 7944 marking the most northerly corner of Parcel B; thence leaving said northerly line of Parcel B, coincident with the east line of said Parcel B for the following 2 courses and distances:

1. South 48°53'25" East a distance of 158.17 feet to a found 1-1/4 inch iron pipe with cap stamped L.S. 7944; and
2. South 35°18'51" East a distance of 426.90 feet to a found 1-1/4 inch iron pipe with cap stamped L.S. 7944 marking the intersection of the east line of Parcel B with the centerline of the private Raption Drive as shown on said Parcel Map;

thence leaving said east line of Parcel B, coincident with the centerline of the private Raption Drive for the following 4 arcs, courses and distances:

1. South 54°41'09" West a distance of 72.63 feet to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking a point of curvature;

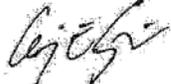
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2. 88.30 feet along the arc of a tangent 365.00 foot radius curve to the right through a central angle of 13°51'42" to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking a point of compound curvature;
3. 472.76 feet along the arc of a tangent 1965.00 foot radius curve to the right through a central angle of 13°47'05" to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking a point of compound curvature; and
4. 59.27 feet along the arc of a tangent 2994.00 foot radius curve to the right through a central angle of 01°08'03" to the Point of Beginning.

Containing 4.154 acres of land, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this description is California State Plane Coordinate System, Zone 2, NAD'83, as measured between GPS Station "G3709", and GPS Station "G3810" as shown and so designated on that certain Record of Survey entitled "Record of Survey GPS Static Survey" filed for record in Book 63 of Surveys, at Page 29, Sacramento County Records. Said bearing is North 61°25'55" East. Distances shown are ground based.

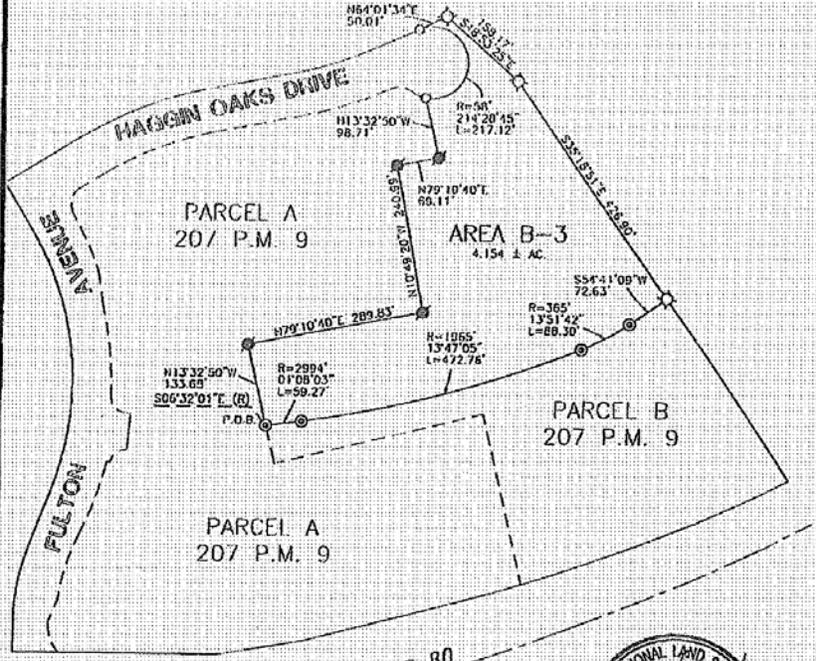

Craig E. Spiess P.L.S. 7944
Expires: December 31, 2011
Date: 5/6/10



PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT "B"
 PLAT TO ACCOMPANY
 DESCRIPTION

HAGGIN OAKS
 PORTION OF PARCEL B - 207 P.M. 9
 CITY OF SACRAMENTO
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA



INTERSTATE BUSINESS 80
 (CAPITAL CITY FREEWAY)



SEE DESCRIPTION FOR
 COURSE INFORMATION

NOT TO SCALE

WOOD RODGERS
 ENGINEERING - MAPPING - PLANNING - SURVEYING
 3301 C St., Bldg. 100-B Tel 916.341.7760
 Sacramento, CA 95816 Fax 916.341.7707

EXHIBIT "A"

DESCRIPTION OF AREA B-4

Being a portion of Parcel B as shown and so designated on that certain Parcel Map entitled "Huggin Oaks" filed for record in Book 207 of Parcel Maps, at Page 9, Sacramento County Records situate in Sections 26 and 31 of Rancho Del Paso, City of Sacramento, County of Sacramento, State of California, said property being more particularly described as follows:

Beginning at a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the intersection of the centerline of private Raption Drive with the westerly line of said Parcel B as shown on said Parcel Map; thence from said POINT OF BEGINNING coincident with centerline of private Raption Drive for the following 2 arcs:

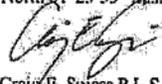
1. from a radial line which bears South 06°32'01" East, 59.27 feet along the arc of a non-tangent 2994.00 foot radius curve to the left through a central angle of 01°08'03" to a found 1-1/2" inch long by 1/4" diameter mag nail tagged L.S. 7944 marking the point of compound curvature as shown on said Parcel Map; and
2. 291.49 feet along the arc of a tangent 1965.00 foot radius curve to the left through a central angle of 08°29'58";

thence leaving said centerline of private Raption Drive, South 13°32'50" East a distance of 47.73 feet to a found 3/4 inch iron pipe stamped L.S. 7944 marking an angle point in the westerly line of said Parcel B; thence coincident with said westerly line of Parcel B, South 76°27'10" West a distance of 350.00 feet to a found 3/4 inch iron pipe stamped L.S. 7944 marking an angle point in the westerly line of said Parcel B; thence coincident with said westerly line of Parcel B, North 13°32'50" West a distance of 62.66 feet to the Point of Beginning.

Containing 17,539 square feet of land, more or less.

See Exhibit "B", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this description is California State Plane Coordinate System, Zone 2, NAD'83, as measured between GPS Station "G3709", and GPS Station "G3810 as shown and so designated on that certain Record of Survey entitled "Record of Survey GPS Static Survey" filed for record in Book 63 of Surveys, at Page 29, Sacramento County Records. Said bearing is North 61°25'55" East. Distances shown are ground based.


Craig E. Spiess P.L.S. 7944
Expires: December 31, 2011



Date: 5/7/10

PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT "B"
 PLAT TO ACCOMPANY
 DESCRIPTION

HAGGIN OAKS
 PORTION OF PARCEL B - 207 P.M. 9
 CITY OF SACRAMENTO
 COUNTY OF SACRAMENTO STATE OF CALIFORNIA

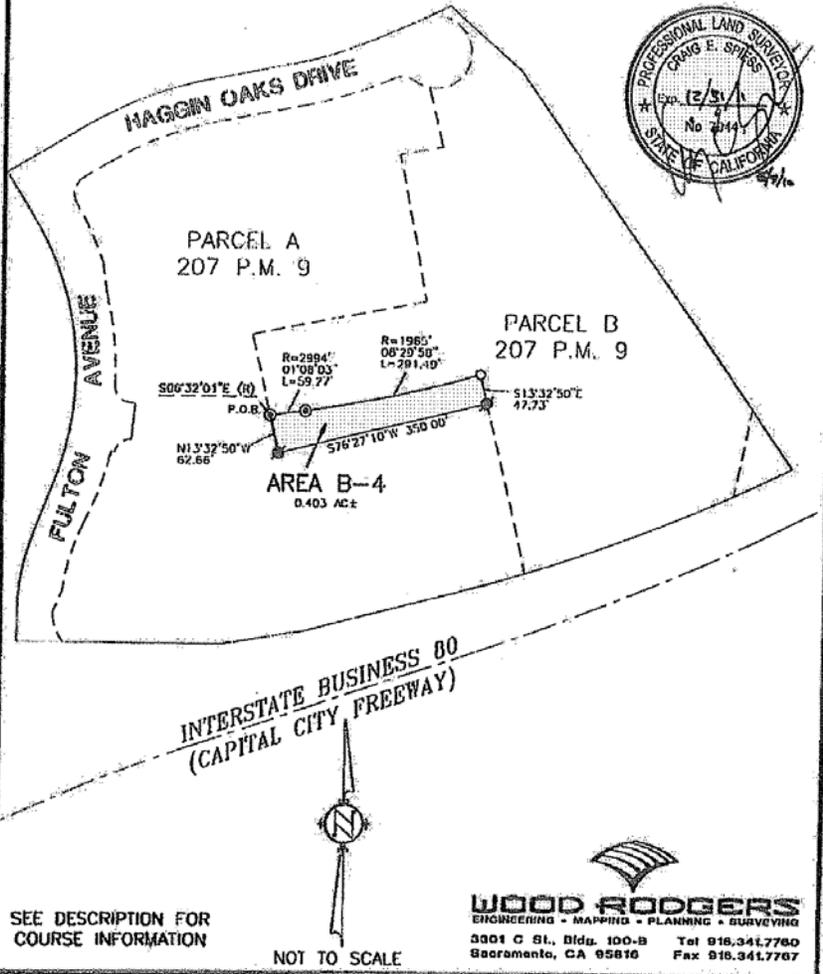


Exhibit B

11/20/08

**FULTON AVENUE DEVELOPMENT PROJECT
DEVELOPMENT GUIDELINES**

**Mel Rapton Honda
Dated: 11/20/08**

11/20/08

FULTON AVENUE DEVELOPMENT PROJECT - DEVELOPMENT GUIDELINES

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I. OVERALL PURPOSE AND APPROVAL REQUIREMENTS

The Fulton Avenue Development Project is a planned unit development. These guidelines, as approved and accepted by the City of Sacramento City Council, are intended to implement the goals and policies of the Sacramento City General Plan and serve as a supplement to the existing City of Sacramento Zoning Code. In addition, the Fulton Avenue Development Project's Development Guidelines will establish the necessary criteria to promote quality design for the project.

To the extent the provisions of these PUD Guidelines conflict with development standards or regulations in the City of Sacramento Zoning Code, these PUD Guidelines shall prevail.

Upon request of the applicant, the Planning Director may amend or modify these PUD Guidelines or the related PUD Schematic Development Plan without compliance with the procedural provisions of the Zoning Ordinance or any other notice of public hearing if the Planning Director determines that the requested amendment or modification is consistent with the general intent of these PUD Guidelines. Except as noted above, any amendments hereto can only become effective upon approval by the Planning Commission of the City of Sacramento.

When consistent with these PUD Guidelines, development within the Fulton Avenue Development Project PUD shall be subject to approval pursuant the Planning Director Plan Review provisions of Chapter 17.220 of the City of Sacramento Zoning Code.

II. PROJECT DESCRIPTION

The Fulton Avenue Development Project is a 17.5 ± net acre project located north of the Business 80 / Fulton Avenue Interchange in the City of Sacramento. The project site is bounded by Business 80 on the south and Fulton Avenue on the west. To the north and east the project site is bounded by the Haggin Oaks Golf Course owned and operated by the City of Sacramento. The Fulton Avenue Development Project will provide auto related highway commercial uses for both the North Sacramento community and for travelers of Business 80. It is anticipated that the PUD will be developed with up to two (2) auto dealerships and auto-related uses.

III. PERMITTED AND PROHIBITED USES

The zoning for the project site is "C-4", Heavy Commercial. However, not all uses allowed in by City Zoning Ordinance in a C-4 zone will be appropriate within this PUD. Only the following uses will be allowed within this PUD:

- auto sales (new and used)
- auto service, auto repair
- auto storage
- auto rental
- auto body repair shop
- auto parts sales
- copy shop
- florist
- food/grocery/deli
- furniture store
- printing & blueprinting
- restaurant
- recreational vehicle sales and repairs
- retail stores
- boat sales
- sign shop
- tire shop
- towing and storage yard

Notwithstanding the C-4 zoning of the project site the following uses are nonetheless prohibited within this PUD:

- bar
- nightclub
- beer and wine sales for off-premises consumption
- boat dock/marina
- bus terminal
- bus maintenance and storage
- church
- cleaning plant
- child care center
- community center
- dance school
- diet center
- drive-in theater
- dry cleaning plant
- equipment rental yard
- equipment sales yard
- flea market
- furniture refinishing
- gun/rifle range
- kennel
- laboratory
- laundromat
- medical clinic
- medical offices
- mini storage
- mortuary
- food storage and distribution facility
- non-residential care facility
- penal institution
- pest control company
- recycling facilities
- residential hotel-SRO
- social club
- temporary buildings
- tutoring center
- vet clinic/hospital

Multiple auto dealerships shall be allowed on the same underlying legal parcels. Notwithstanding the provisions of the Sacramento City Zoning Code, the off-site parking of automobiles, including, but not limited to, the sales and storage of vehicles shall be permitted within this PUD without the need for any special permits. Therefore, this PUD shall permit any auto dealerships developed on this site to locate their primary buildings on Parcel A and to use their respective portions of Parcel B for vehicle storage, display and sales pursuant to a Planning Director Plan Review approval.

IV. SITE PLANNING

The objective of good site planning is to establish a functional and effective organization of buildings, circulation, parking and service areas that enhance the identity and efficiency of the project and its relationship to surrounding development. The site is anticipated to be developed with at least one auto dealership and a second auto related use, most likely another auto dealership. The site will be designed to facilitate efficient circulation of automobiles without compromising safety. All buildings shall be located within the building envelopes indicated on the Raptor Automall Schematic Plan and all buildings, structures, paved areas and building materials, color schemes, and landscape elements shall be designed and constructed so as to create a desirable environment for the intended use and relate harmoniously to other buildings.

Site Design Requirements and Standards:

- All utilities are to be installed underground
- All screen wall material shall be complimentary to any adjacent building walls.
- All trash/recycling collection shall be screened from off-site view.
- Enclosures shall be a minimum of six feet in height.
- Surface runoff and drainage shall be handled on site.
- Adequate off-street parking shall be provided consistent with the Sacramento City Zoning Code to accommodate the parking needs of the business located at the site.
- Required off-street parking shall be provided on the site served unless reciprocal parking and access easements are provided to the satisfaction of the City of Sacramento's Development Engineering Division.
- Curb type barriers shall be designated and located to prevent parked vehicles from extending beyond property lines of parking lots or into yard spaces where parking is prohibited and to protect public right-of-way and adjoining properties from damaging effects of surface drainage from parking lots.

- Minimum stall dimensions shall correspond to standards provided in the City Zoning Code. These stall dimension standards shall not apply to vehicle display, sales, service and storage areas associated with auto dealership uses permitted within the PUD; provided, however, that all parking areas associated with auto dealership uses shall be designed to prevent parking vehicles from extending beyond property lines as provided above.
- Maximum of forty (40) percent of all required vehicle parking spaces may be compact spaces. Variations from this standard are permitted pursuant to Section 17.64.030 of the City of Sacramento Zoning Code. These compact parking space standards shall not apply to vehicle display, sales, service and storage areas associated with auto dealership uses permitted within the PUD
- Driveway cuts for the PUD shall be as shown on the PUD Schematic Plan.
- The loading and unloading of vehicles associated with any auto dealership use shall be designed to occur completely within the auto dealership parcel. No loading or unloading of vehicles shall be permitted on any public street within the PUD.
- No open-air storage of materials, supplies, equipment, mobile equipment, finished or semi-finished products or articles of any nature shall be allowed. Storage is to be inside structures. Open-air display, sales and storage of vehicles associated with auto dealership uses shall be permitted with this PUD.
- Internal drive aisles for circulation within and among the auto dealerships do not need to be improved to City's public street standards.

Site Setback and Height Standards:

- Setbacks shall be determined by the Planning Director at the time of submittal for Planning Director Plan Review.
- The maximum building height shall be 65 feet. If a mechanical penthouse is provided, an additional 10 feet shall be permitted.

Hazardous Materials:

- All buildings and structures containing hazardous materials shall be labeled at all doorways with easy to read signs that provide emergency response teams with information on the hazardous contents of the building or structure, and proper containment procedures. Labeling should be based on existing systems (such as the National Fire Protection Association 704 System) and approved by the City Fire Department.

On-Site Drainage:

- Each building shall be required to provide adequate drainage facilities in accordance with City of Sacramento standards.

Walkways:

- Walkway materials shall be compatible with the exterior wall materials of adjacent buildings and with walk and path systems standards of the PUD. Surfaces shall have a non-skid finish. Layout and design shall provide maximum comfort and safety to pedestrians.

V. LANDSCAPING

The objective of these landscape design standards is to create a pleasant and distinctive environment that reinforces the site plan in a manner that is consistent with the City of Sacramento's Response Plan for the Trapshooting Club (the "Response Plan") in order to prevent the spread of contaminated materials. The Response Plan requires that all of Parcel B be covered with an impermeable asphalt cap. These landscaping guidelines are intended to promote the establishment of compatible and continuous landscape design that will not violate the integrity of the asphalt cap on Parcel B, yet allow compatible landscaping within Parcel A that is suitable for an auto dealership use. All landscaping shall be maintained in a neat and orderly fashion.

A. Parcel A Landscaping

Parcel A, which does not have an impervious asphalt cap, shall have landscaping with plants that are varied in size, including one (1) and five (5) gallon shrubs, and five (5) and fifteen (15) gallon trees. Examples of acceptable landscape design treatments and typical street corner landscape treatments shall be approved by the Planning Director and may be included and approved in conjunction with a project specific Planning director's Plan Review application. Tree plantings shall be grouped to provide visual interest while still ensuring the visibility of vehicle display and sales areas from adjacent public rights of way and internal drives.

- All landscaping shall be maintained so that ground cover plants and shrubs do not exceed a maximum height of thirty (30) inches. Tree limbs shall be trimmed so that they hang no lower than seven (7) feet above grade level. Location and number of trees on Parcel A shall be situated so that they do not diminish lighting levels.

- Natural ground covers with permanent automatic irrigation will be used to tie together the individual elements throughout the project.

- The minimum landscape coverage percentage for any project on Parcel A shall be fifteen percent (15%).

- Trees shall be planted and maintained throughout the customer and employee parking areas to insure that within fifteen (15) years after the establishment of those parking areas, at least fifty percent (50%) of those parking areas will be shaded at noon on August 21st. Consistent with Section 17.68.040 of the City of Sacramento Zoning Code, the foregoing requirement shall not apply to vehicle display, sales, service and storage areas associated with the dealership uses permitted within the PUD.

B. Parcel B Landscaping:

- No trees, shrubs or plants shall be used whose root systems would invade the impervious asphalt cap placed over Parcel B.

- Landscaping and plant selection shall be designed to maximize energy conservation, human comfort and promote biodiversity within the introduced landscape.

- Landscaping enhancements may include ornamental plantings, trellises, and specialty lighting.

- All landscaping must be installed in above-ground planters and pots with impervious bottoms on Parcel B.

- No holes or openings shall be cut in the asphalt cap to plant trees or other vegetation on Parcel B.

- Parcel B shall be exempt from the requirements of Section 17.68.040 of the City Zoning Code related to tree shading at vehicle parking areas.

VI. ARCHITECTURAL DESIGN

The objective of architectural design is to create a distinctive but compatible building image that denotes the nature of the building's purpose and activities. The design and architecture of the proposed buildings shall be complementary to existing buildings and structures in the surrounding area. Good architecture is enduring and timeless and cannot set a precedent for poor architectural design.

Building Design

- Appropriate facade and wall articulation materials include, but are not limited to, painted concrete, split-faced concrete block, cement plaster, brick, metal, concrete/plaster reveals, patterned masonry and tile.
- Building facades should have good articulation.
- All roof-mounted equipment shall be screened from view.
- Changes in parapet wall heights are encouraged to enhance building entrances and to articulate building walls.
- Colors, materials, and finishes shall be coordinated on the buildings. Building facade colors shall compliment project accent colors. Concrete and plaster surfaces shall be painted. Metal surfaces may be painted or galvanized.
- Building designs consistent with corporate standards to identify the type of use or activities being conducted at the building are encouraged; however, corporate standards shall not set a precedent for the design of nearby buildings.
- Any corporate brand or identification shall be subtly integrated into the overall design of the building.
- Insensitive dominant building elements are prohibited.
- Corporate standard prototype buildings are prohibited.
- Avoid the use of building elements that overwhelm or dominate a building.
- Temporary construction structures, including but not limited to trailers, mobile homes, and other structures are permitted during construction.

VII. LIGHTING

All lighting design must comply with the City Zoning Code. The intention of the lighting design for the Raption Automall is to create an inviting yet secure nighttime environment. The proposed lighting shall coordinate with building architecture and provide continuous lighting for all vehicular and pedestrian paths of travel at the site. In addition, all onsite lighting shall adhere to the following light standards:

- Lighting shall be designed in such a manner as to provide safety and comfort for occupants of the project site and the general public.

- Lighting shall be oriented away from the properties adjacent to the project site. Cutoff type fixtures should be used where glare could be a problem for adjacent properties or streets.
- Exterior lighting fixtures shall be similar and compatible throughout each parcel.

VIII. SIGNAGE

The intent of these sign guidelines is to allow for the use of detached freeway signage serving the businesses located at the project site and to create a visually coordinated and balanced signage environment. The design of all sign graphics shall be carefully considered in relation to the site architecture and uses. The objective of signage is to provide identity and information for tenants and users for the site, as well as their customers, while avoiding visual competition and clutter.

The project shall adhere to the following sign guidelines:

General Sign Guidelines:

- Signs shall be compatible with and complimentary to the scale and color of adjacent building facades.
- Temporary wall signs, leasing signs, and window signs will be allowed if consistent with the City Sign Ordinance relating to temporary signs.
- All sign fabrication work shall be of high quality. All logo images and typestyles shall be accurately reproduced.
- Wall signs shall be affixed without a visible means of attachment, unless the attachments are architecturally distinctive.
- Exposed junction boxes, transformers, lamps, tubing, conduit, raceways or neon crossovers of any type shall be covered and screened from public view.
- Paper, cardboard or Styrofoam signs, stickers or decals hung around or behind storefronts are prohibited.
- No electronic messaging or animation is permitted on signs.

Detached Signage:

- One freeway pole sign, located on either Parcel A or B, is allowed in the PUD. Use of the freeway pole sign shall be shared by the two (2) auto dealerships.

- Maximum area of each dealership's sign on the freeway pole sign is 200 square feet per sign face. The total of both sign faces of each sign shall not exceed a maximum of 400 total square feet, which shall be exclusive of any air space area separating the individual signs for each dealership. Each sign shall be internally illuminated.
- Maximum height of the freeway pole sign is seventy feet.
- Maximum area of each onsite monument sign is seventy-two square feet.
- Maximum height of each monument sign is nine feet.
- Onsite monument signs shall be located near the major entry/exit to each auto dealership.
- The freeway pole sign shall be located along the Business 80 frontage, near the southeast corner of Parcel B.

Attached Signage:

- One attached sign per road (public or private) and per freeway frontage on each dealership building is allowed, not to exceed a maximum of eight attached signs per building.
- A sign may consist of a company logo and/or a company name, secondary identification information, or directional signage.
- A maximum of four signs with company name and/or company logo and four signs with secondary identification information are permitted per Ancillary building. There shall be no limitation on the number or location of attached directional signs permitted per building, provided they meet the directional signage requirements contained within these Guidelines.
- Signs may be internally illuminated, externally illuminated, or non-illuminated.
- Lighting for signs shall not produce a glare on other properties in the vicinity and the source of light shall not be visible from adjacent property or a public street.
- Signs must be attached to and parallel to a building face. A sign may not project above the wall on which it is located.
- Signs may be located in the "upper signage area" and may be oriented toward the freeway. The "upper signage area" is defined as the area bounded by: (1) the building parapet line; (2) the top of the windows of

the highest floor of the building; and (3) the vertical edges of the building face on which the sign is attached.

- A sign located in the upper signage area shall be no longer than thirty percent of the length of the linear building face on which the sign is affixed.
- Attached building signs (letters and logos) shall not exceed two hundred forty square feet.
- Attached building signs may be constructed of individual letters, marble, granite, ceramic tile, or other comparable materials that convey a rich quality complimentary to the material of the building exterior.
- Individual solid metal letters shall be applied to the building with a non-distinguishable background. Letters shall be pegged-out from the building face at least one and one-half inches (1 ½") and be reverse pan channel construction.
- Attached signs consistent with the above shall be subject to a ministerial permit procedure.

Directional & Identification Signage:

- Directional signs include those signs which provide direction or instruction and are located entirely on the business to which they pertain.
- Directional signs shall not exceed sixteen square feet in area.
- Directional signs shall not advertise a business but shall be used to identify rest rooms, public telephones, walkways, parking lot entrances and exits, and information of a similar nature.
- Secondary identification signage shall be used to identify customer service, parts, body shop and other auto related service areas.

Exhibit D

**Agreement for Sale of Real Property
City of Sacramento & Chrysler Group Realty Company LLC**

Form of Escrow Instructions for Option

(See attached two pages)

[Date]

Escrow Instructions

[Name of Title Company]
[Address]

Re: Escrow for Sale by Chrysler Group Realty Company LLC of 5.119 Acres to the City of Sacramento

Dear [Name]:

Under Section 17 of the *Agreement for Sale of Real Property* between Chrysler Group Realty Company LLC (“Chrysler”) and the City of Sacramento (the “City”), which is dated February 22, 2011, and designated as City Agreement No. 2011-_____, the City has the option to repurchase from Chrysler the real property that was the subject of the agreement, described in **Exhibit A** to this letter, at a purchase price of **\$2,336,224.00**. The City has timely exercised its option in accordance with Section 17, and the escrow instructions set forth in this letter, together with your company’s standard escrow instructions, will govern the repurchase. This letter will control if a conflict arises between it and your company’s standard escrow instructions.

Attached are the following documents:

- A. One original of a fully executed and acknowledged grant deed (the “Deed”) by which Chrysler conveys to the City title to the real property described in **Exhibit A** to these instructions (the “Property”).
- B. Check No. _____, drawn on the City’s account with [name of bank], in the amount of **\$2,336,224.00** and payable to [name of title company].

The instructions to close escrow are as follows:

- 1. [Name of title company] is authorized to record this transaction when it receives a check in the amount of **\$2,336,224.00** from the City.
- 2. The City will accept title subject only to the following title exceptions identified in the Preliminary Report No. _____, dated _____:

[List exceptions.]

3. The City shall pay all escrow and title charges, including the cost of the title insurance policy described in paragraph 4 below.
4. [Name of title company] shall issue to the City an ALTA Standard Owner’s Policy of title insurance covering the real property described in the Deed and showing title vested in the City of Sacramento, a municipal corporation, with liability in the amount of **\$2,336,224.00**.
5. Upon close of escrow, [name of title company] shall return any credited amounts to the City and record the Deed in the Recorder’s Office of Sacramento County. Title to the Property will pass to City immediately upon close of escrow.
6. [Name of title company] shall perform and comply with any other requirement necessary to effect this transaction and transfer of ownership and shall obtain or create any other documents needed to complete this transaction.
7. The City is entitled to amend or cancel these instructions at any time before the recording or handling of the above-described documents as directed.
8. [Name of title company] shall call and receive oral communication that all City conditions of closing have been satisfied, at which time it may proceed to recordation.

If you have questions concerning the above, please call the undersigned at (916) 808-[_____].

Sincerely,

City of Sacramento

Chrysler Group Realty Company LLC

By: _____
Supervisor, Real Estate Services Section

By: _____

Please acknowledge your receipt of this letter (including the enclosed the documents) and your agreement to proceed in accordance with the instructions set out above by signing and returning a copy of this letter.

The undersigned acknowledges receipt of these escrow instructions and agrees to proceed in strict accordance with them.

[Name of Title Company]

By: _____

Its: _____

Exhibit E

**Agreement for Sale of Real Property
City of Sacramento & Chrysler Group Realty Company LLC**

Form of Memorandum of Option

(See attached two pages)

No fee required, as recording benefits the City of Sacramento, a government entity (Gov. Code, §§ 6103 & 27383).

Recording requested by, and when recorded return to—

City of Sacramento
Real Estate Services Section
5730 24th Street, Building 4
Sacramento, CA 95822
Attention: Supervisor, Real Estate Services Section

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

MEMORANDUM OF OPTION TO PURCHASE REAL PROPERTY

This *Memorandum of Option to Purchase Real Property*, dated _____, 2011, for purposes of identification, is between **Chrysler Group Realty Company LLC**, a Delaware limited-liability company (“Chrysler”); and the **City of Sacramento**, a California municipal corporation (the “City”). Chrysler and the City agree as follows:

1. Chrysler has granted to the City the option to purchase the real property described and depicted in **Exhibit A** to this memorandum, comprising approximately 5.119 acres located at 3701 Fulton Avenue, Sacramento, California.
2. The term of this option begins on **[insert the Closing Date]** and ends at 11:59 p.m. (California time) on **[insert date that is 25 months after the Closing Date]**.
3. This option is granted by an unrecorded *Agreement for Sale of Real Property* between Chrysler and the City that is dated February 22, 2011, for purposes of identification and designated as City Agreement No. 2011-**[]** (the “Agreement”).
4. The sole purpose of this memorandum is to give notice of the option, which is set forth in Section 17 of the Agreement. This memorandum does not alter in any way the rights and obligations of Chrysler and the City under the Agreement. If any inconsistency exists between this memorandum and the Agreement, then the Agreement will control.

(Signature page follows)

City of Sacramento

Chrysler Group Realty Company LLC

By: _____
Gus Vina, Interim City Manager

Dated: _____, 2011

Attest:
Sacramento City Clerk

By: _____

Approved as to Form
Sacramento City Attorney

By: _____
Joseph Cerullo Jr.
Senior Deputy City Attorney

By: _____

Dated: _____, 2011

By: _____

Dated: _____, 2011

Approved as to Form

By: _____

[Attach Certificates of Acknowledgment – California Civil Code § 1189]

Note: Attach as Exhibit A to this memorandum the legal description and plat attached to the *Agreement for Sale of Real Property* as Exhibit A (consisting of Exhibits A-1 and A-2).