

RESOLUTION NO. 2011-648

Adopted by the Sacramento City Council

December 6, 2011

APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF SACRAMENTO AND THE CITY OF SACRAMENTO REGARDING THE REIMBURSEMENT TO CITY FOR CONSULTANT AND STAFF COSTS FOR PHASE IV AND COMMENCEMENT OF PHASE V OF THE NATOMAS JOINT VISION (2012-2013)

BACKGROUND

- A. The City of Sacramento (City) and Sacramento County (County) entered into a Memorandum of Understanding (Joint Vision MOU) (Resolution 2002-830) on December 10, 2002, establishing principles for land use and revenue sharing for the Natomas Joint Vision Area. Since that time, City and County staff have been working to implement the Joint Vision MOU through a collaborative planning process and the development of a multi-phased comprehensive strategy for the Joint Vision Area, known as the Visioning Plan process.
- B. The City and County have determined that the Visioning Plan (Phase II) process provided for in the Memorandum of Understanding relating to the reimbursement to City of consultant and staff costs ("Reimbursement MOU") (Resolution 2008-697) dated October 29, 2008 has been completed.
- C. The City and County have determined that the Technical Phase III process provided for in the Reimbursement MOU (Resolution 2009-382) dated June 24, 2009 has been completed.
- D. City and County entered into a third Reimbursement MOU (Resolution 2010-073), dated February 16, 2010, to continue to work cooperatively toward completion of Phase IV of the planning process.
- E. City and County entered into a fourth Reimbursement MOU (Resolution 2010-710, County Resolution 2010-0987), dated December 14, 2010, to continue to work cooperatively towards completion of Phase IV of the planning process.
- F. City has determined that its costs to complete Phase IV and commence Phase V of the planning process are likely to exceed the amounts anticipated for this work in the December 14, 2010, Reimbursement MOU. The City and County propose to jointly continue Phase IV – focused on preparing a habitat conservation strategy. As City and County are similarly interested in the completion of Phase IV and commencement of Phase V, City and County agree to incur the costs of preparing and processing this work in anticipation of having those costs paid for by the Natomas Landowners Group.

- G. The County has entered into an agreement (the "Funding Agreement") with the Natomas Landowners Group to pay the County a dollar amount sufficient to cover the City's and County's costs of completing Phase IV and commencing Phase V. The City and County now desire to enter into an agreement for the City to be reimbursed by the County for the costs the City incurs for staff time and consultant services for the continued preparation and processing of Phase IV and commencement of Phase V for calendar years 2012 and 2013.
- H. City, through the City Attorney's office, has retained legal consultants to assist in the planning process. As of December 2011, the total amount incurred for outside legal services for the Visioning Plan planning process is \$85,346.19. The City expects it could incur legal consultant costs in the amount of up to \$60,000 over the 2012-2013 two-year work program.
- I. City anticipates that it will incur non-legal staff costs in 2012-2013 of up to \$60,000 to continue working on the preparation and processing of Phase IV and commencement of Phase V over the two-year work program.
- J. On December 6, 2011, the County Board of Supervisors is scheduled to consider for approval the Fifth Amendment to the Funding Agreement, in the form as attached (in draft) to the Reimbursement MOU attached as Exhibit A to this Resolution. The proposed Fifth Amendment to the Funding Agreement provides for the Natomas Landowners Group to pay the County a dollar amount sufficient to pay for the City's and County's costs of Phase IV and commencement of Phase V through the end of calendar year 2013.
- K. City and County desire to enter into the Reimbursement MOU attached as Exhibit A for the City to be reimbursed by the County for costs the City incurs for legal consultant services and staff time for the preparation and processing of Phase IV and commencement of Phase V for calendar years 2012 and 2013.

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

- Section 1. The City Council finds and determines that the background statements A through K are true.
- Section 2. The City Council approves and authorizes the City Manager to execute the Memorandum of Understanding between the City of Sacramento and the County of Sacramento Regarding the Reimbursement to City of Consultant and Staff Costs for Phase IV of the Natomas Joint Vision ("Reimbursement MOU"), attached hereto as Exhibit A, when the Fifth Amendment to the Funding Agreement, in substantially the form as attached (in draft) to the Reimbursement MOU, is approved and fully executed by the County Board of Supervisors and the Natomas Landowners Group.
- Section 3. Exhibit A and the attachment thereto are part of this resolution.

Table of Contents:

Exhibit A: Agreement – Memorandum of Understanding Between the City of Sacramento and the County of Sacramento Regarding the Reimbursement to City for Consultant and Staff Costs for Completion Of Phase IV and Commencement of Phase V of the Natomas Joint Vision

Attachment to Exhibit A – Funding Agreement with the Natomas Landowners Group for County of Sacramento Participation in the Development of a Vision Plan for Natomas, dated September 24, 2008, with Amendments 1 through 4 and Amendment 5 in draft.

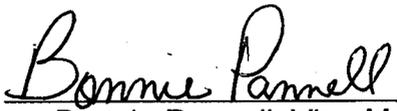
Adopted by the City of Sacramento City Council on December 6, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy.

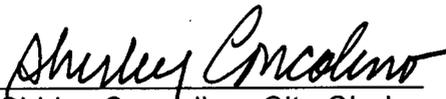
Noes: None.

Abstain: None.

Absent: Mayor Johnson.


Bonnie Pannell, Vice-Mayor

Attest:


Shirley Concolino, City Clerk

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SACRAMENTO
AND THE COUNTY OF SACRAMENTO REGARDING THE REIMBURSEMENT TO
CITY FOR CONSULTANT AND STAFF COSTS FOR
COMPLETION OF PHASE IV AND COMMENCEMENT OF PHASE V OF THE
NATOMAS JOINT VISION**

This Memorandum of Understanding ("Fifth Reimbursement MOU"), dated _____ for purposes of identification, is between the County of Sacramento, a political subdivision of the State of California, hereinafter referred to as "County", and the City of Sacramento, a charter municipal corporation, hereinafter referred to as "City".

RECITALS

- A. City and County entered into a Memorandum of Understanding, hereinafter referred to as Joint Vision MOU, on December 10, 2002, agreeing to principles of urbanization, open space preservation, and revenue sharing for unincorporated Natomas.
- B. The County entered into an agreement titled Funding Agreement With The Natomas Landowners Group For County Of Sacramento Participation In The Development Of A Vision Plan For Natomas, dated September 24, 2008, and as amended from time to time ("Funding Agreement"), which provides landowner funding to County and City to undertake a unified and comprehensive land use planning effort for the Natomas Joint Vision area, known at the Visioning Plan process.
- C. The City and County have determined that the Visioning Plan (Phase II) process provided for in the First Reimbursement MOU, dated October 29, 2008, has been completed.
- D. The City and County have determined that the Technical Phase III process provided for in the Second Reimbursement MOU, dated June 24, 2009, has been completed.
- E. City and County entered into the Third Reimbursement MOU, dated February 16, 2010, to continue to work cooperatively toward completion of Phase IV of the planning process.
- F. City and County entered into the Fourth Reimbursement MOU, dated December 14, 2010, to continue to work cooperatively towards completion of Phase IV of the planning process.
- G. City has determined that its costs to complete Phase IV and commence Phase V of the planning process are likely to exceed the amounts anticipated for this work in the Fourth Reimbursement MOU, but remains similarly interested with the County in the

completion of the Phase IV and commencement of Phase V. Therefore, City and County desire to enter into this Fifth Reimbursement MOU to share the cost to complete Phase IV and commence Phase V, with those costs being paid for by the Natomas Landowners Group under the Funding Agreement.

- H. The County and landowners envision the scope of work to include (1) completion of the Phase IV engineering, environmental, habitat, and other studies that shall be necessary to establish the fundamental elements of a Special Planning Area zone to facilitate the consideration of regulations that could implement the vision anticipated in the Joint Vision MOU, and (2) commencement of Phase V, which is expected to include preparation of an appropriate Habitat Conservation Plan, an amendment to the County's General Plan, and Specific Plans, Community Plans, Master Plans, and/or a Special Planning Area Zones as appropriate ("Land Use Entitlements").
- I. City, through the City Attorney's office, has retained legal consultants to assist in the planning process. As of December, 2011, the total amount incurred for outside legal services for the Visioning Plan planning process is \$85,346.19. The City expects it could incur legal consultant costs in the amount of up to \$60,000 over the 2012-2013 two-year work program.
- J. City anticipates that it will incur non-legal staff costs in 2012-2013 of up to \$60,000 to continue working on the preparation and processing of Phase IV and commencement of Phase V over the two-year work program.
- K. On December 6, 2011, the County Board of Supervisors is scheduled to consider for approval the Fifth Amendment to the Funding Agreement, in the form attached (in draft) as Exhibit A to this Fifth Reimbursement MOU. The Fifth Amendment to the Funding Agreement provides for the Natomas Landowners Group to pay the County a dollar amount sufficient to pay for the City's and County's costs of Phase IV and commencement of Phase V through the end of calendar year 2013.
- L. City and County now desire to enter into this Fifth Reimbursement MOU for the City to be reimbursed by the County for costs the City incurs for legal consultant services and staff time for the preparation and processing of Phase IV and commencement of Phase V.

AGREEMENT

Now, therefore, City and County agree as follows:

1. Defined Terms

All defined terms in the Joint Vision MOU shall be deemed incorporated herein. Phase IV shall mean those planning, engineering, environmental, habitat, and other activities that shall be necessary to establish the fundamental elements of a land use master plan for the Joint Vision Area and a conservation strategy in

sufficient detail to lead to the completion of the appropriate Habitat Conservation Plan. Phase IV shall also include such activities, studies or other analyses necessary to initiate the CEQA process by the County or City.

2. Cost of Legal Consultant.

County acknowledges that City, through the City Attorney's Office, will retain a legal consultant to assist in the preparation and processing of Phase IV for a total of up to \$60,000 for the 2012-2013 two year work program.

3. Staff Support and Responsibilities.

a. City and County staff shall provide staff support for the completion of Phase IV and the commencement of Phase V as described in the Fifth Amendment to the Funding Agreement. Pursuant to the Joint Vision MOU, the Scope of Work's focus will be on the portion of the Natomas Basin within Sacramento County that includes the entire Joint Vision Area. The Scope of Work may only be amended in writing and signed by both parties. City and County staff will provide for multiple check-in points with City and County elected officials and the consultants as necessary. City and County shall work together to provide direction to their consultants. City shall act as the primary contact for the City's consultant.

b. County acknowledges that the cost of City staff time to assist in the preparation and processing of Phase IV is estimated to be up to \$2,500 per month for two years (twenty four months), for a total of up to \$60,000 for the 2012-2013 two year work program. City and County agree and acknowledge that the City's estimates for staff time and legal consultant are estimates only and are not binding on the City.

c. City and County agree that neither party has made any promises, representations or warranties to the Natomas Landowners Group, express or implied, as to the outcome of the Visioning Plan, and that the use of landowner funds in no way influences the content of the final product. The City and County acknowledge that pursuant to Section 9 of the Funding Agreement, the Natomas Landowners Group also agrees that neither the City nor County have made any promises, representations or warranties to the Natomas Landowners Group, express or implied, as to the outcome of Phase IV, and acknowledges that reimbursement of the City's and County's expenses with landowner funds will in no way influence the content of the final product.

4. Payment of the Consultant by City.

Upon receiving periodic invoices from its legal consultant, for assistance in preparing and processing Phase IV, City shall be responsible for paying said invoiced amounts.

5. Reimbursement of Consultant and Staff-time Costs to City by County.

a. County acknowledges that it has executed the Fifth Amendment to the Funding Agreement. The Natomas Landowners Group will pay the County, in accordance with the amended Funding Agreement, a dollar amount sufficient to pay for the City's and County's costs of completing Phase IV and commencing Phase V. County further acknowledges that the City is not a party to the amended Funding Agreement in anticipation that the County will reimburse the City for its consultant and staff costs incurred in Phase IV and Phase V under this separate Fifth Reimbursement MOU.

b. The City shall submit to County its cost estimates for the following quarter in a timely fashion so that the County can submit its cost estimates to the Natomas Landowners Group as required by Section 5 of the amended Funding Agreement. The City and the County shall confer and agree upon the amount of the estimates to be included in the quarterly estimates delivered to the Natomas Landowners Group in accordance with the amended Funding Agreement. Within 30 days after the end of each month, the City shall prepare and submit to County a summary of any invoices from its legal consultant in connection with the preparation and processing of Phase IV and a summary invoice for the City's staff time, each in sufficient detail to establish the costs incurred by City for Phase IV for that month. County shall remit to City the amounts invoiced within 30 days of receiving the City's summary invoices. The City shall submit both the quarterly estimates and the summary of invoices to County at the address listed below:

County of Sacramento
Planning Department
827 7th Street, Room 230
Sacramento, CA 95814
Attn: Sheryl Lenzie

County shall remit to City all payments required under this Fifth Reimbursement MOU at the address listed below:

City of Sacramento
Community Development Department
300 Richards Blvd, 3rd Floor
Sacramento, CA 95811
Attn: Scot Mende

c. If at any time the City anticipates that its total costs are likely to exceed \$60,000 for legal consultant services or \$60,000 for staff time, it shall bring this fact to the attention of County and the parties shall negotiate as to any additional amounts that shall be paid to City, or as to what services the County and Natomas Landowners Group are willing to forego in order to avoid such

additional costs. This Fifth Reimbursement MOU shall then be amended to reflect any additional reimbursement that will be allowed.

d. The payments required to be made to City under subsection 5 b. are required to be made within 30 days only if County has received the necessary funding from the Natomas Landowners Group pursuant to the amended Funding Agreement.

e. City reserves the right to take any necessary action to ensure reimbursement for work performed under this Fifth Reimbursement MOU, including but not limited to, suspending work or filing a lawsuit against County or the Natomas Landowners Group, or both, to recover payment.

6. Amendments.

This Fifth Reimbursement MOU may be amended only in writing, signed by both parties.

7. Additional Work or Changes in Work.

This Fifth Reimbursement MOU shall apply to all additional work or changes in work that are necessary to complete Phase IV. Prior to executing any supplemental agreement or other agreement that will increase the costs associated with Phase IV City and County shall confer regarding the necessity of the proposed supplemental agreement or other agreement.

8. Notices.

Any notice or other correspondence to a party to this Fifth Reimbursement MOU shall be deemed given on the date it is placed in the United States mail, first class, postage prepaid, and addressed to the party at the following address:

Notices to City:

David Kwong, Planning Director
Community Development Department
300 Richards Blvd, 3rd Floor
Sacramento, CA 95811

Notices to County:

Leighann Moffitt
Planning Manager
827 7th Street, Room 230
Sacramento, CA 95814

9. Effective Date.

This Fifth Reimbursement MOU shall be effective upon the date it is fully executed by both parties.

10. Term and Termination.

a. This Fifth Reimbursement MOU shall terminate immediately upon termination of the Funding Agreement.

b. Unless terminated earlier, this Fifth Reimbursement MOU shall terminate on December 31, 2013, unless extended in writing by the parties.

SIGNATURE PAGE FOLLOWS

COUNTY OF SACRAMENTO

By: _____
County Executive

Date: _____

APPROVED AS TO FORM

By: _____
County Counsel

CITY OF SACRAMENTO

By: _____
City Manager

Date: _____

APPROVED AS TO FORM

By: _____
City Attorney

ATTEST

By: _____
City Clerk

FIRST AMENDMENT TO AGREEMENT

Funding Agreement with the Natomas Landowners' Group for County of Sacramento Participation in the Development of a Vision Plan for Natomas

THIS FIRST AMENDMENT is made and entered into as of this 27th day of May, 2009, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the Owners, all of whom are authorized to do business in the State of California and are members of the Natomas Landowners' Group, hereinafter referred to collectively as "Owners' Group".

RECITALS

WHEREAS, the County and the Owners' Group have previously entered into an agreement on September 24, 2008 to provide funding for the preparation of a Vision Plan for the Natomas Joint Vision Area ("Agreement");

WHEREAS, the County has determined that the Visioning Plan process provided for in the Agreement has been completed;

WHEREAS, on April 22, 2009 the Board of Supervisors directed County staff to continue to work cooperatively with the City and Owners' Group and associated stakeholders in (1) the preparation of a conservation strategy leading to the development of a new or amended habitat conservation plan and apply for any available grant funding, and (2) the application process leading to the submission of an application for a General Plan Amendment and Specific Plan for the Natomas Joint Vision Area, which are collectively described as "Technical Phase III";

WHEREAS, the cost burden of the Visioning Plan and Technical Phase III efforts which will be funded by the Owners' Group pursuant to this Agreement and this Amendment is disproportionately greater than the relative amount of acreage owned or controlled by members of the Owners' Group within the Joint Vision Area;

WHEREAS, it is the intent of the Parties to require reimbursement of all Visioning Plan and Technical Phase III costs on a equitable pro-rata basis by non-participating property owners within the Joint Vision Area upon a decision by such property owners to participate in the Technical Phase III as participating owners, or if and when such property owners pursue entitlement of their properties;

WHEREAS, the Owners Group has indicated that time is of the essence and desire that the County proceed with the City at this time to work with the Owners' Group with the preparation of processing of the Visioning Plan and Technical Phase III;

WHEREAS, the County and the Owners' Group desire to amend the Agreement to address the next phase in the planning process for the Natomas Joint Vision Area;

NOW, THEREFORE, the Agreement is amended as follows:

Notwithstanding County's discretion in the selection of consultants described in this Section, Owners' Group reserves absolute discretion as to the selection of any and all consultants and project management that may be necessary to assist them in completing studies required during the Technical Phase III. The Owners' Group will consult with the County, no less frequently than monthly, regarding the scope of the work to be done and the consultants to be hired. The County may separately retain consultants to prepare technical studies and analyses that it deems necessary or appropriate to be done in addition to those studies and analyses completed by the Owners' Group. The County anticipates retaining the same planning consultant retained by the Owners' Group to complete land use studies of the Joint Vision Area, including lands not owned or controlled by the Owners' Group members.

Section 5 is amended to read:

5.1 Deleted

5.2 The Parties anticipate that the Technical Phase III Work Program will be initiated in May 2009 and completed in December 2009. Accordingly, the term of this Agreement shall be divided into three-month quarters for funding purposes (individually, a "Quarter") as follows: May 1, 2009 to July 31, 2009; August 1, 2009 to October 31, 2009; November 1 to December 31, 2009.

5.5 Deleted

Section 7.9 is amended to read:

7.9 In the event that the County terminates the Amended Agreement, or otherwise determines not to complete the Technical Phase III process, Owners retain the right to submit applications for entitlements to the County, or to pursue pending or future administrative appeals relative to the submittal of entitlement applications.

Section 8 is amended to read:

8.0 The County and Owners' Group recognize that the City is a participating agency with a role in the collaborative planning process for the Joint Vision Area. The county and Owners' Group anticipate that City participation in the Technical Phase III, as well as provisions for funding of City-managed components of the Work Program, will be addressed through a separate agreement between the County and City.

III. REAFFIRMATION

In all other respects, the above referenced Agreement, as amended, remains in full force and effect.

IN WITNESSS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the day and year first written above.

**COUNTY OF SACRAMENTO, a
Political subdivision of the
State of California**



By: *Susan Peters*
Susan Peters
Chairman of the Board of Supervisors
of Sacramento County, California

(SEAL)
ATTEST: *Cyndi Lee*
Clerk of the Board of Supervisors

**NATOMAS LANDOWNERS GROUP, by its
individual members ("Owners")**

[On following pages]

III. REAFFIRMATION

In all other respects, the above referenced Agreement, as amended, remains in full force and effect.

IN WITNESSS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the day and year first written above.

**COUNTY OF SACRAMENTO, a
Political subdivision of the
State of California**

By:

Susan Peters
Chairman of the Board of Supervisors
of Sacramento County, California

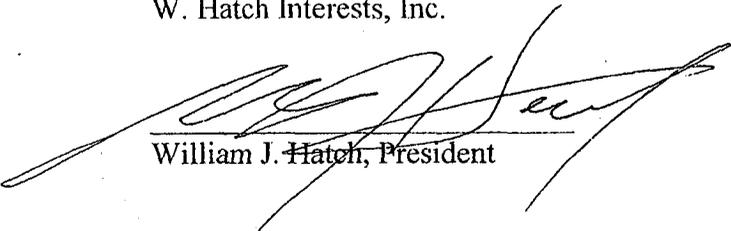
(SEAL)

ATTEST:

Clerk of the Board of Supervisors

**NATOMAS LANDOWNERS GROUP,
by its
Authorized Representative**

W. Hatch Interests, Inc.



William J. Hatch, President

COUNTY OF SACRAMENTO
INTER-OFFICE CORRESPONDENCE

October 17, 2008

TO: PLANNING AND COMMUNITY DEVELOPMENT

FROM: CYNDI LEE, Clerk 
Board of Supervisors

SUBJECT: **Presentation on Natomas Joint Vision Program Progress**

The Board of Supervisors meeting in regular session on September 24, 2008,
Approved the funding agreement and continued the City/County Agreement to
November 5, 2008 at 11:00 a.m.

CL:am

Attachment: Funding Agreement

cc: In house

**FUNDING AGREEMENT WITH THE NATOMAS LANDOWNERS GROUP FOR
COUNTY OF SACRAMENTO PARTICIPATION IN THE DEVELOPMENT OF A
VISION PLAN FOR NATOMAS**

THIS AGREEMENT is made this 24th day of September, 2008 (the "Effective Date"), by and between the County of Sacramento, a political subdivision of the State of California (hereinafter referred to as the "County"), and the Owners, all of whom are authorized to do business in the State of California and are members of the Natomas Landowners Group, (hereinafter referred to individually as "Owner(s)" and collectively as "Owners' Group");

RECITALS

- A. Owners or their affiliates, have a legal or equitable interest in land within that portion of the unincorporated area of the County, located north and west of the City of Sacramento ("City"), west of Steelhead Creek, south of the Sutter County Line and east of the Sacramento River, within the area shown in Exhibit A and known as the Natomas Joint Vision Area ("Joint Vision Area"); and
- B. County has determined that the Joint Vision Area is an area of unique importance to the region, and accordingly desires that land use planning for the Joint Vision Area should proceed in a unified and comprehensive fashion, commencing with a Visioning Plan, and that piece-meal efforts to plan and entitle portions of the Joint Vision Area should be avoided; and
- C. The Visioning Plan is the first phase of a planning effort by the County and the City to develop future land use concept scenarios for the Joint Vision Area, intended by the Parties to culminate in future General Plan Amendments by the County and City and the preparation of a Specific Plan for the Joint Vision Area; and
- D. The Owners' Group is comprised of certain individual property owners within the Joint Vision Area who have joined together to provide initial funding for the Visioning Plan, without which the Visioning Plan effort would not proceed; and
- E. County has determined that the Visioning Plan process in cooperation with the City will confer a substantial benefit to all properties within the Joint Vision Area, including properties owned or controlled by non-participants in the Visioning Plan process; and
- F. The cost burden of the Visioning Plan effort which will be funded by the Owners' Group pursuant to this Agreement is disproportionately greater than the relative amount of acreage owned or controlled by members of the Owners' Group within the Joint Vision Area; and
- G. It is the intent of the Parties to require reimbursement of Visioning Plan costs on a equitable pro-rata basis by non-participating property owners within the Joint Vision Area upon a decision by such property owners to participate in the Visioning Plan as participating owners, or if and when such property owners pursue entitlement of their properties ; and

H. Owners have indicated that time is of the essence, and desire that the County proceed with the City at this time with the preparation and processing of the Visioning Plan; and

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties agree as follows:

AGREEMENT

Section 1. Incorporation of Recitals. The foregoing recitals are hereby incorporated by reference.

Section 2. Joint Vision Area. County agrees to continue the Visioning Plan process for the Joint Vision Area, which area is generally depicted on Exhibit "A" of this Agreement, attached hereto and by this reference incorporated herein.

Section 3. Work Program. The scope, timing, budget and schedule of funding for the Visioning Plan process is set forth in the Work Program depicted in Exhibit B, which is attached hereto and by this reference incorporated herein. The budget for the Work Program includes those specific costs incurred by the County, City and Owners' Group after July 1, 2008 as identified in Exhibit B. Owners agree that nothing in this Agreement shall be construed to obligate or create a duty on the part of the County to strictly follow the scope of work and proposed timing of its efforts as set forth in the Work Program. Owners specifically agree that the Work Program is simply a guideline for the preparation of the Visioning Plan and related studies, and that the County shall have the authority to modify, add to, or delete any of the items or time frames set forth in the Work Program if County determines, in its full and sole discretion that the Visioning Plan effort requires any such changes. The County agrees to notify Owners of any such proposed modifications, additions, or deletions and, to the extent that any such changes affect the timing of or budget for the Work Program, the County shall consult with the Owners prior to implementing any such modifications, additions or deletions. At the same time, however, County commits to diligently implement the Work Program and schedule through to its completion. Owners agree to provide funding for the Work Program, as specifically set forth in Section 5 of this Agreement. County agrees that the scoping process for preparation of an Environmental Impact Report (EIR) for subsequent General Plan Amendments, Urban Services Boundary adjustments, and Specific Plan preparation for the Joint Vision Area can and should commence at the earliest possible opportunity, as land use concept scenarios are developed through the Visioning Plan process.

Section 4. Selection and Retention of Consultants. County reserves absolute discretion as to the selection of any and all consultants that may be necessary to assist them in completing studies required to prepare the Visioning Plan. The Parties acknowledge that Owners intend to furnish the County certain additional technical studies for consideration in developing the Visioning Plan, as indicated in the Work Program. The parties further agree that Owners will

separately retain consultants to prepare technical studies, provide engineering services, and provide project management as identified in the Work Program.

Section 5. Funding of Work Program by Owners' Group. Funding of the Work Program shall be administered by the County, and funding shall be made to the County by Owners' Group in accordance with the following provisions:

5.1 Within 30 days of execution of this Agreement, Owners' Group agrees to provide the County with a security deposit in the sum of one hundred and thirty thousand dollars (\$130,000.00) ("Security Deposit"). The Security Deposit shall be held by the County in a segregated interest-bearing trust account created for the purposes of this agreement and shall be held as security to secure the Owners' obligation hereunder, with interest accruing to the benefit of the Owners.

5.2 The Parties anticipate that the Work Program will be initiated in September 2008, and completed in May 2009. Accordingly, the term of this Agreement shall be divided into three-month quarters for funding purposes (individually, a "Quarter") as follows: September 1, 2008 to November 30, 2008; December 1, 2008 to February 28, 2009; and March 1, 2009 to May 31, 2009.

5.3 Prior to the beginning of each Quarter, the County, following consultation with the Owners' Group, shall provide Owners' Group with an estimate of the total Work Program costs that the County anticipates will be incurred over the next Quarter. Within 30 days of receipt of the Quarter's estimate from the County, Owners' Group shall pay the County the amount set forth in the estimate to cover Work Program costs during the identified Quarter. Owners' Group shall remit full payment for each estimate in a single transmittal to the County, with multiple checks permitted.

5.4 The parties agree and acknowledge that the County's Quarterly estimates are estimates only and are not binding on the County. At the end of each Quarter, and following consultation with the Owners' Group, the County will conduct a reconciliation of the estimated costs and the actual costs incurred for the preceding Quarter. If actual costs incurred by the County exceed the estimate for that preceding Quarter, the Owners' Group shall pay the difference within 30 days' notice from the County. If the estimated costs exceed the actual costs incurred, the overage shall be applied by the County to the costs for the following Quarter. If this Agreement becomes effective in the middle of a Quarter, the County shall, within 20 days of the effective date of this Agreement, provide the Owners' Group an initial cost estimate for the initial Quarter, which shall be paid by Owners' Group within 30 days of receipt of the initial estimate. If the County fails to provide an estimate for any particular Quarter, Owners' Group may request an estimate, which shall be provided by the County within 20 days of receipt of the request. A failure of the County to provide an estimate for any given Quarter shall not constitute a waiver of recovery of any costs by the County for that Quarter or any other Quarter. Within 30 days following the end of each quarter, the County shall provide Developer with a detailed summary of the actual costs incurred over the previous Quarter by the County.

5.5 If Owners' Group fails to make a Quarterly payment to the County, as provided in Section 5.4, the County shall have the right, without any further notice to Owners, to draw

against the Security Deposit to pay any outstanding County costs incurred pursuant to the Work Program. If any amount of the Security Deposit is used by the County pursuant to this Section, Owners' Group shall replenish any such amounts of the Security Deposit within 30 days' written notice from the County. If, for any reason, a County request for replenishment of the Security Deposit from Owners' Group is not fully satisfied within thirty (30) days, the County may, following consultation with the Owners, suspend all activity of County staff and consultants in connection with the Work Program, until the requested replenishment of the Security Deposit is submitted to County by the Owners' Group. The Owners' Group retains the right to refuse to replenish the Security Deposit, such refusal to be communicated in writing to the County. In the event of such refusal, the County retains exclusive right to terminate the Agreement immediately upon written notification to Owners' Group. In the event the County exercises the right to terminate the Agreement as a result of the refusal of the Owners' Group to replenish the Security Deposit, all remaining Security Deposit funds shall be immediately returned to the Owners' Group.

5.6 All funds due under this Agreement shall be paid by Owners' Group. It shall be Owners' Group's obligation to divide responsibility amongst its constituent members for each of their share of the payment of any funds due under this Agreement. Each Owner that is a Party to this Agreement acknowledges responsibility for payment to the Owners' Group, or a designated representative of Owners responsible for collections, of his or her initial proportionate share toward completion of the Work Program, and each Owner agrees that his or her initial proportionate share is reflected in the table by acreage of ownership, as set forth in Exhibit "C" of this Agreement, which exhibit is attached hereto and by this reference incorporated herein. The obligation for payment of funds or other general liability under this agreement shall not extend beyond the actual property owners comprising Owners' Group, and shall not be construed or regarded as obligations of any of Owners' agents, officers, employees, shareholders or representatives.

5.7 If any funds paid by Owners' Group hereunder have not been expended or committed for Work Program costs after the County determines that the Visioning Plan process has been completed, the County shall return to Owners' Group such unexpended or uncommitted amount within 30 days of the date the Visioning Plan process is determined complete by the County. Any interest received by the County on the Funds shall be applied to outstanding County costs or returned to Owners' Group.

5.8 All funds due under this Agreement shall be delivered to the County for deposit into an interest-bearing trust account established by the County, and the funds shall be accounted for by the County in the manner in which such funds are normally accounted for. All funds provided by Owners' Group under this Agreement shall be used in the sole discretion of the County to fund or aid in the funding of the Work Program. Prior to entering into a contract with any consultant or contractor beyond those listed in the Work Program to be paid by funds contributed by Owners' Group, County shall meet and confer with Owners' Group. Notwithstanding the above, County retains final discretion regarding the hiring of additional consultants or contractors.

5.9 In the event, for any reason, Owners' Group fails to make any payment of funds to the County, as required herein, the County shall issue a written notification of default to

Owners' Group. If the County's request for payment of funds, as set forth in the notification of default is not fully satisfied within thirty (30) days, the County may, following consultation with Owners' Group, suspend all activity of County staff and consultants in connection with the Work Program until the requested payment of funds is received by County.

5.10 An express repudiation, refusal or renunciation of this Agreement, if the same is in writing and executed by Owners' Group, shall be sufficient to terminate this Agreement. Owners' Group obligation to fund Work Program costs incurred by the County prior to the date of written termination by Owners' Group shall survive termination of the Agreement.

5.11 At the end of each Quarter, Owners' Group shall provide a written statement to the County, detailing the amounts paid by the Owners' Group during that Quarter to consultants retained directly by Owners' Group for services associated with Visioning Plan, including engineering services, technical analysis and project management.

Section 6. Termination of Participation of Individual Owner. At any time during the term of this Agreement, if any Owner that is a party to this Agreement elects to terminate participation in the Visioning Plan, or otherwise fails to submit its share of payment of costs of the Work Program, the Owners' Group may inform the County in writing of such failure to pay, with a copy of such notice delivered to the Owner in question. If payment of delinquent funds is not provided to the Owners' Group by the Owner in question within thirty (30) days of the receipt of written notice, this Agreement may be amended to remove the Owner as a Party to the Agreement. Except as provided in Section 7.6, in no case shall loss of party status entitle that Owner to reimbursement or refund by County of funds previously paid pursuant to this Agreement.

Section 7. Approval of Additional Parties.

7.1 If at any time during the term of this Agreement any of the Owners whose participation was terminated under Section 6 desires to have their status as a Party to the Agreement reinstated, such Owner may submit a written request for reinstatement to the County. The County Planning Director shall approve such reinstatement and accordingly amend this Agreement, subject to receipt of payment of that Owner's pro rata share of all funding due under the Agreement (including interest) as of the date of reinstatement, less any funds previously paid by that Owner prior to termination. Any such Owner shall upon reinstatement as a Party to this Agreement be subject to all of its terms and conditions.

7.2 If at any time during the term of this Agreement an owner of property within the Joint Vision Area who was not originally a Party to this Agreement desires to become a Party, such property owner may submit a written request for party status to the County. The Agreement may be amended to add the owner as a party to this Agreement, subject to receipt of payment to the County of the property owner's pro rata share of all funding due under the Agreement (including interest) as of the Effective Date, and such property owner's execution of the Agreement in counterpart. County finds the Visioning Plan effort preferable to processing individual applications within the Joint Vision area and accordingly acknowledges the value of implementing the Visioning Plan Work Program.

7.3 For a period of fifteen (15) years following expiration of the term of this Agreement, the County shall require any owner of property within the Joint Vision Area who was not a Party to this Agreement (or whose status as a Party was terminated under Section 6 and not reinstated pursuant to Section 7.1) to pay an application fee (the "Application Fee") which shall include funds for reimbursement of the applicant's pro-rata share of the funding incurred and paid by the Owners' Group, including interest accruing as of the Effective Date, as specified in Section 7.4. In the event that the County has not adopted an Application Fee to ensure reimbursement from non-participating property owners, the County shall require the applicant, as a condition to be satisfied prior to County acceptance of any application for development of the property in question with urban uses, to pay to the County a pro-rata share of the funding incurred and paid by the Owners' Group to implement the Work Program, plus interest accruing as of the Effective Date, as set forth in Section 7.4. For the purposes of this Section, the term "urban uses" shall mean any land use or entitlement not permitted under the General Plan and Zoning designation applicable to the property in question as of the Effective Date.

7.4 For the purposes of this Agreement and the allocation of pro-rata shares, funding due from or paid by the Owners' Group to implement the Work Program shall include (a) funds paid to the County pursuant to Sections 5.1 through 5.8, (b) funds paid by the Owners' Group to directly retain consultants pursuant to Section 5.11, and (c) funds paid by the Owners' Group for certain professional services associated with Visioning Plan prior to the Effective Date, as detailed on Exhibit B.

7.5 The obligation of non-participating property owners within the Joint Vision Area to provide pro-rata funding and/or reimbursement for costs incurred by the Owners' Group for the Work Program, whether pursuant to Sections 7.1, 7.2, 7.3, or 7.4, shall be cumulative to (and not superceded by) any future obligations to contribute to or fund additional planning and entitlement efforts within the Joint Vision Area beyond the Visioning Plan, including but not limited to the preparation of an Environmental Impact Report, preparation of a Specific Plan, General Plan Amendments, and/or studies associated with future annexation.

7.6 Upon receipt by the County of any deposits pursuant to Sections 7.1 or 7.2, County shall apply the deposit in pro-rata shares as credit to each Owner against any unsatisfied funding obligations under this Agreement. In the event that the funding obligations of an individual Owner under this Agreement has been satisfied as of the date of any deposit pursuant to Sections 7.1 or 7.2, such Owner shall be entitled to reimbursement of funds received by the County on a pro-rata basis. Upon receipt by the County of any deposits pursuant to Section 7.3, County shall distribute such deposit within 30 days on a pro-rata basis to all Owners who were Parties to the Agreement on the date of the expiration of the Term of this Agreement, and who were not then in default. With respect to any Owner whose participation as a Party to this Agreement was terminated pursuant to Section 6, reimbursement shall be limited to a pro-rata share of costs actually paid by that Owner prior to termination. In the event that funds paid by an Owner prior to termination exceed that Owner's pro-rata share, said Owner shall be entitled to reimbursement of excess payment as funds are received by the County.

7.7 The Owners' Group, through its project manager, shall have primary responsibility for accounting of funds pursuant to this Agreement, including the accounting of each Owner's responsibility for pro-rata participation, adjustments to pro-rata share from the

addition or removal of Parties to this Agreement, and credits and reimbursements. County and Owners' Group shall consult with one another as necessary or desirable concerning accounting matters under this Agreement. Within 7 days following receipt, County shall review all accounting statements prepared by the Owners' Group, and shall approve each accounting statement if acceptable to the County. In the event that the County determines that revisions to an accounting statement should be made, representatives of County and Owners' Group shall meet and confer for a reasonable period to resolve the matters in question. If no agreement between the County and Owners' Group is reached, the County's determination shall be final.

7.8 For the purposes of Section 7 of this Agreement, interest shall accrue at the rate of the federal Prime Rate plus two percent (2%), calculated every 30 days.

7.9 In the event that the County terminates the Agreement, or otherwise determines not to complete the Visioning Plan process, Owners retain the right to submit applications for entitlements to the County, or to pursue pending or future administrative appeals relative to the submittal of entitlement applications.

7.10 The right to reimbursement under this Agreement shall be personal to Owners, and each of them, and shall not be incident to ownership of real property within the Joint Vision Area. The right of reimbursement shall continue notwithstanding the subsequent sale or transfer of any property interest. Any Owner shall have the right, in its sole discretion, to assign their interest to reimbursement to another person or entity at any time by providing the County written notice of such assignment.

Section 8. Participation of City. The County and Owners' Group recognize that the City is a participating agency with a role in the collaborative planning process for the Joint Vision Area. The County and Owners' Group anticipate that City participation in the Visioning Plan process, as well as provisions for funding of City-managed components of the Work Program, will be addressed through a separate future agreement between the County and City. The County agrees to use its best efforts to negotiate and enter into an agreement regarding the City's participation in the Visioning Plan process within a reasonable period, taking into account the Work Program timeframe identified in Section 5.2 of this Agreement. In the event that no agreement between the City and County is reached, the County and Owners' Group shall meet and confer regarding the need for the County to assume responsibility for all or a portion of the tasks allocated to the City under the Work Program (including the retention of consultants), and shall amend the Work Program as appropriate.

Section 9. Authority of County. Owners agree that no promises, representations, or warranties have been made, express or implied, by the County, or its officials, agents, or employees as to the outcome of the Visioning Plan, and it is specifically agreed no person has any authority to make any such representation, promise, warranty, express or implied to Owners or any other person that the deposit of funds for the Work Program shall in any way influence the content of the work product identified in the Work Program for the Visioning Plan. Owners agree that neither Owners, nor any other person shall, as a result of such deposit, have any expectations of the work product of the Visioning Plan process resulting in a recommendation or the selection of an alternative favorable to or benefiting some or all of the Owners in any way.

Nothing herein, however, shall be construed so as to prevent Owners, their agents or representatives, or both, from participating in public discussions regarding the Visioning Plan or providing information to County for incorporation into work product for the Visioning Plan.

Section 10. Notices. Notices required pursuant to this Agreement shall be deemed delivered when deposited in the United States Post, postage prepaid and addressed as set forth in Exhibit "D" which is attached hereto and incorporated herein by this reference.

Section 11. Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of the County and Owners. Any Owner shall have the right, in its sole discretion, to assign its interests under this Agreement to another person or entity (including an affiliate) at any time by providing the County written notice of such assignment.

Section 12. Legal Authority. Each Owner represents that it has the legal authority to enter into this Agreement, and to perform its obligations hereunder, and shall provide evidence to the other Owners and County concurrent with the execution of this Agreement a Power of Attorney, Deed of Trust, or other document evidencing that authority and authorizing the person executing this Agreement to do so.

Section 13. Amendments. This Agreement may be amended in writing provided such amendment is approved by all the Parties hereto. Amendments to add or remove Parties pursuant to Sections 6 or 7 may be executed by the Planning Director on behalf of the County; all other amendments require the approval of the County Board of Supervisors. Unless so amended, this Agreement constitutes the sole agreement among the Parties and supercedes any other oral or written understanding of the Parties, and each of them, concerning the subject matter of this Agreement.

Section 14. Severability. The invalidity, illegality or unenforceability of any provisions of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

Section 15. Time of the Essence. Time is of the essence in the performance of each and every term of this Agreement.

Section 16. Counterparts. This Agreement may be signed in counterpart, and all counterparts together constitute one document.

IN WITNESS WHEREOF, the parties have executed this Agreement, in counterpart, on the day and year first hereinabove written.

COUNTY OF SACRAMENTO,
A political subdivision of the
State of California

By: *Jimmie R Yee*
Jimmie Yee
Chairman of the Board of Supervisors
of Sacramento County, California

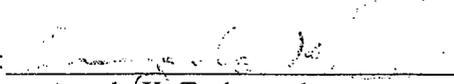


Cydia Lee
Clerk of the Board of Supervisors

NATOMAS LANDOWNERS GROUP, by its
individual members ("Owners")

[On following pages]

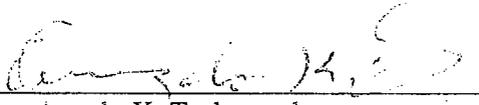
ANGELO K. TSAKOPOULOS

BY: 
Angelo K. Tsakopoulos

DATE: 09.24.08

NORTH NATOMAS/AIRPORT DE MATOS,
LLC, A California Limited Liability Company

BY: AKT Development Corporation, A California
Corporation, Manager

By: 
Angelo, K. Tsakopoulos

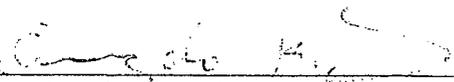
Title: _____

DATE: 07.24.08

Non-Member Manager(s)

1. AKT Development Corporation

GIBSON-TSAKOPOULOS, LLC, a California
Limited Liability Company

BY: 
Angelo K. Tsakopoulos, Manager

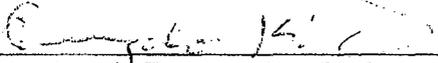
DATE: 09.24.08

Non-Member Manager

1. Angelo K. Tsakopoulos

WEST LAKESIDE, LLC, A California Limited
Liability Company

BY: AKT Investments, Inc., A California
Corporation, Manager

By: 
Angelo Tsakopoulos, Chairman

DATE: 07.24.08

Managing Member(s)

1. AKT Investments, Inc.

MJ 318, L.P., a California Limited Partnership

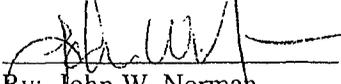
BY: Angelo K. Tsakopoulos
Angelo K. Tsakopoulos, Managing Partner

DATE: 07.24.08

Managing Partner(s)

1. Angelo K. Tsakopoulos

BROOKFIELD NATOMAS LLC

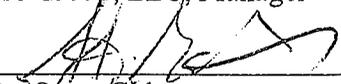

By: John W. Norman Date: 9/24/2008
Title: COO


By: Richard T. Whitney Date:
Title: President

DATE: _____

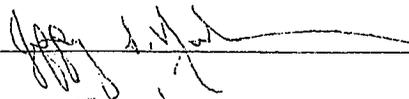
NATOMAS BOOT INVESTORS, LLC, A
California Limited Liability Company

BY: Gidaro Group, LLC, Manager

By: 
Steve Gidaro

DATE: 9.24.08

JEFFREY S. NORTON TRUST

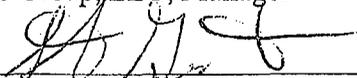
BY: 

TITLE: Trustee

DATE: 9-24-08

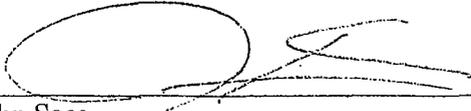
NATOMAS BOOT II, LLC, A California Limited
Liability Company

BY: Gidaro Group, LLC, Manager

By: 
Steve Gidaro

DATE: 9-24-08

SACA DEVELOPMENT, LLC, a California
Limited Liability Company

BY: 
John Saca

TITLE: PRESIDENT

DATE: 10/8/08

OSE PROPERTIES NO.3, a California Limited Partnership

BY: Ose Properties, Inc., its General Partner

BY Jonathan A. Lee

DATE 9/29/08

EXHIBIT A
FUNDING AGREEMENT WITH THE NATOMAS LANDOWNERS GROUP FOR COUNTY OF SACRAMENTO PARTICIPATION IN THE DEVELOPMENT OF A VISION PLAN FOR NATOMAS

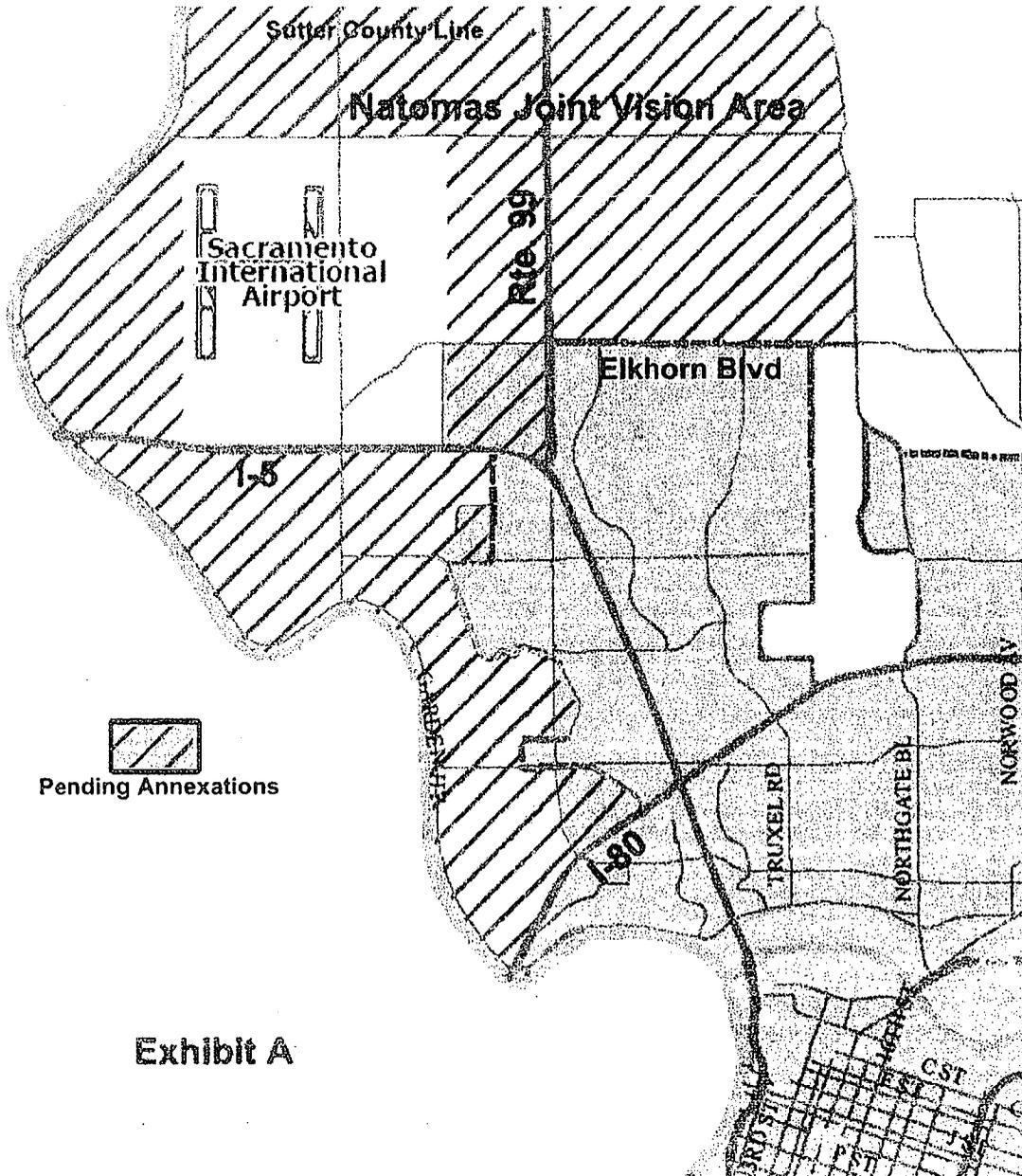


Exhibit A

EXHIBIT B

FUNDING AGREEMENT WITH THE NATOMAS LANDOWNERS GROUP FOR COUNTY OF SACRAMENTO PARTICIPATION IN THE DEVELOPMENT OF A VISION PLAN FOR NATOMAS

Project Milestones	Expected Completion Date
Project Phase II Initiation	July / August 2008
Large Group Review Workshop #1	September 2008
Large Group Review Workshop #2	November 2008
Large Group Review Workshop #3	February 2009
Large Group Review Workshop #4, as necessary	April 2009
City Council & Board of Supervisors direction & approval	May 2009

Natomas Joint Vision Area
 City/County General Plan Amendment
 Planning Process Budget
 July 08 - May 09

Estimated cost to get to a "development program suitable for processing general plan amendments and associated EIR, modify USB, begin specific plan process"

Preliminary Budget

Cost Line Item	Monthly Estimate	10
		Month Total
City Staff Reimbursement	\$10,000	\$100,000
County Staff Reimbursement	\$10,000	\$100,000
Planning Consultant	\$7,500	\$75,000
Engineering	\$5,000	\$50,000
Legal - HCP (Alicia Guerra)	\$2,000	\$20,000
SAFCA Consultant - TBD (est)	\$3,000	\$30,000
Habitat Effects - Consultant	\$7,500	\$75,000
	\$45,000	\$450,000

Proposed Work Program

- City contract with consultant
 - \$20,000 for HCP legal assistance
- County contract with consultants
 - \$75,000 for land use planning – contract work with a design principal of a planning firm
 - Tasks include:
 - Guide working group through issues
 - Participate in workshops and outreach meetings
 - \$75,000 for biological assessment – preliminary habitat plan (retain specialists)
 - \$30,000 contingency to be used for engineering or coordination with SAFCA design (EDAW), as necessary
- Landowners contract with consultants
 - \$50,000 for engineering/feasibility of costs
 - Landowners may retain additional consultants to supplement effort as needed

Overall Product

1. Fundamental principles for development and open space
2. Initiate general plan amendment and specific plan process
 - a. Conceptual land use diagrams
 - i. Some aspects at bubble/arrow schematic level
 - ii. Some aspects with greater detail to illustrate principles
 - b. Project description
3. Preliminary “effects analysis”
 - a. Create agriculture/open space/habitat strategy with input from regulatory agencies

EXHIBIT D

FUNDING AGREEMENT WITH THE NATOMAS LANDOWNERS GROUP FOR COUNTY OF SACRAMENTO PARTICIPATION IN THE DEVELOPMENT OF A VISION PLAN FOR NATOMAS

Landowner Contact Information

	Contact Information
Angelo Tsakopoulos	7700 College Town Drive Suite 101 Sacramento, CA 95826
North Natomas/Airport De Matos, LLC	7700 College Town Drive Suite 101 Sacramento, CA 95826
Gibson-Tsakopoulos, LLC	7700 College Town Drive Suite 101 Sacramento, CA 95826
West Lakeside, LLC	7700 College Town Drive Suite 101 Sacramento, CA 95826
MJ 318, LP	7700 College Town Drive Suite 101 Sacramento, CA 95826
Brookfield Land	2271 Lava Ridge Ct Suite 220 Roseville, CA 95661
Gidaro Properties	3415 American River Dr. Suite C Sacramento, CA 95864
Jeff Norton	2591 W Elkhorn Blvd Rio Linda, Ca, 95673
Saca Properties	77 Cadillac Drive Suite 150 Sacramento, CA 95825
Ose Properties, Inc	2399 American River Dr Suite 7 Sacramento, CA 95825

EXHIBIT C

FUNDING AGREEMENT WITH THE NATOMAS LANDOWNERS GROUP FOR COUNTY OF SACRAMENTO PARTICIPATION IN THE DEVELOPMENT OF A VISION PLAN FOR NATOMAS

Landowner Property Areas and Percentages

	Land Area	Land %
Angelo Tsakopoulos	186	3.761%
North Natomas/Airport De Matos, LLC	115	2.326%
Gibson-Tsakopoulos, LLC	58	1.173%
West Lakeside, LLC	89	1.800%
MJ 318, LP	68	1.375%
Brookfield Land	2,487	50.293%
Gidaro Properties	547	11.062%
Jeff Norton	178	3.600%
Saca Properties	135	2.730%
Ose Properties, Inc	1,082	21.881%
	4,945	100%

SECOND AMENDMENT TO AGREEMENT

Funding Agreement with the Natomas Landowners' Group for County of Sacramento Participation in the Development of a Vision Plan for Natomas

THIS SECOND AMENDMENT is made and entered into as of this 10th day of February, 2010, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the Owners, all of whom are authorized to do business in the State of California and are current members of the Natomas Landowners' Group, hereinafter referred to collectively as "Owners' Group".

RECITALS

WHEREAS, the County and the Owners' Group have previously entered into an agreement on September 24, 2008 to provide funding for the preparation of a Vision Plan for the Natomas Joint Vision Area ("Agreement");

WHEREAS, the County and the Owners' Group have previously entered into a First Amendment to the Agreement on May 27, 2009 to provide funding for the preparation of Phase III studies for the Natomas Joint Vision Area ("First Amendment");

WHEREAS, the County has determined that the Phase III process provided for in the First Amendment has been completed;

WHEREAS, on January 13, 2010 the Board of Supervisors took formal action to commence the preparation of a habitat conservation plan ("HCP") for the entire Natomas Joint Vision Area including applying for any available grant funding; and the preparation of a Special Planning Area Zone ("SPA") for areas in the Joint Vision Area as one of the land use implementation tools of the HCP. The Board also directed County staff to continue to work cooperatively with the City of Sacramento and Owners' Group and associated stakeholders in the preparation of the HCP and the preparation of the SPA. The intent of parties is that the work programs will lead to a comprehensive overall environmentally based plan for the joint vision area including appropriate General Plan Amendments and/or Specific Plans for the Natomas Joint Vision Area, which are collectively described as "Phase IV";

WHEREAS, the cost burden of the Phase IV efforts which will be funded by the Owners' Group pursuant to this Agreement and this Amendment is disproportionately greater than the relative amount of acreage owned or controlled by members of the Owners' Group within the Joint Vision Area;

WHEREAS, it is the intent of the Parties to require reimbursement of all Visioning (Phases I and II), Phase III and Phase IV costs on a equitable pro-rata basis by non-participating property owners within the Joint Vision Area upon a decision by such property owners to participate in Phase IV as participating owners, or if and when such property owners pursue land use entitlement of their properties;

WHEREAS, the Owners Group has indicated that time is of the essence and desire that the County proceed at this time to work with the Owners' Group with the preparation and processing of Phase IV;

WHEREAS, the County and the Owners' Group desire to amend the Agreement to address the next phase in the planning process for the Natomas Joint Vision Area;

WHEREAS, in accordance with Section 5.8 of the Agreement, the County has established a trust fund (the "Fund") for the purpose of accepting advances of funds from the Owners' Group to be used for any of the authorized purposes set forth in the Agreement as it may be amended from time to time;

WHEREAS, in accordance with Section 5 of the Agreement, the County has established the Natomas Joint Vision Project Trust (the "Fund"); and in cooperation with the Owners' Group, an informal budget for the purpose of accepting advances of funds to be used for any authorized purpose related to any cost or expense incurred by the County for the Phase IV work program.

NOW, THEREFORE, the Agreement is amended as follows:

- I. In accordance with the terms of Section 6 the Agreement that provide for the termination of participation by any Owner, the following land owners have withdrawn from any further participation in Phase IV of the Agreement:
 - a. Angelo Tsakopoulos
 - b. North Natomas/Airport De Matos, LLC
 - c. Gibson-Tsakopoulos LLC
 - d. MJ 318, LP
 - e. West Lakeside, LLC
 - f. Natomas Boot Investors, LLC
 - g. Natomas Boot II, LLC

- II. The participating land owners for Phase IV ("Owners") and their respective land holding acreage percentage is shown below:

Property Owner	Acres	Percentage
Brookfield Natomas, LLC	2,461	63.8226%
Jeffery S. Norton Trust	178	4.6162%
Saca Development, LLC	135	3.5010%
Ose Properties, Inc	1,082	28.0602%
	3,882	100.00%

III. Each Section of the Agreement shall be amended as follows with regard to Phase IV:

Section 3 amended to read:

3. Work Program. The work program for Phase IV will be determined from time to time through consultation between the County and the Owners' Group. The work program is anticipated to include environmental, habitat, species, engineering, economic, planning and other technical studies to be initiated in January 2010 and pursued until completion. The work program for Phase IV shall be managed by the County with the advice and consent of the Owners' Group. The Owners' Group and the County shall confer no less frequently than monthly regarding the details of the work program for Phase IV. In the event either the County or the Owners' Group do not approve any element of the work program proposed by the Owners' Group or the County then that element of the work program shall not be subject to reimbursement as provided in Sections 7.3 and 7.4 of the Agreement, and the Owners' Group shall have no responsibility to fund such disapproved work element. Nothing in this Second Amendment shall prohibit either party from undertaking any work program element, activity or study independently. The disapproval of any proposed work program element by the County or the Owners' Group, shall require that the parties meet and confer regarding such disapproval. The Planning Department is responsible for developing the informal budget with the Owners' Group based on estimated project costs and funding from the Owner's Group. The Director of Planning and Community Development Department shall be responsible for the interpretation and administration of the provisions of the Agreement, and approving the informal budget.

The County commits to diligently implement the approved work program and schedule through to its completion. The Phase IV work program elements necessary to be prepared to commence (a) the amendment to the General Plan Urban Services Boundary including any associated components and (b) any Specific Plan(s), are anticipated to be completed on or about September 30, 2010. The County agrees that the preparation of an HCP, SPA, and EIR for the General Plan Amendments, Urban Services Boundary adjustments, and Specific Plan preparation for the Joint Vision Area can and should commence and be completed at the earliest possible opportunity.

3.1 Phase IV. Phase IV shall mean those planning, engineering, environmental, habitat, and other activities that shall be necessary for completion of the appropriate Habitat Conservation Plan, Special Planning Area, Amendments to the County and City General Plans, and Specific Plans or Master Plans, as appropriate. Phase IV shall also include such activities, studies or other analyses necessary to initiate the CEQA process by the County. The Phase IV costs shall be those costs incurred after January 14, 2010 and those costs incurred prior to January 14, 2010 as may be approved by the Parties. The Phase IV costs shall also include legal representation that the Owners' Group, City of Sacramento or County shall retain for the purposes of preparing the conservation strategy and the completion of the appropriate Habitat Conservation Plan (collectively the "HCP Legal Costs"). The Phase IV costs, including the HCP Legal Costs, shall be

reimbursable costs pursuant to Section 7 of the Agreement. HCP Legal Costs shall not include specific legal advocacy for an individual land owner or group of landowners related directly to the discretionary land use approvals needed from the appropriate jurisdiction.

Section 4 is amended to read:

4. Selection and Retention of Consultants. County reserves absolute discretion as to the selection of any and all consultants that may be necessary to assist them in completing studies required during Phase IV. The Parties acknowledge that Owners intend to furnish the County certain additional technical studies for consideration in Phase IV, as indicated in the approved Work Program. The Parties further agree that Owners may separately retain consultants to prepare technical studies, provide engineering services, and provide project management as identified in the Work Program.

Notwithstanding County's discretion in the selection of consultants described in this Section, Owners' Group reserves absolute discretion as to the selection of any and all consultants and project management that may be necessary to assist them in completing studies required during Phase IV. The Owners' Group will consult with the County, no less frequently than monthly, regarding the scope of the work to be done and the consultants to be hired. The County may separately retain consultants to prepare technical studies and analyses that it deems necessary or appropriate to be done in addition to those studies and analyses completed by the Owners' Group. The County anticipates retaining the same planning consultant retained by the Owners' Group to complete land use studies of the Joint Vision Area, including lands not owned or controlled by the Owners' Group members.

Section 5 is amended to read:

5.1 Deleted in accordance with First Amendment

5.2 The Parties anticipate that the Phase IV Work Program will be initiated in January 2010 and completed in an expeditious manner by the County. Accordingly, the term of this Agreement shall be divided into three-month quarters for funding purposes (individually, a "Quarter") beginning with January 2010.

5.5 Deleted in accordance with First Amendment

5.8 The second sentence of Section 5.8 shall be amended to read as follows: "All funds provided by Owners' Group under this Agreement shall be used by the County to fund or aid in the funding of the Work Program."

Section 7.8 is amended in its entirety to read as follows:

"For the purposes of Section 7 of this Agreement, interest earned on the unexpended balance of the cash advances shall be at the Treasury Pooled Interest Rate

established by the Treasurer and Auditor-Controller of the County of Sacramento and paid on a quarterly basis.”

Section 7.9 is amended to read:

7.9 “In the event that the County terminates the Amended Agreement, or otherwise determines not to complete the Phase IV process, Owners retain the right to submit applications for entitlements to the County, or to pursue pending or future administrative appeals relative to the submittal of entitlement applications.”

Section 8 is amended to read:

8.0 “The County and Owners’ Group recognize that the City is a participating agency with a role in the collaborative Phase IV process for the Joint Vision Area. The County and Owners’ Group anticipate that City participation in Phase IV, as well as provisions for funding of City-managed components of the Work Program, will be addressed through a separate agreement between the County and City.”

Section 17 shall be added to the Agreement to read as follows:

Section 17. Term: This Agreement shall terminate on December 31, 2010 unless extended in writing by the parties. Section 7.3 of the Agreement shall survive any termination.

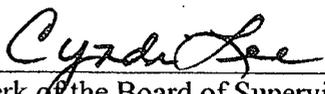
III. REAFFIRMATION

In all other respects, the above referenced Agreement, as amended, remains in full force and effect.

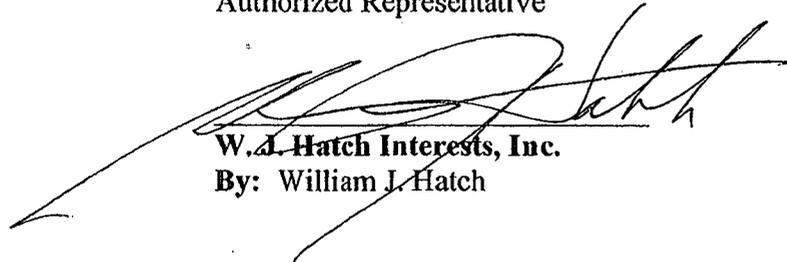
IN WITNESSS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the day and year first written above.

**COUNTY OF SACRAMENTO, a
Political subdivision of the
State of California**

By: 
Roger Dickinson
Chairman of the Board of Supervisors
of Sacramento County, California

(SEAL)
ATTEST: 
Clerk of the Board of Supervisors

NATOMAS LANDOWNERS GROUP,
by its
Authorized Representative


W. J. Hatch Interests, Inc.
By: William J. Hatch

THIRD AMENDMENT TO AGREEMENT

Funding Agreement with the Natomas Landowners' Group for County of Sacramento
Participation in the Development of a Vision Plan for Natomas

THIS THIRD AMENDMENT is made and entered into as of this 10th day of August 2010, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the Owners, all of whom are authorized to do business in the State of California and are current members of the Natomas Landowners' Group, hereinafter referred to collectively as "Owners' Group".

RECITALS

WHEREAS, the County and the Owners' Group have previously entered into an agreement on September 24, 2008 to provide funding for the preparation of a Vision Plan for the Natomas Joint Vision Area ("Agreement");

WHEREAS, the County and the Owners' Group have previously entered into a First Amendment to the Agreement on May 27, 2009 to provide funding for the preparation of Phase III studies for the Natomas Joint Vision Area ("First Amendment");

WHEREAS, the County and the Owners' Group have previously entered into a Second Amendment to the Agreement on February 10, 2010 to provide funding for the preparation of Phase IV for the Natomas Joint Vision Area ("Second Amendment");

WHEREAS, the parties desire to again amend the Agreement as follows:

NOW, THEREFORE, the Agreement is amended as follows:

Section 4.1 is added to read as follows:

4.1 Ownership of Work Product. Upon approval of the project, it is agreed that the County shall take ownership, with the Owners' Group, in all final Plans, Studies, Analyses, and Peer Reviewed Reports and Documents developed by consultants for the County or the Owners' Group and submitted to the County for consideration and use in developing the Visioning Plan, Specific Plan, or the HCP and subject to reimbursement. Consultants may retain copies thereof for their files and internal use. To the extent that such documents and data are public records they shall be available pursuant to the provisions of Section 6200 and following of the California Government Code.

Section 5.12 is added to read as follows:

5.12 Interest earned on the unexpended balance of the cash advances shall be at the Treasury Pooled Interest Rate established by the Treasurer and Auditor-Controller of the County of Sacramento and shall be deposited into the trust account for the benefit of the Owners' Group.

Section 7.3 is amended to read as follows:

7.3 If final action of the Board of Supervisors results in approval of project entitlements, funds advanced by Owners' Group as well as funds expended by Owners' Group as enumerated in Section 7.4 shall be eligible for reimbursement.

The Owners' Group, through its project manager, shall have primary responsibility for accounting of funds pursuant to this Agreement, including accounting of each Owner's responsibility for pro-rata participation, adjustments to pro-rata share from the addition or removal of Parties to this Agreement, and any applicable credits and/or reimbursements. County and Owners' Group shall consult with one another as necessary or desirable concerning accounting matters under this Agreement.

No less than quarterly, Owners' Group shall provide to County current accounting records for the preceding quarter, including a list of costs incurred by Owners' Group for which it believes reimbursement may be recovered from the proceeds of an application fee. Such accounting and itemization shall be in sufficient detail for County to confirm that the amounts fall within categories of work required for the entitlement of the plan area. Such categories shall include project management, planning, engineering, environmental, fiscal and finance studies, plans, technical documents, public outreach and legal documents relating to and benefitting the plan area. Such itemization shall be subject to audit by County and, in the course of such audit, Owners' Group agrees to provide any additional non-privileged material which the County may demand in connection with such audit, or provide reasonable access to such material.

Within 30 days following receipt, the Planning Department shall, in consultation with other departments as needed, review all accounting statements prepared by the Owners' Group, and shall make its assessment as to the eligibility of such costs incurred by the Owners' Group for reimbursement and shall forward its assessment and the accounting statements to the Clerk of the Board of Supervisors to be placed on the Board agenda as a communication received and filed to provide disclosure to the Board.

Within 90 days of the receipt of the final list of reimbursable costs, the County will initiate proceedings before the Board of Supervisors for the formulation and imposition of an application fee to be imposed upon any owner of property within the Joint Vision Area who was not a Party to this Agreement (or whose status as a Party was terminated under Section 6 and not reinstated pursuant to Section 7.1). Such a fee shall be imposed for a period of 15 years following expiration of the term of this Agreement. The Board of Supervisors retains the sole and absolute discretion to determine the final amount eligible for reimbursement through the application fee.

In the event a property owner who was not a Party to this Agreement (or whose status as a Party was terminated under Section 6 and reinstated pursuant to Section 7.1) submits a development application for urban uses within the Natomas Joint Vision area prior to the County approving an application fee for reimbursement costs, the County shall, as a

condition of approval, require the owner to pay the equivalent of any fee which is established by resolution and adopted after the development application was filed and prior to final approval of the project. If no reimbursement fee has been adopted prior to final project approval, the fee shall be paid prior to approval of final map, or issuance of improvement plans or grading permits, whichever occurs first.

Section 7.7 is deleted in its entirety.

Section 7.8 is amended to read as follows:

7.8 For the purposes of Section 7 of this Agreement, interest shall accrue at the rate of the federal Prime Rate plus two percent (2%), calculated every 30 days.

II. REAFFIRMATION

In all other respects, the above referenced Agreement, as amended, remains in full force and effect.

IN WITNESSS WHEREOF, the parties hereto have executed this Third Amendment to the Agreement on the day and year first written above.

**COUNTY OF SACRAMENTO, a
Political subdivision of the
State of California**

By: *Roger Dickinson*
Roger Dickinson
Chairman of the Board of Supervisors
of Sacramento County, California



Cyndi Lee
Clerk of the Board of Supervisors

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on, August 19, 2010

By: *Gwynne Jewell*
Deputy Clerk, Board of Supervisors

NATOMAS LANDOWNERS GROUP,
by its
Authorized Representative

W. J. Hatch
W. J. Hatch Interests, Inc.
By: William J. Hatch

APPROVED AS TO FORM:

Krista C. Whitman
KRISTA C. WHITMAN,
Supervising Deputy

FOURTH AMENDMENT TO AGREEMENT

**Funding Agreement with the Natomas Landowners' Group for County of Sacramento
Participation in the Development of a Vision Plan for Natomas**

THIS FOURTH AMENDMENT is made and entered into as of this ____ day of ____, 2010, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the Owners, all of whom are authorized to do business in the State of California and are current members of the Natomas Landowners' Group, hereinafter referred to collectively as "Owners' Group".

RECITALS

WHEREAS, the County and the Owners' Group have previously entered into an agreement on September 24, 2008 to provide funding for the preparation of a Vision Plan for the Natomas Joint Vision Area ("Agreement");

WHEREAS, the County and the Owners' Group have previously entered into a First Amendment to the Agreement on May 27, 2009 to provide funding for the preparation of Phase III studies for the Natomas Joint Vision Area ("First Amendment");

WHEREAS, the County and the Owners' Group have previously entered into a Second Amendment to the Agreement on February 10, 2010 to provide funding for the preparation of Phase IV for the Natomas Joint Vision Area ("Second Amendment");

WHEREAS, the County and the Owners' Group have previously entered into a Third Amendment to the Agreement on August 10, 2010 to provide funding for the continuation of Phase IV for the Natomas Joint Vision Area ("Third Amendment");

WHEREAS, the parties desire to again amend the Agreement as follows:

NOW, THEREFORE, the Agreement is amended as follows:

I. In accordance with the terms of Section 6 of the Agreement that provides for the termination of participation by any Owner, the following land owner has withdrawn from participation in Phase IV of the Agreement effective August 15, 2010:

Saca Development, LLC

II. The remaining participating land owners for Phase IV ("Owners") and their respective land holding acreage percentage is shown below:

Land Owner	Acreage	Percentage
Brookfield Natomas, LLC	2,487	66.3731%

Jeffrey S. Norton Trust	178	4.7505%
Ose Properties, Inc	1,082	28.8764%
	3,747	100.00%

III. Each Section of the Agreement shall be amended as follows with regard to Phase IV:

Section 17 shall be modified to read as follows:

Section 17. Term: This Agreement shall terminate on December 31, 2011 unless extended in writing by the parties, or unless sooner terminated by any party upon 30 days written notice given in accordance with Section 10. Section 7.3 of the Agreement shall survive any termination. The Owners' Group shall have the right at any time upon not less than 5 days written notice, to withhold future deposits in accordance with Section 5 as long as Owners' Group is in compliance with the MOU at the time such notice is given ("Funding Hold Period"). In the event this Agreement is terminated by either party during a Funding Hold Period, then no further deposits in accordance with Section 5 shall be required.

IV. REAFFIRMATION

In all other respects, the above referenced Agreement, as amended, remains in full force and effect.

IN WITNESSS WHEREOF, the parties hereto have executed this Fourth Amendment to the Agreement on the day and year first written above.

**COUNTY OF SACRAMENTO, a
Political subdivision of the
State of California**

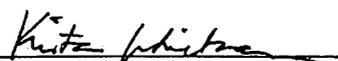
By: _____
Roberta MacGlashan
Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)
ATTEST: _____
Clerk of the Board of Supervisors

**NATOMAS LANDOWNERS GROUP, by its
Authorized Representative**

W. J. Hatch Interests, Inc.
By: William J. Hatch, President

APPROVED AS TO FORM:


KRISTA C. WHITMAN,
Supervising Deputy

FOURTH AMENDMENT TO AGREEMENT
Funding Agreement with the Natomas Landowners' Group for County of Sacramento
Participation in the Development of a Vision Plan for Natomas

THIS FOURTH AMENDMENT is made and entered into as of this 14th day of December 2010, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the Owners, all of whom are authorized to do business in the State of California and are current members of the Natomas Landowners' Group, hereinafter referred to collectively as "Owners' Group".

RECITALS

WHEREAS, the County and the Owners' Group have previously entered into an agreement on September 24, 2008 to provide funding for the preparation of a Vision Plan for the Natomas Joint Vision Area ("Agreement");

WHEREAS, the County and the Owners' Group have previously entered into a First Amendment to the Agreement on May 27, 2009 to provide funding for the preparation of Phase III studies for the Natomas Joint Vision Area ("First Amendment");

WHEREAS, the County and the Owners' Group have previously entered into a Second Amendment to the Agreement on February 10, 2010 to provide funding for the preparation of Phase IV for the Natomas Joint Vision Area ("Second Amendment");

WHEREAS, the County and the Owners' Group have previously entered into a Third Amendment to the Agreement on August 10, 2010 to provide funding for the continuation of Phase IV for the Natomas Joint Vision Area ("Third Amendment");

WHEREAS, the parties desire to again amend the Agreement as follows:

NOW, THEREFORE, the Agreement is amended as follows:

I. In accordance with the terms of Section 6 of the Agreement that provides for the termination of participation by any Owner, the following land owner has withdrawn from participation in Phase IV of the Agreement effective August 15, 2010:

Saca Development, LLC

II. The remaining participating land owners for Phase IV ("Owners") and their respective land holding acreage percentage is shown below:

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Jeffrey S. Norton Trust	178	4.7505%
Ose Properties, Inc	1,082	28.8764%
	3,747	100.00%

III. Each Section of the Agreement shall be amended as follows with regard to Phase IV:

Section 17 shall be modified to read as follows:

Section 17. Term: This Agreement shall terminate on December 31, 2011 unless extended in writing by the parties, or unless sooner terminated by any party upon 30 days written notice given in accordance with Section 10. Section 7.3 of the Agreement shall survive any termination. The Owners' Group shall have the right at any time upon not less than 5 days written notice, to withhold future deposits in accordance with Section 5 as long as Owners' Group is in compliance with the MOU at the time such notice is given ("Funding Hold Period"). In the event this Agreement is terminated by either party during a Funding Hold Period, then no further deposits in accordance with Section 5 shall be required.

IV. REAFFIRMATION

In all other respects, the above referenced Agreement, as amended, remains in full force and effect.

IN WITNESSS WHEREOF, the parties hereto have executed this Fourth Amendment to the Agreement on the day and year first written above.

**COUNTY OF SACRAMENTO, a
Political subdivision of the
State of California**

By: Roberta MacGlashan
Roberta MacGlashan
Chair of the Board of Supervisors
of Sacramento County, California



Cyndi Lee
Clerk of the Board of Supervisors

**NATOMAS LANDOWNERS GROUP, by its
Authorized Representative**

William J. Hatch
W. J. Hatch Interests, Inc.
By: William J. Hatch, President

APPROVED AS TO FORM:


KRISTA C. WHITMAN,
Supervising Deputy