RESOLUTION NO. 2012-361

Adopted by the Sacramento City Council

October 30, 2012

APPROVE THE MEMORANDUM OF UNDERSTANDING AND STANDARD AGREEMENT WITH THE CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT WITH CAPITOL STATION 65 LLC AND ESTABLISH REVENUE AND EXPENDITURE BUDGETS FOR THE CATALYST GRANT FOR THE TOWNSHIP 9 PROJECT

BACKGROUND

A. The State of California, Department of Housing and Community Development (HCD) has approved the Township 9 project as a Gold Catalyst Project, thereby making it eligible to receive a Proposition 1C Catalyst Grant in the amount of $1.350 million for capital improvements which serve the housing development.

B. The City, on behalf of the Township 9 project, desires to apply for and accept the Catalyst Grant, conditioned on Capitol Station 65 LLC assuming the data collection and reporting requirements by executing the Memorandum of Understanding (MOU) with HCD and the Assignment and Assumption Agreement with the City.

C. The Catalyst Grant funds, along with a portion of the prior Proposition 1C grant funds, will be used to construct Township 9 Park.

D. To receive the grant award, the City needs to submit the Application Package and execute the MOU and Standard Agreement with HCD.

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

Section 1. The City Manager or his designee is hereby authorized and directed to apply for and submit to HCD the Program Application Package, which is attached as Exhibit B, for a Gold Catalyst Grant in the amount of $1.350 million ("Grant"). If the grant application is approved, the City Manager or his designee is hereby authorized and directed to enter into, execute, and deliver to HCD the Memorandum of Understanding, which is attached as Exhibit C, conditioned on its execution by Capitol Station 65 LLC, and a State of California Standard Agreement, which is attached as Exhibit D to accept the Grant, and any and all other documents required or deemed necessary or appropriate by HCD to obtain the Grant funds.

Section 2. The City Manager or his designee is hereby authorized to execute the Assignment and Assumption Agreement, which is attached as Exhibit E, with Capitol Station 65 LLC for the Proposition 1C Catalyst Grant.

Section 3. The HCD form resolution attached as Exhibit A is hereby approved.

Section 4. The Township 9 Catalyst Project (B18219300) is hereby established as a new Capital Improvement Project.

Section 5. A $1,350,000 revenue and expenditure budget for the Township 9 Catalyst Project (B18219300) to be funded with the Proposition 1C Catalyst grant funds (Fund 3704) is hereby established.

Table of Contents:

Exhibit A – Resolution of the City Council of the City of Sacramento Authorizing Submittal of the Grant Application and Execution of the Memorandum of Understanding and Standard Agreement for the Catalyst Grant for the Township 9 Project

Exhibit B - Program Application Package for Township 9 Catalyst Grant

Exhibit C - Memorandum of Understanding Regarding the Sustainable Strategies Pilot Innovative Housing Program Grant for the Township 9 Project

Exhibit D - Standard Agreement for Township 9 Catalyst Grant

Exhibit E - Assignment and Assumption Agreement for the Proposition 1C Catalyst Grant for the Township 9 Project

Adopted by the City of Sacramento City Council on October 30, 2012 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmember R. Fong

Vice Mayor Angelique Ashby

Attest:

Shirley Concolino, City Clerk

ASSIGNMENT AND ASSUMPTION AGREEMENT
PROPOSITION 1C CATALYST GRANT
FOR THE TOWNSHIP 9 PROJECT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made and entered into as of this _____ day of _____, 2012 ("Commencement Date") by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"), and CAPITOL STATION 65 LLC, a limited liability company (hereinafter the DEVELOPER"). CITY and DEVELOPER hereinafter may be referred to collectively as the "Parties" or in the singular as "Party," as the context requires.

RECITALS

This Agreement is entered into upon the basis of the following facts, understandings, and intentions of the CITY and DEVELOPER:

A. **Project Site.** The Township 9 project is located on 65 acres of land which lie north of Richards Boulevard between North 5th and North 7th Streets in the River District area of the City of Sacramento (the "Project Site"). DEVELOPER owns the land encompassing the Project Site, referred to as Assessor Parcel Numbers 001-0020-003, -019, -034, -036, -041, -044, -045, -046, and 001-0200-012, -013 and -034 (the "Property").

B. **Development Project.** On August 28, 2007, the City Council approved certain entitlements for development of 2,350 housing units, 839,628 square feet of office, 147,000 square feet of retail, 5,389 off-street parking spaces and 27 acres of parks and open space at the Project Site based on the development scenario B that was evaluated in the environmental impact report (the "Development Project"). By Resolution No. 2007-643 and Ordinance No. 2007-071, the City Council approved the Township 9 Planned Unit Development ("PUD") Schematic Plan and PUD Design Guidelines (collectively "PUD Plan and Guidelines") to specify the development standards and design requirements for the Development Project, and rezoned the Property consistent with the PUD Schematic Plan.

C. **Tentative Map.** On August 28, 2007, by Resolution No 2007-644, the City Council approved the tentative map to authorize subdivision of the 65 acre Project Site into 36 parcels, to require the construction of infrastructure improvements which are needed for the Development Project, and to impose certain requirements before a final map for a parcel can be recorded ("Tentative Map"). The requirements include compliance with the entitlements, PUD Plan and Guidelines and CEQA Mitigation.

D. **Environmental Mitigation.** On August 28, 2007, by Resolution No. 2007-641, the City Council certified the environmental impact report ("EIR"). As part of the EIR certification, the City Council adopted mitigation measures and approved a mitigation monitoring plan for the Development Project (collectively "CEQA Mitigation").

E. **Development Agreement.** On August 28, 2007, by Ordinance No. 2007-069, CITY and DEVELOPER entered into a contract (Agreement No. 2007-1081, the Development Agreement") to vest certain rights of DEVELOPER and to impose certain obligations in regards to the Development Project. The Development Agreement was amended ("First Amendment") on September 3, 2008 to include and clarify termination and lender notice and cure rights (Agreement No. 2007-1081-1). The Development Agreement was amended ("Second Amendment") on September 1, 2010, to provide for DEVELOPER to maintain the stormwater vaults to the manufacturer's specifications until CITY's acceptance of those improvements (Agreement No. 2007-1081-2). On February 23, 2012, by Ordinance No. 2012-002, the Development Agreement was further amended ("Third Amendment") to address phasing and construction of the parks within the Development Project (Agreement No. 2007-1081-3).

F. **Proposition 1C Infill Grants.** In 2008 and in 2010, the CITY was awarded two grants for the Development Project by the State Department of Housing and Community Development ("HCD") under Proposition 1C, the Housing and Emergency Shelter Act of 2006, pursuant to the Infill Infrastructure Grant Program Guidelines, to fund certain infrastructure improvements such as streets, utilities, parks, the light rail station, and a parking garage which are part of the Development Project. The total amount of these two Infill Grants was $30 million and the CITY assigned these grants to the DEVELOPER under separate assignment agreements, which were restated as one agreement dated May 1, 2012 (City Agreement No. 2010-0210-2).

G. **Proposition 1C Catalyst Grant.** The Development Project was selected by HCD as one of 13 "Catalyst Projects" in the state and was designated as a "Gold Catalyst Project" under the California Sustainable Strategies Pilot Program. This program supports the Metropolitan Planning Agency's Sustainable Communities Strategy, adopted pursuant to SB 375, by providing financial assistance for projects with innovative housing, energy efficient design, and integrated transportation modes. As a Gold Catalyst Project, the Development Project was eligible to receive an additional Proposition 1C grant for capital improvements in the amount of $1,350,000. The purpose of this Agreement is to assign to the DEVELOPER this additional Proposition 1C grant and for the DEVELOPER to assume the obligations under the grant regarding the expenditure of the grant funds and the data collection, analysis and reporting obligations which are required as a condition of receipt of the grant funds.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Effective Date; Termination. This Agreement shall become effective as of the Commencement Date and shall expire on the date ("Expiration Date") that both of the

following conditions have been met: (i) recording of DEVELOPER's conveyance and CITY's acceptance of the Township 9 Park, and (ii) after submittal by DEVELOPER's of the final report to HCD, which is due on October 1, 2018; subject to the indemnity obligation that survives the termination of this Agreement as set out in Sections 4, 5 and 6. Neither Party may terminate this Agreement for its convenience prior to the Expiration Date; however, either Party may terminate this Agreement for default prior to the Expiration Date subject to the cure provisions set forth in Sections 7 and 8. .

2. <u>Assignment and Assumption of HCD Catalyst Grant</u>. HCD has awarded to CITY a grant of Proposition 1C funds in the amount of One Million Three Hundred and Fifty Thousand Dollars ($1,350,000) from the Affordable Housing Innovation Fund for the Development Project under the Catalyst Community Grant Program (the "Catalyst Grant"). CITY hereby assigns and transfers to DEVELOPER any and all of CITY's rights to the Catalyst Grant funds pursuant to the terms and conditions set forth in the HCD Standard Agreement, Contract No. 11-CPCSS-6929, (the "Standard Agreement"), which is attached as Exhibit A and incorporated herein by this reference. DEVELOPER hereby accepts and assumes all of the duties and obligations of CITY under the Standard Agreement in consideration for the assignment of the Catalyst Grant. In addition, the Parties have executed the Memorandum of Understanding for Catalyst Projects ("MOU") with HCD, which is attached as Exhibit B and incorporated herein by this reference, which sets forth obligations for coordination with other agencies and collection and analysis of data pertinent to the Development Project and to submit reports to HCD. Compliance with the MOU obligations is a requirement under the Standard Agreement. DEVELOPER is hereby obligated to comply with all of the terms and conditions set out in the MOU notwithstanding that CITY is a party to the MOU, and CITY will cooperate with DEVELOPER to facilitate DEVELOPER's compliance with the MOU obligations. DEVELOPER's entitlement to the Catalyst Grant proceeds for the Township 9 Park Project under the Standard Agreement shall be subject to the approval of HCD and DEVELOPER shall have no recourse against CITY for HCD's decisions.

A. <u>Grant Payments –</u> If HCD agrees to pay DEVELOPER the Catalyst Grant proceeds directly based on CITY's execution of HCD's direct payee form, CITY will execute that form. If HCD does not allow for such direct payment, CITY will pay DEVELOPER the Catalyst Grant proceeds within thirty (30) days from receipt of such funds from HCD. CITY's approval of each draw request submitted by DEVELOPER will be based on CITY's plan reviews and construction inspection reports. DEVELOPER agrees to submit to CITY copies of all plans, draw requests, other required documents and all correspondence that may be submitted to HCD by DEVELOPER for CITY to comply with its grant oversight obligations.

B. <u>Grant Amendments</u> – The Parties acknowledge that HCD may be amenable to amend the terms of the Standard Agreement and MOU to change the time period for distribution of the Catalyst Grant Proceeds, reporting periods and other matters. Any written amendment, modification or waiver of any term or condition of the Standard Agreement and/or MOU, which is supported by both

CITY and DEVELOPER and which is approved by HCD in the form of a grant amendment or other written acknowledgment, shall become binding under the terms of this Agreement and such written amendment, modification or waiver shall be attached and incorporated into this Agreement by this reference without the need for a formal amendment. CITY shall not unilaterally amend or terminate the Standard Agreement and/or MOU without DEVELOPER's prior written approval unless DEVELOPER is in default of its obligations under this Agreement and the applicable cure period(s) within which to cure such default set forth in Sections 7 and 8 have expired without a cure having been made.

C. Enforcement – CITY and HCD shall each have the right to enforce all of the terms and conditions set out in the Standard Agreement and MOU and DEVELOPER's obligations therein relating to the design and construction of the Township 9 Park Project and its obligations for data collection, analysis and reporting. DEVELOPER acknowledges and agrees that under the terms of this Agreement, CITY has the right to enforce the covenants and obligations set out in the Standard Agreement and the MOU on behalf of HCD, even after the Expiration Date, as provided in Sections 6 and 7, subject to the provisions of Section 8.

3. Park Improvements. DEVELOPER shall undertake the design and construction of the Township 9 Park (previously named "Riverfront Park") with the Catalyst Grant Proceeds in accordance with the terms of the Standard Agreement and the requirements set out in CITY's standard park credit reimbursement agreement ("Park Turnkey Agreement") as modified under the Development Agreement. CITY shall not be obligated to approve payments for the Township 9 Park costs with the Catalyst Grant Proceeds in the event of a default under the Park Turnkey Agreement for said park.

The design of the Township 9 Park shall be in compliance with the PUD Plan and Guidelines and Tentative Map. In addition, DEVELOPER will be required to obtain necessary permits, if any, from the County of Sacramento and the Sacramento Area Flood Control Agency for construction of this park along the American River Parkway and abutting the flood control levee.

4. Indemnity. DEVELOPER shall indemnify, defend and hold harmless CITY (including its officers, employees and agents) from and against any and liabilities, penalties, losses, damages, costs, expenses (including reasonable attorneys' fees, whether for outside counsel or the City Attorney), causes of action, claims, or judgments (collectively, "Claims") arising by reason of any death, bodily injury, personal injury, property damage, losses related to independent contractors, products and equipment, explosion, collapse, underground hazards or violation of any law or regulation to the extent arising from any acts or omissions of DEVELOPER (including its officers, employees, contractors, subcontractors, and agents) in connection with the design and construction of the Township 9 Park Project under this Agreement, except to the extent arising from the active negligence or willful misconduct of CITY. DEVELOPER hereby waives and releases any and all Claims of whatever sort or nature which may arise

against CITY in connection with CITY's review and inspection of the design and construction of the Township 9 Park Project, except those resulting from the active negligence or willful misconduct of CITY.

5. <u>Payment of Costs</u>. CITY will approve DEVELOPER as the direct payee for reimbursement by HCD of DEVELOPER's Township 9 Park Project costs under the Catalyst Grant. CITY will promptly review and if approved, promptly forward DEVELOPER's draw requests to HCD for payment. The total compensation to be requested by DEVELOPER and paid by HCD for the Township 9 Park Project costs with the Catalyst Grant Proceeds shall not exceed $1.35 million.

DEVELOPER's draw requests shall comply with the requirements set out in the Standard Agreement. DEVELOPER shall indemnify, defend and hold harmless CITY from and against all demands and claims filed by HCD against CITY seeking reimbursement of the Catalyst Grant Proceeds due to DEVELOPER's improper invoices or any other violation of any term or condition in the Standard Agreement in regards to payment of the Township 9 Park Project costs and compliance with the MOU terms and conditions and obligations.

Except for payments to be provided to DEVELOPER under the Standard Agreement and other agreements between CITY and DEVELOPER regarding Proposition 1C grant proceeds for the "Infrastructure Project" under City Agreement No. 2010-0210-2, CITY shall have no further liability to DEVELOPER for the costs of the Township 9 Park Project under this Agreement.

DEVELOPER's draw requests shall comply with the requirements set out in the Standard Agreement and the Request for Disbursement of Funds, a copy of which is attached as Exhibit C and incorporated herein by this reference. DEVELOPER shall indemnify, defend and hold harmless CITY from and against all demands and claims filed by HCD against CITY seeking reimbursement of the Catalyst Grant Proceeds due to DEVELOPER's improper invoices or any other violation of any term or condition in the Standard Agreement in regards to payment of the Township 9 Park Project costs.

6. <u>Suspension of Permits During Default</u>. If a dispute arises between HCD and DEVELOPER regarding DEVELOPER's obligations to build the Township 9 Park Project, under the terms of the Standard Agreement, during the pendency of such dispute where: (i) HCD has issued to CITY a written notice of default, (ii) after expiration of any applicable cure period DEVELOPER (or its lender) has not cured the default, (iii) DEVELOPER has not obtained a time extension from HCD for construction of the Township 9 Park if the default is based on non-compliance with milestone schedules, and (iv) HCD has issued to CITY a written demand for payment of all or a part of the Catalyst Grant Proceeds; in that event CITY may withhold approval of final maps, other discretionary entitlements and issuance of building permits for any non-residential development or any residential development not in compliance with the other Proposition 1 C grants assigned to DEVELOPER under City Agreement No. 2010-0210-2 within that portion of the Development Project covering Parcels 3A, 3B, 4, 10A, 11A,

11C and 12 notwithstanding any contrary provision of the Development Agreement, Tentative Map, PUD Plan and Guidelines, the City Code, the Subdivision Map Act or any other applicable state or local law or regulation.

7. Default. After issuance of a written notice of default and expiration of any applicable cure period, any violation of any material term or condition of the Standard Agreement and/or MOU by DEVELOPER or CITY, or the material failure of performance or a substantial and unreasonable delay in performance by either Party, including, without limitation, the voluntary or involuntary filing of bankruptcy protection or appointment of a receiver, shall be a breach under this Agreement and the non-defaulting party shall be entitled to cancel this Agreement for default and be awarded actual damages (excluding consequential damages and lost profits) and injunctive or declaratory relief.

The Party receiving such default notice shall be afforded a period of thirty (30) days following receipt of the notice within which to effectuate a cure, provided that if such default or breach cannot reasonably be cured within such thirty (30) day period and if curative action is commenced within such thirty (30) day period and is being continuously and diligently pursued by such Party, then such Party shall be given such additional period of time as is reasonably necessary for such Party in the exercise of due diligence to cure such default or breach. During any such period, the Party charged shall not be considered in default or breach for purposes of termination of this Restated Assignment Agreement or institution of legal proceedings. Notwithstanding the foregoing, the cure period may be shorter or longer as proscribed by HCD if the default notice was issued by CITY in reliance on a written default determination issued by HCD under the terms of the Standard Agreement and/or MOU. CITY will provide DEVELOPER and Lender with copies of any notice of default CITY receives from HCD.

8. Lender Rights. Any bank, mortgage company or other legal entity (together with its successors or assigns, collectively "Lender") that has loaned money to DEVELOPER and has a recorded a mortgage or deed of trust against the Property as of the Commencement Date or thereafter shall have the following default notice and cure rights and releases from the obligations under this Agreement:

A. Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement to construct or complete the construction of the Township 9 Park Project, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of DEVELOPER or DEVELOPER's successors in interest. Except as otherwise expressly provided in this Section 8, nothing in this Section 8 shall be construed to grant to Lender rights of DEVELOPER hereunder, or to limit any remedy CITY has hereunder in the event of default by DEVELOPER, including but not limited to, cancellation of this Agreement.

B. Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a

deed in lieu of foreclosure, shall not be obligated to (i) pay any fees or charges which are obligations of DEVELOPER under this Agreement, and which remain unpaid as of the date such Lender takes possession of the Property or portion thereof, (ii) cure any defaults under this Agreement, or (iii) repay the Catalyst Grant Proceeds. However, a Lender shall not be eligible to become a successor in interest to this Agreement and receive payments of the Catalyst Grant Proceeds or be eligible to apply for or receive entitlements or permits with respect to development of the Property for the Development Project covering Parcels 3A, 3B, 4, 10A,11A, 11C and 12, or otherwise be entitled to develop or devote that portion of the Property to any uses or to construct any improvements thereon, other than for the QIP and the Additional Housing Development as such terms are defined in City Agreement No. 2010-0210-2, unless and until DEVELOPER's defaults under this Agreement have been cured by Lender pursuant to the terms and conditions of Section 8.D below.

C. Notice of DEVELOPER's Default. If CITY receives or has received notice from a Lender making a reference to this Agreement requesting a copy of any notice of default given DEVELOPER hereunder or thereunder and specifying the address(es) for service thereof, then CITY shall deliver to such Lender at such address(es) the following: (i) concurrently with service thereon to DEVELOPER, any notice given to DEVELOPER with respect to any claim by CITY that DEVELOPER has committed a default or breach; and (ii) concurrently with service thereon to DEVELOPER, any notice on the part of CITY to cancel this for default under the terms of Section 7. The foregoing includes CITY providing Lender with copies of any notice of default CITY receives from HCD.

D. Lender's Right to Cure. With respect to any default or breach by DEVELOPER under this Agreement, CITY shall provide written notice (a "Cure Period Expiration Notice") to Lender, promptly upon expiration of the DEVELOPER's cure period set forth in Section 7, specifying the nature of such default or breach and stating that DEVELOPER's period of time within which to cure such default or breach has expired without a cure having been effectuated. Lender shall have the right to cure such default within thirty (30) days after the date of the Cure Period Expiration Notice; provided, however, if such default is susceptible to cure but cannot reasonably be cured within such thirty (30) day period and if curative action shall be commenced within such thirty (30) day period and is being continuously and diligently pursued by Lender, then Lender shall be given an additional period of time as is reasonably necessary for Lender in the exercise of due diligence to cure such default. Without limiting the foregoing, if it is necessary for Lender to obtain possession of the Property in order to cure such default, Lender shall have such additional period of time as is reasonably necessary for the Lender in the exercise of reasonable diligence to obtain possession of the Property, and such additional time as is reasonably necessary for the Lender in the exercise of reasonable diligence to cure the default. Such action shall not entitle a Lender to develop the Property

or otherwise partake of any benefits of this Agreement unless such Lender shall agree in writing to perform all obligations of DEVELOPER hereunder under the terms of an assumption agreement between Lender and CITY. In the event that Lender takes possession of all or any portion of the Property and assumes the obligations of Developer hereunder, then the recourse of CITY for such obligations shall be limited to the interest of the Lender in the Property and shall not include personal recourse to Lender. Notwithstanding the foregoing, Lender's cure period may be shorter or longer as proscribed by HCD if the default notice was issued by CITY to DEVELOPER in reliance on a written default determination issued by HCD under the terms of the Standard Agreement and/or MOU.

E. No Impairment. Neither DEVELOPER's entering into this Agreement nor its default under this Agreement shall alter, defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust on the Property made in good faith by the Lender and for value. This Agreement shall not prevent or limit DEVELOPER in any manner, at DEVELOPER's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security instrument securing financing with respect to development of the Property for the Development Project. This Agreement shall not prevent or limit Lender in any manner from pursing foreclosure of a mortgage, deed of trust or other security instrument that is secured against the Property.

9. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any litigation concerning this Agreement must be brought and prosecuted in the Sacramento County Superior Court and the prevailing party shall be entitled to reimbursement of its attorneys' fees and litigation costs.

10. Successors and Assigns. This Agreement may not be assigned by DEVELOPER without the CITY's prior written consent; provided that this Agreement may be assigned by DEVELOPER to a Lender as collateral for Lender's loan and, in the event that such Lender takes possession of the Property or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure if the Lender undertakes efforts to cure DEVELOPER's defaults, and such Lender complies with all of its obligations under Section 8, above, and enters into an assumption agreement with CITY, then such Lender shall succeed to the rights of DEVELOPER under this Agreement. The obligations in this Agreement shall inure to and bind the successors and assigns of each Party and the successors in interest in the Property, and CITY may record a memorandum of this Agreement. Lender shall be an express third party beneficiary of this Agreement.

11. Warranties and Representations. Each person who signs this Agreement on behalf of a Party warrants and represents that he or she has the capacity and legal authority to execute this Agreement for that Party and to bind that Party to the

obligations imposed on it by this Agreement.

12. <u>Notices</u>. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the CITY and DEVELOPER, and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other party as indicated below:

A. Notice to the CITY:

City of Sacramento
915 I Street
Sacramento, California, 95814
ATTN: City Manager

B. Notice to DEVELOPER:

Capitol Station 65 LLC
640 Bercut Drive, Suite C
Sacramento CA 95811-0131
ATTN: Steve Goodwin

and

Scott Syphax
Nehemiah Corporation of America
640 Bercut Drive, Suite A
Sacramento, CA 95811-0131

with copies to:

Alberto Esquivel
Esquivel Real Estate, Inc.
1801 “F” Street
Sacramento, CA 95816

C. Notice to Lender:

ISIS Lending, LLC
c/o TDA
2031 Pioneer Court
San Mateo, CA 94403
ATTN: Paula Purcell

with copies to:

Cox Castle & Nicholson LLP
555 California Street, Suite 1000
San Francisco, CA 94101-1513
ATTN: Bruce E. Prigoff, Esq.

13. <u>Survivorship</u>. The DEVELOPER's obligations arising under this Agreement pertaining to indemnity and repayment obligations as set out in Sections 4, 5 and 6 shall survive the expiration, termination or cancellation of this Agreement.

14. <u>Entire Agreement</u>. This Agreement sets forth the entire understanding of each Party regarding the matters set forth herein. It supersedes all prior or contemporaneous agreements, representations, and negotiations, whether written, oral, express or implied, in regards to the assignment and assumption of the Catalyst Grant. This Agreement may only be modified by another written agreement signed by the Parties.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY OF SACRAMENTO
a municipal corporation

By: _____
John F. Shirey
City Manager

Attest:

By: _____
City Clerk

Approved as to Legal Form:

By: _____
Senior Deputy City Attorney

CAPITOL STATION 65 LLC
a California limited liability company

By: _____
Scott Syphax
Managing Member

Exhibit A

HCD Standard Agreement, Contract No. 11-CPCSS-6929

Exhibit B

Memorandum of Understanding for Catalyst Project

Exhibit C

Request for Disbursement of Funds

CATALYST COMMUNITIES GRANT PROGRAM

Request for Disbursement of Funds

☐ Advance ☐ Reimbursement ☐ Final Request

Contractor _____ Grant No. _____

Contract Execution Date _____ Contract Expiration Date _____

Contact Name _____ Title _____

Phone Number _____ E-mail _____

Send Payment To:

Street Address _____

City/State/Zip _____

Attention _____ Title _____

Cash Request Number ( )

Amount of Grant	Total Requested to Date	Cash Requested	Balance

Detail of funded activities:

Documentation for all expenditures listed below must be attached. In addition, the Grantee must submit documentation of certificates of occupancy for housing units used to calculate the award sufficient to cover the amount requested. Please refer to attached instructions for additional information.

Activity	CPCSS Funds Requested
Total Funds Requested	

Contractor Certification: As a representative of the Contractor, I certify, to the best of my knowledge that this report is true in all respects, the reported amounts agree with the official accounting records, and all disbursements have been made for the purposes and conditions as detailed in the Standard Agreement of this grant. **Note**: Cash request must be signed by the authorized representative as designated in the signed resolution or if a designee, the designee must be on file with the Department.

Name _____ Title _____
(Please print)

Signature _____ Date _____

For HCD Use Only

Program Representative _____ Program Manager _____
Approval Date _____ Approval Date _____

Voucher # Date:
Fiscal Representative:

CATALYST COMMUNITIES GRANT PROGRAM

CASH REQUEST INSTRUCTIONS

Cash requests may be submitted in advance of incurring project costs or as a reimbursement of funds. If requesting an advance, funds must be spent within 90 days from the date of receipt from the State. Funds may be requested for eligible activities as identified in Exhibit A (Scope of Work) of the Standard Agreement.

No costs incurred prior to the designation award date (add in date) of the Catalyst Projects for California Sustainable Communities Pilot (CPCSS) Program may be charged to CPCSS Program funds. After the contract has been executed by the State, eligible expenditures may be requested for the project(s) subject to the terms and conditions of the Standard Agreement.

All Cash Requests must include a detailed use of funds including documentation of expenditures (i.e. purchase orders, invoices, etc.). Requests must be for at least 25% of the total grant amount awarded.

Please Note: If submitted cash request has an address different from that submitted with your original application, you must submit a signed Payee Data Record Form (CA State Std. 204) with the cash request. An electronic copy of this form is available at http://www.documents.dgs.ca.gov/osp/pdf/std204.pdf.

INSTRUCTIONS:

Type of Cash Request: Check one or more boxes to show the type of cash request being submitted.

- **Advance** - An advance cash request may be submitted for up to 100% of the total grant amount as long as funds are expended within 90 days from the date the requested funds were received from the State, or by the contract expiration date, whichever occurs earlier.

- **Reimbursement** - You may request grant funds on a reimbursement basis as long as no grant activities have been expended prior to the CPCSS designation award date.

- **Final Cash Request** - Please mark Final Cash Request box on your last Cash Request. Note: The Final Grant Report and Closeout Certification must also be submitted within 60 days of the of the final cash request.

Contractor and Grant Contract Number: Enter jurisdiction and contract number as shown on the Standard Agreement.

Contract Execution and Expiration Date: Enter the contract execution date for the grant, located on the bottom right corner of the Standard Agreement, and the date the grant expires.

Grantee address, contact information and phone number: Enter the mailing address where

payment is to be mailed as well as a contact person, phone number and email address for questions regarding the submitted cash request.

Cash Request Number: Enter the request number. Cash Requests should be numbered consecutively (i.e. 1, 2, 3…)

Total amount of Grant: As indicated in the Standard Agreement.

Total Requested to Date: List the cumulative total of CPCSS funds requested from all previously submitted cash requests.

Cash Requested: List the amount of CPCSS funds requested in current cash request.

Balance: List the remaining balance of CPCSS funds.

Detail of Activities: List the grant activities for which you are requesting funds, as shown on the first page of the Standard Agreement. Note: Documentation (i.e. purchase orders, invoices or bid proposals) must be included. If documentation includes activities not funded through CPCSS Program funds, please highlight or otherwise indicate the specific line item expenses covered by this cash request. **The total amount requested must equal the total amount documented.**

Contractor Certification: The Cash Request must be signed by the Authorized Representative or designee as indicated in the contract resolution certified by the Grantee governing body. Designees must either be detailed in the resolution (by name and/or title) or have a letter on file with the Department signed by the Authorized Representative designating the individual to act on their behalf.

Please Note: All funds must be requested by April 30, 2016 and expended by June 30, 2016

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Housing Policy Development
1800 Third Street, Suite 430
P.O. Box 952053
Sacramento, CA 95811
(916) 323-3177
FAX (916) 327-2643
www.hcd.ca.gov

Mr./Ms. XXX
XXX
City of Sacramento
XXXX
Sacramento, CA 9581X-XXXX

Dear Mr./Ms. XXX

Re: Catalyst Community Grant Program
Contract No. 11-CPCSS-6929

Attached is an electronic copy of the State's Catalyst Community Grant Program of the Catalyst Projects for California Sustainable Communities Pilot (CPCSS) Program Standard Agreement which includes the following:

- Standard Agreement (Std. 213)
- Exhibit A – Authority, Purpose, and Scope of Work
- Exhibit B – Budget Detail and Payment Provisions
- Exhibit C – State of California General Terms and Conditions (Incorporated by reference)
- Exhibit D – CPCSS General Terms and Conditions

To ensure efficient processing of the Standard Agreement, please do the following:

1. Review the Standard Agreement thoroughly and if necessary discuss the requirements with your legal and financial advisors.

2. Print five (5) copies of the Standard Agreement, Std. 213 cover page.

3. Ensure all copies of the Standard Agreement are signed by the appropriate authorized official as designated in the resolution. Please be sure to include the printed name, title and date signed. If a signed resolution was not submitted with the CPCSS Application, please return a certified copy of the resolution along with the signed Standard Agreement copies.

4. Return the five (5) copies of the Standard Agreement along with a certified copy of the resolution, if needed; no later than 30 days from the date of this letter to:

   Department of Housing and Community Development
   Business and Contract Services Branch
   P.O. Box 952050
   Sacramento, CA 94252-2050

   Standard Agreements not returned within the required 30-day period may be subject to cancellation by the Department.

5. Maintain the electronic version of the Standard Agreement (Std. 213 and Exhibits A through D) in your pending file. Upon receipt of the five (5) original, signed Standard Agreement cover pages, HCD will complete the approval process and send you an electronic copy of the completed, fully executed, original Standard Agreement along with an originally signed copy sent by U.S. Mail.

Please contact your Catalyst Program representative, Robin Huntley, at (916) 323-3175 or *rhuntley@hcd.ca.gov* if you have any questions regarding the Standard Agreement or the provisions therein.

Sincerely,

Jennifer P. Seeger, Program Manager
Catalyst Community Grant Program

Enclosures

cc: Contracts Office
Robin Huntley, HPD Representative

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STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

AGREEMENT NUMBER
10-CPCSS-6929
REGISTRATION NUMBER
N/A

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME
City of Sacramento

2. The term of this Agreement is: **Upon HCD Approval** through 06/30/2016

3. The maximum amount of this Agreement is: **$ 1,350,000.00**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A - Authority, Purpose and Scope of Work	2
Exhibit B - Budget Detail and Payment Provisions	2
Exhibit C - State of California General Terms and Conditions	GTC 610*
Exhibit D - CPCSS General Terms and Conditions	2
~~Exhibit E - Special Terms and Conditions~~	~~0~~ N/A
~~Exhibit F - Additional Provisions~~	~~0~~ N/A
TOTAL NUMBER OF PAGES ATTACHED:	**6 pages**

Items shown with an asterisk (*) are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at http://www.documents.dgs.ca.gov/ols/GTC-610.doc

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto:

CONTRACTOR

CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*
City of Sacramento

BY *(Authorized Signature)* | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS
XXXX

STATE OF CALIFORNIA

AGENCY NAME
Department of Housing and Community Development

BY *(Authorized Signature)* | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Stacy Q. Hernandez, Contracts Manager, Business and Contact Services Branch

California Department of General Services Use Only

☒ Exempt from: SCM 4.04.3 (DGS

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EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

The Housing and Emergency Shelter Act of 2006 (Proposition 1C), created the Affordable Housing Innovation Fund pursuant to Health and Safety Code Section 53545.9(d) which provided funding the for Catalyst Projects for California Sustainable Strategies Pilot Program. Known as the Catalyst Community Grant Program, the State has issued a Notice of Funding Availability and Guidelines (NOFA) governing the Program. A Memorandum of Understanding (MOU) between the Department and the Contractor sets forth reporting requirements pursuant to the Guidelines. This standard agreement (the "Agreement") is entered into under the authority of, and in furtherance of the purposes of, the Program as set forth in Health and Safety Code Section 53545.9(d).

2. Purpose

In accordance with the authority cited above, the Contractor has applied to the State for financial assistance (the "Application") in the form of a grant from the Program (the "Grant"). The State has agreed to make the Grant, as a financial incentive based on the Contractors designation as a California Catalyst GOLD designee pursuant to the terms of the Program Guidelines. Based on the representations made in the Contractor's Application, which is hereby incorporated as if set forth in full, the State shall provide a Grant in the amount shown below for the purpose of paying for capital improvement(s) related to the acquisition, rehabilitation or construction the designated Catalyst Project.

The State and the Contractor have agreed to enter into this Agreement in accordance with the terms and conditions herein, subject to all the provisions of the applicable statutes, the RFP, the Guidelines and further subject to the State laws and requirements governing State contracts. Capitalized terms herein shall have the meaning of the definitions set forth in the Guidelines and MOU.

This Agreement shall incorporate herein by reference all the terms and requirements set forth in the MOU referenced above. If no such MOU is executed at the time this document is signed, any such later executed MOU shall be interpreted to be consistent with this Agreement, and shall not abrogate the obligations owed to HCD in any manner.

3. Scope of Work

Infrastructure improvements in support of the construction of Riverfront Park including site preparation, utilities surface improvements, landscape and amenities, and soft costs

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

4. Grant Timelines

No work performed prior to the Date of the Catalyst Designation (August 18, 2010) is to be funded. Notwithstanding Exhibit C, paragraph 1, funds, including funds expended after the Date of the Catalyst Designation, may be requested for eligible activities after the effective date of the Standard Agreement through the termination or expiration date of the contract.

The effective date of this Agreement is the date upon which it is executed by the State after execution by the Contractor. All funds must be requested from the Department no later than April 30, 2016. For the purpose of this Agreement, no funds may be expended after June 30, 2016. It is the responsibility of the Contractor to monitor the project and timeliness of draws within the specified dates.

5. Grant Amount

The total amount of this Grant is $1,350,000.00

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EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Allowable Uses of Grant Funds

Grant funds shall only be used for projects approved by the State that involve the construction, rehabilitation, and/or acquisition of capital assets as defined by the California Government Code, Section 16727(a) that benefit the community within the Contractor's jurisdiction and as further set out in Section 104 of the Guidelines. Capital assets include tangible physical property with an expected useful life of fifteen (15) years or more, equipment with an expected useful life of two (2) years or more, or major maintenance, reconstruction, or demolition for purposes of reconstruction and/or retrofitting work.

Incidental expenses shall not be paid by Grant funds unless they are directly related to the construction or acquisition of an eligible capital asset. Such expenses include costs associated with planning, engineering, construction management, environmental impact reports, appraisals, site acquisitions or necessary easements.

Grant funds shall not be expended for the administrative costs of persons directly employed by the Contractor or for other "soft" costs that are not directly related to the construction, rehabilitation or acquisition of capital assets. Up to 5 percent of the total grant amount may be used for monitoring and evaluation activities as required pursuant to Section of the Guidelines and as detailed in the executed MOU.

2. Performance

Contractor shall take such actions, pay such expenses and do all things necessary to complete the work specified in Exhibit A in accordance with the schedule for completion set forth therein and within the terms and conditions of this Agreement.

3. Fiscal Administration

A. Term: The effective date of this Agreement is the date upon which it is executed by the State (the date stamped in the lower right portion of the Standard Agreement (Std. 213) through June 30, 2016. All funds must be requested by the Contractor by April 30, 2016 and expended by June 30, 2016.

B. The Contractor shall make any and all request(s) for disbursement no earlier than ninety (90) days from the anticipated need for the funds, using the forms provided by the State. The forms will be made available at http://www.hcd.ca.gov/hpd/cpcsspp.html. The Contractor shall expend the funds within 90 days from the date of receipt from the State, or by June 30,2016, whichever occurs earlier and subsequent supporting documentation shall be submitted to the Department.

C. Failure to expend contract funds in a timely manner may affect future funding.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

Catalyst Community Grant (CPCSS) Program

D. A separate checking account for the Grant funds is not required. However, the Contractor shall deposit Grant funds in an interest bearing checking or savings account, or the State may require the Contractor to deposit all Grant funds into a segregated account in an institution whose deposits are insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for allowable, Program purposes and accounted for to the State. All funds not expended within 90 days of receipt, or by June 30, 2016, as applicable, shall be returned to the State with accrued interest.

E. The Contractor shall make a good faith effort to minimize the number of disbursement requests to the State by anticipating and requesting in advance the maximum amount of funds that can be expended within the (ninety) 90 day time frame.

F. The Contractor shall inform the State within a reasonable amount of time in the event that expenditures related to an authorized project(s) are less than the total Grant award. The Contractor may expend the balance of Grant funds on additional capital assets projects, upon written State approval. Contractor shall provide the State with a letter of request that describes the additional project(s) to be funded.

G. The Contractor shall immediately inform the State, no later than December 31, 2015, if it is anticipated that the Contractor will not be able to expend all Grant funds by June 30, 2016.

H. The Contractor is responsible, for a period of three (3) years, following the end of the grant period (i.e. June 30, 2019), for maintaining records which fully disclose the activities funded by the Grant. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to Grant funds. If the allowability of expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and the State shall determine the reimbursement method for the amount disallowed. The State's determination of the allowability of any expense shall be final, absent fraud, mistake or arbitrariness.

I. Any Grant funds remaining unexpended as of June 30, 2016, must be returned to the State with accrued interest. Checks shall be made payable to the Department of Housing and Community Development (HCD) and shall be mailed to the Departmental Accounting Office at the address indicated below, no later than July 31, 2016.

Department of Housing and Community Development
Administration and Management Division
Accounting Office Branch, Cashier
P.O. Box 952050
Sacramento, CA 94252-2050

GTC 610

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
a. The Government Code Chapter on Antitrust claims contains the following definitions:
1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of $100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of $200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT D

CPCSS GENERAL TERMS AND CONDITIONS

1. Report Requirements

During the term of the Agreement, the Contractor shall submit the following reports by the deadlines specified, or as otherwise required at the discretion of the State.

A. Upon complete expenditure of the Grant funds, the Contractor shall submit a Final Report in a manner satisfactory to the State. The Final Report shall be submitted to the State no later than September 30, 2016. The Final Report shall contain a description of the final capital assets constructed or purchased with the Grant funds. The Contractor shall use the forms provided by the State.

The forms will be made available at http://www.hcd.ca.gov/hpd/cpcsspp.html

2. State Contract Coordinator

The State contract Coordinator of this Agreement for the Department is the Program Manager for the Catalyst Community Grant Program, Division of Housing Policy, or the Manager's designee ("State Contract Coordinator). Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed first class to the State Contract Coordinator at the following address:

Department of Housing and Community Development
Division of Housing Policy Development
1800 3rd Street, Room 430
P.O. Box 952053
Sacramento, California 94252-2053
Attention: Catalyst Program Manager

3. Audit/Retention and Inspection of Records

Contractor agrees that the Department or its delegatee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. Contractor agrees to provide the Department or its delegatee with any relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the California Public Contract Code Section 10115 et seq., California Government Code Section 8546.7 and Title 2, California Code of Regulations, Section 1896.60 et seq. Contractor further agrees to maintain such records for a period of three (3) years after final payment under this Agreement. Contractor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in California Public Contract Code Section 10115.10.

EXHIBIT D

4. Special Conditions

The State reserves the right to add with the written approval by the City of Sacramento and Contractor, which approval shall not be unreasonably delayed or denied, any special conditions to this Agreement it deems necessary to assure that the policy and goals of the Program are achieved.

5. Prevailing Wages

A. Where funds provided through this Agreement are used for construction work, or in support of construction work, Contractor shall ensure that the requirements of Chapter I (commencing with Section 1720) of Part 7 of the California Labor Code (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

B. For the purpose of this requirement "construction work" includes, but is not limited to rehabilitation, alternation, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract, with the properly licensed building contractor incorporating these requirements (the "construction contractor"). Where the construction contract will be between the Contractor and a licensed building contractor the Contractor shall serve as the "awarding body" as that term is defined in the California Labor Code. Where the Contractor will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body". Prior to any disbursement of funds, including but not limited to release of any final retention payment, the State may require a certification from the awarding body that prevailing wages have been or will be paid.

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MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, THE CITY OF SACRAMENTO, AND CAPITOL STATION 65 LLC REGARDING THE TOWNSHIP 9 PROJECT UNDER THE CATALYST PROJECTS FOR CALIFORNIA SUSTAINABLE STRATEGIES PILOT INNOVATIVE HOUSING PROGRAM

This memorandum of understanding ("MOU") is made and entered into by and among the State of California Department of Housing and Community Development ("HCD"), the City of Sacramento, a charter municipal corporation (the "City"), and Capitol Station 65 LLC, a California limited liability company ("Developer"), (all of which are collectively hereinafter referred to as the "Parties") pursuant to the following facts and circumstances:

RECITALS

A. WHEREAS, the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) created the Affordable Housing Innovation Fund (Cal. Health & Safety Code section 53545.9(d)), which provided funding for the Catalyst Projects for California Sustainable Strategies Pilot Program ("Program");

B. WHEREAS, the Program embodies the goals of The Sustainable Communities and Climate Protection Act of 2008 (SB 375), and was designed to incentivize and test innovative housing and land use planning and green building strategies, including sustainable, energy efficient design and integrated transportation modes;

C. WHEREAS, on August 11, 2010, the HCD selected and sent Award Letters to a total of thirteen (13) designated "Catalyst Communities" for their respective Program-related projects (collectively "Catalyst Projects"), including the City's "Catalyst Project" as set forth in the City's initial Application for designation as a Catalyst Community;

D. WHEREAS, on December 23, 2010, the Department adopted and published its Catalyst Projects for California Sustainable Strategies Pilot Program Guidelines ("Guidelines"), which (along with the Award Letters) requires all "Catalyst Projects" to execute a memorandum of understanding (this MOU) setting forth specific reporting requirements for its Catalyst Project, as informed by the contents of the City's Application;

E. WHEREAS, through the Program, and Pursuant to the Guidelines, the City's Award Letter states that the City will be eligible, as a Gold Catalyst Designee, to apply

for a capital-improvement grant ("Program Grant"), for which HCD may provide a total of up to $1,350,000 to the City;

F. WHEREAS, pursuant to the Guidelines and on or before January 30, 2012, Catalyst Communities with Award Letters indicating Program Grant-eligibility must, in order to receive a (capital improvement) Program Grant satisfy the following requirements:

(i) submit a Program Grant application ("Program Application") to HCD; and

(ii) satisfy all Award Letter conditions (including MOU execution).

G. WHEREAS, Developer shall facilitate the City's Catalyst Project by developing and constructing one or more supporting capital improvements to be identified in the submitted Program Grant application and set forth in a Standard Agreement which will incorporate the MOU as well as condition fund distribution on the continued compliance with the MOU's reporting requirements, the Guidelines, and all other Program requirements;

H. WHEREAS, the Program Grant to the City, and any and all Program-related funds that are paid to the Developer by or through the City, will be awarded and are to be contingent upon the City's and Developer's continued participation in data collection and analysis detailed in this MOU.

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AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the terms and conditions set forth in this MOU, the Parties agree as follows:

1. Definitions and Interpretation

   a. Recitals Incorporated: The Parties incorporate into this Agreement the above Recitals as if fully stated in the body of the MOU.

   b. Exhibits: Attached hereto are the following Exhibits, each of which, by this reference, is hereby incorporated to this MOU as if fully set forth herein:

EXHIBIT	TITLE
A	DATA COLLECTION, REPORTING AND PERFORMANCE REQUIREMENTS
B	NAME AND DESCRIPTION OF CATALYST PROJECT
B1	CALIFORNIA SUSTAINABLE COMMUNITIES POLICY OBJECTIVES
B2	PARTNERSHIP FOR SUSTAINABLE COMMUNITIES LIVABILITY PRINCIPLES(FEDERAL)

   c. Headings. The Headings used in this MOU are for reference purposes only and shall not be interpreted to change, modify, or create an ambiguity as to any of the contents contained thereunder.

   d. Definitions. The Definitions of any and all terms used herein shall be interpreted according to and in the following descending order of preference:
      i. Terms that are initial capitalized inside or outside parentheses shall be interpreted to have the specially defined meanings first ascribed thereto in this MOU;
      ii. This MOU hereby incorporates by reference any and all definitions previously set forth in the Program's authorizing legislation, its Guidelines, and all other definitions set forth in the Health & Safety that pertain to HCD;
      iii. All other words and meanings shall be interpreted to be consistent with their usual "Dictionary" meaning;

   e. Interpretation. Unless the context otherwise indicates, the plural and singular, as well as masculine, feminine, and neutral, shall each, respectively contain one another; and the Maxims of Jurisprudence set forth in California Civil Code sections 3509 *et seq*. shall expressly apply in interpreting the provisions of this MOU.

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2. Contact Persons. For all purposes related to this MOU, the following shall be the primary contact persons:

HCD	
Attention:	Jennifer Seeger, Catalyst Program Manager
	Department of Housing and Community Development Division of Housing Policy Development
Address:	1800 Third Street, Room 430 Sacramento, CA 95811
Phone:	916-445-4728
Fax:	916-327-2643
Email:	jseeger@hcd.ca.gov

City	
Attention:	Rachel Hazlewood
Title:	Senior Project Manager
Address:	City of Sacramento 915 I Street, 3rd Floor Sacramento, CA 95814
Phone:	(916) 808-8645
Fax:	(916) 808-8161
Email:	rhazlewood@cityofsacramento.org
Developer	
Attention:	Alberto Esquivel
Title:	Project Manager
Address:	Township 9 640 Bercut Drive, Suite C Sacramento, CA 95811
Phone:	(916) 231-1710
Fax:	(916) 482-2086
Email:	aesquivel@t9ontheriver.com

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3. Data Collection, Analysis and Reporting.

a. The City will assess the impact of the Catalyst Project on local demographic, economic, housing and employment trends through reporting on sustainability performance in the first, third and fifth year of Catalyst Project development and operations.

b. The City's data collection and reporting must test and analyze the effectiveness of sustainable communities strategies for overcoming barriers to development in a particular market or customer segment, and develop and apply strategies, tools and/or techniques to collect and measure results that can be applied by other local governments and achieve replicable results.

c. The City's performance reporting must document the innovative removal of barriers to development of transformative projects; high level of transferability of models and strategies to most effectively and efficiently achieve economic, housing, transportation, and environmental objectives across the state; and strategies for jobs and housing relationships including sustainable economic development and resource management and opportunities for community engagement and public/private partnership.

d. For each area where the City was awarded its Catalyst Community designation based upon identified actions to address each of a specific number of California Sustainable Strategies Policy Objectives and at least five of the "Federal Partnership for Sustainable Communities" six livability principals, (as set forth in part c of Exhibit A to this MOU).

e. The City's reporting and evaluation must include qualitative and (where available) quantitative measures, to document how the Catalyst Project will achieve or promote the policy objectives and livability principals (as laid out in Exhibit B (and sub-Exhibits B1 and B2); all such reporting measures must be substantially consistent with the measures proposed by the City’s initial (Catalyst Community designation) Application and any subsequent City Program Grant Application.

f. Although, the City, in coordination with the Developer, will report at the end of years one, three, and five as identified in the following Section of this MOU, please note, other interim reporting between years one and three and between years three and five may be required pursuant to the terms of the MOU.

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4. Report Format: The City, in coordination with the Developer, shall prepare a report in years 1, 3 and 5 which must, at a minimum, include the following:

a. Baseline Conditions.

b. Narrative Description of Objectives, including Purpose, Goals and quantitative and qualitative targets, as appropriate.

c. Narrative Description of Methodologies to be used to address quantitative and qualitative targets.

d. Timeline for launch and completion of Specific Objectives.

e. Monitoring for Results: Systematic Observation and Recording of Progress through the following:
   I. Analyzing actual performance against purpose, goals and targets; and
   II. Identifying any problems in achieving set goals and targets as well as identification of potential solutions.

f. Report on Results and Outcomes: Evaluation and Reporting Format shall capture:
   I. co-benefits of strategies; and
   II. triple bottom line assessment of social, economic and environmental concerns.

g. Proposal for new, integrated performance targets, as appropriate and measures for transferability as best practices.

Note: All data reported to the State will become the property of the State of California Department of Housing and Community Development.

5. Report Timeframes

a. Reports will be due based upon the following schedule:

	Close of Reporting Year	Report Due Date
Year One Report	June 30, 2013	90 days from end of first year
Year Three Report	June 30, 2015	90 days from end of third year
Year Five Report	June 30, 2017	90 days from end of fifth year
Final Report	June 30, 2018	90 days from close of Reporting period

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6. Technical Assistance Provided to Designated Catalyst Communities. As a Designated Catalyst Project, the City may, obtain and receive preferential access to a variety of resources and technical assistance (subject to their several terms, conditions, and availability), including but not limited to:

a. State/Regional Funding Resources, including:
   - Catalyst Community Grant Program Funds for designated Gold and Silver level Catalyst Communities. Refer to Section 104 of these guidelines for additional information;
   - Bonus Points for Cal-Trans' Community Based Transportation Planning Grant Program (please see http://www.dot.ca.gov/hq/tpp/grants.html);
   - Bonus Points for HCD's Multifamily Housing Program (please see http://www.hcd.ca.gov/fa/mhp/MHP_1C6_NOFA_11_22_10.pdf);
   - Department of Resources, Recycling and Reuse (CalRecycle) will work with grant recipients to leverage resources from local assistance programs, as well as the Comprehensive Recycling Communities program to help projects initiate best practices for recycling and waste management. Technical assistance, as well as small infrastructure investments, i.e. free recycle starter kits, will be made available; and
   - Additional consideration for Designated Catalyst Projects within the Southern California Association of Governments (SCAG) Region in applications for Compass Blueprint Demonstration Projects funded through SCAG.

b. Targeted Technical Assistance from Teams of State Agencies, including but not limited to:
   - Department of Housing and Community Development
   - Governor's Office of Planning and Research
   - California Air Resources Board
   - California Housing Finance Agency
   - California Infrastructure Bank
   - California Energy Commission
   - California Department of Public Health
   - California Environmental Protection Agency
   - California Department of Forestry and Fire Protection

c. Publicity and identification as a California Catalyst Project:
   - Coordinated media campaign and branding of Catalyst Community Designation.
   - Participation of the Department and other State Agencies at local press events.
   - Specialized signage indicating designation as a California Catalyst Community.
   - Use of the California Catalyst Community Logo on City and developer generated marketing materials.

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7. Miscellaneous Provisions

a. Except as specifically provided herein, nothing in this MOU is intended to affect, limit, reduce or modify any of the parties' obligations, responsibilities or duties under the standard agreement which will be entered into with HCD governing the use of funds awarded under the Catalyst Community Grant Program.
b. This MOU, along with any exhibits, appendices, addendums, schedules, and amendments hereto, encompasses the entire agreement of the parties, and supersedes all previous understandings and agreements between the parties, whether oral or written.
c. This MOU can only be amended in writing, as executed by all partners hereto.
d. By executing this MOU the undersigned hereby represent, swear and affirm that they are lawfully authorized to execute this MOU and bind their respective party hereto.
e. If any portion or provision of this MOU is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability in that jurisdiction of any other provision of this Agreement; or the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

[The remainder of this page has been left intentionally blank. The Parties signatures appear on the following page 9 of this document.]

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IN WITNESS WHEREOF, the Parties have executed this MOU effective as of _____, 2012.

CITY OF _____

By _____
Name
Title

DEVELOPER _____

By _____
Name
Title

STATE OF CALIFORNIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

By _____
Jennifer Seeger
Program Manager, HPD

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EXHIBIT A

"DATA COLLECTION AND REPORTING AND PERFORMANCE REQUIREMENTS"

The Data Collection and Reporting and Performance requirements have FOUR major tiers. Each Report due in year 1, 3 and 5 must cover information as required in all of the four tiers as follows:

a. First Tier: The first tier compares specific baseline conditions and objectives to current existing conditions. The Report will include an analysis of existing data through established data sources and resources, including any surveys, as follows: [*For example: number of housing units constructed, affordability, special needs addressed, typical salaries of permanent jobs created within the project areas, etc*.]

   i. Description of data sources, achievement gaps/trends, and/or periodic surveys of residents and workforce to track behavior change including use of new resources and amenities, and transportation modes

   ii. Discussion of projections estimated under different models and data sources, as proposed in the application for designation.

   iii. Identification of quantitative *(i.e. how often do you use public transportation, parks, etc.?)* and qualitative *(i.e. which resources, amenities, modes are most useful and which are used least?)* measures.

   iv. Workforce/Employment linkages. *Labor force re: employment needs & locations, Jobs-housing relationships, transportation access & housing costs issues, etc.*

   v. Products: Technical Reports containing projections and interpretations, with selective parts integrated into a final comprehensive report.

b. Second Tier: The second tier involves systematic observation, quantification and recording of progress to measure performance against the Catalyst Project's identified purpose, goals and targets while identifying problems and potential solutions.

   For example, the Reporting and Evaluation must demonstrate how the Catalyst Project will address Policy Objectives as identified in the February 2010 Request for Proposal (RFP) and the City application submitted to HCD. Refer to Exhibit B1 for a listing of these objectives.

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For each area where the application identified actions to address a Policy Objective, as listed in the RFP, the reporting and evaluation must include qualitative and quantitative measures to document how the Catalyst Project will achieve or promote the Sustainable Strategies Objectives as laid out in Appendix B1.

c. Third Tier: The third tier involves evaluating the Catalyst Project's objectives against the HUD/DOT/EPA Federal Partnership for Sustainable Communities livability principals, where applicable, as identified in Appendix B2:

- Provide more transportation choices -- Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.
- Promote equitable affordable housing -- Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.
- Enhance economic competitiveness -- Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.
- Support existing communities -- Target federal funding toward existing communities through such strategies as transit-oriented, mixed-use development and land recycling -- to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.
- Coordinate policies and leverage investment -- Align federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.
- Value communities and neighborhoods -- Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods -- rural, urban or suburban.

d. Fourth Tier: The Report shall include an analysis of conditions and policies or practices in the following three topical areas, as they relate to housing, needed to obtain vehicle trip-generation rates associated with land uses that are required for transportation impact analyses.

i. Detailed land uses information, including the following:
   - For commercial/retail/restaurant land use: the number and types of businesses, shops and restaurants; square feet of interior

commercial/retail space; number of employees; hours of operation; number of parking spaces provided;

- For office buildings: type of office (e.g.,government/non-government), square feet of interior space, number of employees, hours of operation, number of parking spaces provided;
- For residential projects: single or multi-family, tenure (whether rental or for purchase), project density, height of building(s), number of residential units, number of bedrooms per unit, number of parking spaces provided by unit type; and
- Location and distance of the project in relation to downtown, other activity centers, universities or colleges, job centers, retail areas, housing, etc. within a metropolitan or rural area.

ii. Transportation facilities within and near Catalyst Project:

- Transportation facilities: the locations, numbers, and characteristics of roads, sidewalks, bicycle facilities, transit service (rail and bus) and stations, etc; and
- Connections between the Catalyst Project to surrounding areas (roads, sidewalks, bicycle facilities, and transit services).

iii. Travel data related to Catalyst Project:

- The number of vehicle trips associated with the land uses within the project (including residents, employees, customers, visitors and guests) at both morning and evening peak-hours of travel and all-day. Should be collected on at least one weekday and a Saturday (in the same week);
- Counts of the number of pedestrians and bicycle riders on at least one weekday and a Saturday (in the same week); and
- Counts of the number of transit boardings and disembarkations on at least one weekday and a Saturday (in the same week).

7. Final Report

The final evaluation report shall assess the outcomes of strategies monitored and evaluated in year one, three and five reports detailed in Tiers One. Two, Three and Four as detailed above and evaluate the success of those strategies in addressing climate change objectives, improving jobs and housing relationships, increase housing supply and affordability; stimulate job creation and retention; enhance transportation modal choices that reflect community values, preserve open space and agricultural resources; promote public health; eliminate toxic threats; address blighted properties; reduce green house gas emissions and increase energy conservation and independence.

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EXHIBIT B

TOWNSHIP 9
PROJECT DESCRIPTION

Township 9 is a 65-acre, urban scale, mixed-use, transit-oriented master-planned neighborhood to consist of 2,350 dwelling units, 800,000 square feet of office, 150,000 square feet of ground floor retail, two miles of landscaped walking and bike paths and sidewalks, and more than 20 acres of open space north of Downtown Sacramento, California. The Project is generally bounded by North 5th Street to the west, Richards Boulevard to the south, North 7th Street to the east and the American River Parkway to the north. A new light rail station is located within the project adjacent to Richards Boulevard just west of North 7th Street.

The Township 9 project is located in a low-income neighborhood with a significant number of blighted properties. The neighborhood currently has very little adequate housing or amenities for families or working people, but has access to remarkable resources including direct access to bus and rail service, access to the American River and trails, and close proximity to jobs, shopping and community resources. When fully built out, the project is expected to generate more than 3,000 new permanent jobs.

The Township 9 master plan allows for the development of a variety of housing types – apartments, townhouses, stacked condominiums, lofts and live work units. The latter housing types have not been developed in significant numbers in the Sacramento area and successes in developing these product types have been few and far between. The developers of Township 9 believe that such non-traditional housing types will be realized at Township 9 due to the amenities of the Project and its proximity to Downtown. While the plan envisions the development of a housing mix of approximately 20 percent ownership units, or 470 units, and 80 percent rental units, the innovative use of the Planned Unit Development (PUD) zoning allows for flexibility to develop any or all of the 2,350 housing units as ownership units.

The first phase of development of the Project includes 751 units of which 147 or more will be developed as homeownership units. These units are intended to be market rate units, i.e. prices will be based on prevailing market conditions.

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EXHIBIT B1

OJECTIVES AND MEASUREMENTS

	Goals	Baseline	Objective	Performance Measures	YR 1	YR 3	YR 5
1	Collaborate with regional organizations on implementing Regional Blueprint goals and objectives (Objective A)	Status quo/ No action taken	Increased collaboration among agencies, community and business groups working on the Project to implement the regional Blueprint.	1. List of participants from various regional agencies, community and business groups. 2. Meeting notes and action steps. 3. Use of SACOG's I-PLACE3S model to measure the Project's potential to meet Blueprint objectives. 4. Review of Accela permit processing database to evaluate review times, permit costs and other challenges. 5. Evaluation of the use of Planned Unit Developments (PUDs) to facilitate infill development, including review of parking standards, higher densities and other variances to incentivize infill projects.	Yes	Yes	Yes
2	Develop quantifiable reductions in greenhouse gas emissions (Objective B)	Status quo/ No action taken	Improved reliance and use of non-vehicular modes of transportation including walking, biking and public transit.	1. Post development commissioning to verify LEED ND status. 2. Measurement of Project's GHG emissions. 3. Measurement of Project's utility consumption rates for wastewater, natural gas and electricity, as available.	Yes	Yes	Yes

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	Goals	Baseline	Objective	Performance Measures	YR 1	YR 3	YR 5
3	Increase supply of housing affordable to the workforce and special needs populations (Objective C)	No existing housing units	Development of Phase 1 of Project with up to 752 units. Better understanding of housing affordability with respect to household income level and cost of living in the area.	1. Database tracking income trends of the residents in relation to affordability as a percentage of median income. 2. Annual report on mix of ownership and rental units as well as on affordability. 3. Annual reports evidencing compliance with the requirements of funding agencies (Sacramento Housing and Redevelopment Agency, State of California Housing and Community Development Department, Tax Credit Allocation Committee) for affordable housing.	Yes, however, no progress expected in year 1.	Yes	Yes
4	Improve transportation/ transit options (Objective D) Develop transit-oriented housing developments (Objective E) Increase infill and compact development (Objective Q) Reduce automobile use and fuel consumption (Objective F) Improve Air Quality (Objective L)	Status quo/ No action taken	Improved transit options for residents. Better understanding of the distance residents travel to work and their preferred mode of transportation. Improved bike and pedestrian connections. Reduced Vehicle Miles Traveled.	1. Data from transit agency on ridership trends at nearby transit stops (for example, light rail stops on Green line and bus stops along Richards Blvd.). 2. Assessment of transit, bicycle and pedestrian improvements and their use. 3. Residents' survey. 4. Density comparison report on projects in the vicinity during pre and post development. 5. Interview AQMD staff about impacts of project on air quality. 6. Use of SACOG's I-PLACE3S model to analyze project's density compared to other areas of the city. 7. Use of SACOG's I-PLACE3S to model project's vehicle trips, VMT, pedestrian and bicycle trips, transit use, and travel data/behavior. 8. Map of light rail stations, bike facilities, bus stops, and pedestrian walkways in the development. 9. Ridership data from Regional Transit for bus and light rail.	Establish baseline.	Yes	Yes

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	Goals	Baseline	Objective	Performance Measures	YR 1	YR 3	YR 5
5	Promote energy efficiency, conservation and renewable energy (Objective G)	Status quo/ No action taken	Improve energy efficiency, conservation, and the use of renewable energy among residents.	1. Data from utility companies (SMUD and PG&E) on impact of the Project on the grid. 2. Compare utility trends of the project area to other neighborhoods in Sacramento and throughout the Northern California region. 3. Resident survey.	Establish baseline.	Yes	Yes
6	Promote effective waste management/ recycling (Objective H)	Status quo/ No action taken	Increased amount of waste diverted from landfills.	1. Data from the City's Utility Department on waste disposal and recycling habits of the project area in comparison to other Sacramento neighborhoods. 2. Interviews with the Utility Department on waste management services provided to the project area in comparison to other Sacramento neighborhoods. 3. Residents' survey.	Yes, however, no progress expected in year 1.	Yes	Yes
7	Revitalize neighborhood and community centers (Objective I)	Status quo/ No action taken	Better understand the availability, use and maintenance of neighborhood and community centers.	1. Data regarding real estate rates for residential and non-residential buildings surrounding project area pre and post-development. 2. Data regarding vacancy rates for residential and non-residential buildings surrounding project area pre and post-development. 3. Visual assessment of neighborhoods and community centers in project vicinity using HCD-recommended exterior conditions survey methodology or blight assessment survey methodology. 4. Data regarding commercial, office, residential and housing land uses and amenities through surveys, GIS and project tracking.	Establish baseline.	Yes	Yes
8	Develop integrated/joint use facilities and services (such as schools and parks) (Objective T)	Status quo/ No action taken	Determine the success of jointly used facilities.	1. Rental records to determine the use of the joint-use facilities. 2. Data on visitors to joint use facilities (such as Nature Interpretive Center). 3. Interview users.	Yes, however, no progress expected in year 1.	Yes	Yes

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	Goals	Baseline	Objective	Performance Measures	YR 1	YR 3	YR 5
9	Protect natural resources (Objective J)	Status quo/ No action taken	Design sensitively around natural resources. Promote high density infill development.	1. Evaluation of the project's consistency with development plan and guidelines specific to natural resource protection. 2. Data on property values within the project area to those in green field developments. 3. Resident and visitor survey. 4. Report on density and neighborhood pattern in the project area to evaluate the impact of higher density infill sites on reducing sprawl and protecting natural resources. 5. Review the construction plan of the project to determine whether the natural environment has been maintained to the fullest extent possible. 6. Report on the number of increased acres in parks and open space and what improvements were created and installed.	Yes	Yes	Yes
10	Improve availability of parks in park deficient areas (Objective K)	Status quo/ No action taken	Determine the availability, use and maintenance of the parks.	1. Resident and visitor survey. 2. Visual assessment of parks and open space within the project area and vicinity. 3. Physical access or barriers map to document potential use of parks within 5 and 10 minute walking distance of units within project area.	Yes, however, no progress expected in year 1.	Yes	Yes

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	Goals	Baseline	Objective	Performance Measures	YR 1	YR 3	YR 5
11	Improve water quality (Objective L) Promote water conservation (Objective N)	Status quo/ No action taken	Treat stormwater runoff before it is released into the river. Implement storm water filtration systems. Per capita water use below citywide averages.	1. Document acreage of LID / climate appropriate landscaping 2. Document acreage of naturally treated stormwater and natural stormwater management techniques. 3. Water usage data analysis on pre and post project development and comparison to other Sacramento areas. 4. Interview with City staff regarding water usage related to the project. 5. Resident and visitor survey. 6. Air quality data analysis in coordination with AQMD on pre and post development and comparison to other Sacramento areas. 7. Visual assessment of parks and open space within the project area and vicinity to determine the use and maintenance of the facilities.	Yes	Yes	Yes
12	Reduce toxic threats (Objective M)	Status quo/ No action taken	Remove environmental contamination in Project so that it meets residential standards.	1. Clearance from the Sacramento County Environmental Management Department prior to commencing construction on housing development. 2. Review the implementation of the development plan and success of residential development to determine perceptions related to previous use and/or contamination. 3. Report on efforts to eliminate toxic threats on the site, i.e. what was necessary and what process was used.	Yes	No	No

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	Goals	Baseline	Objective	Performance Measures	YR 1	YR 3	YR 5
13	Promote the objectives of the City of Sacramento Economic Development Strategy (Objective O) Recruit "green" jobs and/or industries to the Project and vicinity (Objective P)	Status quo/ No action taken	Attract living wage jobs to the Project and vicinity. Attract green jobs to the Project and the vicinity.	1. Employee/employer survey. 2. Resident survey. 3. Interviews with the Sacramento Chamber of Commerce, SACTO and brokerage community to better understand business changes pre and post the development of the Project. 4. Data on office space occupancy and job creation, specifically green jobs. 5. Report the number of green industry jobs that were created during the construction of the project. 6. Report on the number of green jobs in the project area.	Establish baseline.	Yes	Yes
14	Improve efficient use of existing infrastructure (e.g., roadways, sewer, water, and bridges) and plan to accommodate increased capacity (Objective R)	Status quo/ No action taken	Use or improve existing public infrastructure when possible.	1. Review of City standards to ensure that infrastructure is adequately sized and that it is not "oversized" for the contemplated development. 2. Evaluation of the cost differential attributable to pre-existing infrastructure. 3. Traffic data for transit, and surrounding freeway/arterial/collector streets (eg. North 7th Street, Richards Boulevard and Interstate5/Richards Boulevard) 4. Resident, commercial property owners and adjacent property owner surveys. 5. Customer (private developer, civil engineer) satisfaction surveys	Yes	Yes	Yes
15	Increase access to broadband technologies (Objective S)	Status quo/ No action taken	Ensure residents and employers have access to digital technologies.	1. Information from the local broadband providers to determine the number of residents successfully accessing services. 2. Conduct interview with residents and business owners regarding their access to broadband technologies.	Yes	Yes	Yes

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	Goals	Baseline	Objective	Performance Measures	YR 1	YR 3	YR 5
16	Promote public health and healthy communities, including walkable neighborhoods (Objective U)	Status quo/ No action taken	Assess the health of the community and access to healthy opportunities, including areas to safely exercise.	1. Walkscore analysis to compare the walkability of the project area to the City average. 2. Walkability audit, pre and post development. 3. Data on car accidents in the neighborhood, compared to other areas in Sacramento, including bike/pedestrian related accidents. 4. Data on traffic speeds in the neighborhood, compared to other areas in Sacramento. 5. Resident and visitor interviews.	Yes, however, no progress expected in year 1.	Yes	Yes

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EXHIBIT B2

FEDERAL PARTNERSHIP FOR SUSTAINABLE COMMUNITIES LIVABILITY PRINCIPLES

- Provide more transportation choices
  - *Safe, reliable and economical alternatives to the automobile*
  - *Public transit (light rail and buses)*
  - *Light rail extension of Green Line and new station soon to open (June 2012)*
  - *Bicycle connections to the Two Rivers and American River Bike Trails*
  - *New pedestrian-friendly streets*
  - *Entire site within walking distance of the transit station*
  - *Resulting in:*
    - *Decreased household transportation costs,*
    - *Reduced dependence on foreign oil*
    - *Improved air quality*
    - *Reduced greenhouse gas emissions*
    - *Promoted public health.*

- Promote equitable, affordable housing
  - *2,350 housing units to be developed*
  - *Initial development phase: 752 housing units*
  - *Initial project: 179 affordable units income restricted for 55 years*
  - *Diversity of affordable housing types: rental apartments, for-sale condominiums, for-sale townhouses in low and mid rise buildings*
  - *Live/Work community – housing in proximity to job centers transit and services*
  - *Mixed income development: Extremely Low, Very Low, Low, Moderate and upper income households, all within the same neighborhood*

- Enhance economic competitiveness
  - *Improved jobs to housing balance ratio in the area*
  - *Increase in goods and services for businesses*
  - *Increased demand for public transit*
  - *Project amenities to benefit current and future employees*
  - *New jobs and business opportunities in the low income area*
  - *Increased employee productivity due to improved wellness of employees and residents*
  - *Increased education and training opportunities for youth and resident workers*

- Support existing communities, and development and land recycling
  - *Transit-oriented, mixed use redevelopment project*
  - *LEED certification with Neighborhood Designation*
  - *Infill area uses existing infrastructure and underused land to increase revitalization and maximize infrastructure investments*

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- Coordinate policies and leverage investment
    - *Leverages $1.1 million in American Recovery and Reinvestment Act funds*
    - *Leverages $4 million in federal transportation funds invested in extending the light rail line to the Project*
    - *Leverages $220 million to be invested in the light rail line beyond the Project*
    - *Leverages Federal Low Income Housing Tax Credits and other federally-backed funding sources for affordable housing project*
    - *Ongoing collaboration between developer, City of Sacramento, SACOG, SMUD, and other agencies to monitor performance measures, including renewable energy use.*

- Value communities and neighborhoods
    - *Future residents can be within a 10-minute walk of home and work*
    - *Pedestrian-friendly street design (buildings close to street; porches, windows and doors; tree-lined streets; on-street parking; underground parking; and narrow, slow speed streets).*
    - *Walking areas free of cars at Riverfront Park and the North 7th Street Parkway*
    - *Township 9 will attract private investment, leading to reduced property vacancy and improved property conditions*
    - *Will result in residents who:*
        - *Are less overweight*
        - *Suffer fewer car accidents than residents of other communities*
        - *Suffer from fewer chronic ailments such as diabetes and heart disease*
        - *Receive health benefits from cleaner air*
        - *Are more inclined to interact with neighbors*
        - *Foster close friendships within their own neighborhood.*

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Applicant Information

Catalyst Project Name:	Township Nine		
Applicant (City):	City of Sacramento, Economic Development Department		
If RDA is applying on behalf of City, please identify Agency Name*			
Mailing Address:	915 I Street, 3rd Floor		
City:	Sacramento		
State:	California	Zip code	95814
County:	Sacramento		
Website:	CityofSacramento.org		
Authorized Representative of Applicant Jurisdiction			
Name	James R. Rinehart		
Title:	Director		
Phone:	916-808-5054		
Email:	jrinehart@cityofsacramento.org		
Contact Person for Applicant Jurisdiction			
Name:	Rachel Hazlewood		
Title:	Project Manager		
Phone:	916-808-8645		
Email:	rhazlewood@cityofsacramento.org		
Contact Information for Project Sponsor or Developer			
Name:	Alberto Esquivel		
Title:	Project Manager		
Organization/Company:	Capitol Station 65 LLC		
Mailing Address:	640 Bercut Drive, Suite C		
Phone:	916-231-1710		
Email:	aesquivel@t9ontheriver.com		

APPLICANT CERTIFICATION

As the official designated by the governing body, I hereby certify, the (applicant name) CITY OF SACRAMENTO assumes the responsibilities specified in the Program Guidelines and certifies that the information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct.

Authorized Representative Signature: _____

Name: James R. Rinehart

Title: Director

Date: 1-20-12

Homeownership Narrative

Catalyst Project Name: TOWNSHIP NINE

Applicant: CITY OF SACRAMENTO

Please attach a narrative describing the homeownership component of the catalyst project including:

- a description of the number of homeownership units planned within the designated Catalyst Project including type of unit (condo, townhouse and or single-family detached) and affordability level
- a description of the innovative approaches to create homeownership opportunities within the Catalyst Project. Examples could include co-operative housing, live-work spaces, multi-generational housing, community land trusts, adaptive re-use programs, lease to purchase programs, enhanced homebuyer education, first-time homebuyer assistance programs, programs targeted to school district or safety employees, reverse mortgage education and partnerships, foreclosure prevention programs.

If the designated Catalyst Project does not have a homeownership component, the application should describe innovative approaches used by the jurisdiction in general to create or maintain homeownership opportunities

Homeownership Narrative

Township 9 is a 65-acre, urban scale, mixed-use, transit-oriented master-planned neighborhood to consist of 2,350 dwelling units, 800,000 square feet of office, 150,000 square feet of ground floor retail, and more than 20 acres of open space north of Downtown Sacramento, California. The Project is generally bounded by North 5th Street to the west, Richards Boulevard to the south, North 7th Street to the east and the American River Parkway to the north. A new light rail station is located within the project adjacent to Richards Boulevard just west of North 7th Street.

The Township 9 master plan allows for the development of a variety of housing types – apartments, townhouses, stacked condominiums, lofts and live work units. The latter housing types have not been developed in significant numbers in the Sacramento area and successes in developing these product types have been few and far between. The developers of Township 9 believe that such non-traditional housing types will be realized at Township 9 due to the amenities of the Project and its proximity to Downtown. While the plan envisions the development of a housing mix of approximately 20 percent ownership units and 80 percent rental units, the innovative use of the PUD zoning allows for any or all of the 2,350 housing units to be developed as ownership units.

The first phase of development of the Project includes 751 units of which 147 or more will be developed as homeownership units. These units are intended to be market rate units, i.e. prices will be based on prevailing market conditions. However, it is anticipated that several homebuyer assistance programs will utilized in order to allow low and moderate income homebuyers to purchase in the neighborhood. Anticipated programs include:

- Down payment assistance programs for low and moderate income homebuyers
- Below market rate financing for low and moderate income homebuyers
- Lease to Purchase programs for first time homebuyers
- Use of energy efficient and "transportation efficient" mortgage programs which will enable homebuyers to borrow more based on lower anticipated costs
- Interest rate buydowns
- Homebuyer programs targeted to employees within a half mile radius of the site;
- Homebuyer education and credit counseling programs

Activity Summary

Catalyst Project Name:	TOWNSHIP9
Applicant:	CITY OF SACRAMENTO
Activity Name:	Infrastructure Improvements - Riverfront Park

Activity Summary:

Catalyst funds will be used to pay for a portion of the improvements to "Riverfront Park".The first phase of the Township Nine Project includes the construction of infrastructure supporting the construction of 752 housing units. The first phase includes a transit station, underground utilities, street and park improvements. Riverfront Park is located at the terminus of North 7th Street at Riverfront Drive forming a linear park located between the American River Parkway and Riverfront Drive. The main park plaza will be flanked to the north by a large turf area with informally planted shade trees that create an active gathering place for outdoor festivals, fairs and also for passive recreation. Riverfront Plaza will provide Sacramento with an informal gathering place along the American River where public events such as live performances and special ceremonies can celebrate the beauty of the waterfront. The plaza will feature a participatory fountain with large rock formations (granite or manufactured stone) spilling water from an elevated water wall. The plaza also will include a tensile fabric structure, drinking fountains, trash receptacles and benches for park users.

ACTIVITY COSTS

Please break out the subprojects involved in the eligible capital improvement activity and estimated cost for each. If this form is not sufficient for all items, please attach a summary budget.

Subproject	Estimated Cost
Site Preparation	191,472
Utilities	63,218
Surface Improvements	694,683
Landscape and Amenities	4,234,773
Soft Costs	486,551
Total Activity Cost	$5,670,696

Other Funding Sources

** if additional funds are necessary to complete the proposed capital improvement activity, please detail the source and amount of funds.*

Name of Source	Dollar Amount	Name of Source	Dollar Amount
Prop 1C Infill Infrastructure Grants	2,499,017		
City CDBG Funds	68,271		
Developer Funds/Other Grants	1,753,408		
		Total Other Funds	4,320,696

RESOLUTION NO. 2010-052

Adopted by the Sacramento City Council

February 2, 2010

AUTHORIZING SUBMISSION OF APPLICATIONS FOR THE CATALYST PROJECT DESIGNATION UNDER THE CALIFORNIA SUSTAINABLE STRATEGIES PILOT PROGRAM FOR THE RAILYARDS, TOWNSHIP 9 AND CURTIS PARK VILLAGE PROJECTS

BACKGROUND

A. On December 17, 2009, the State Department of Housing and Community Development (HCD) issued a request for proposals for a new pilot incentive program for large infill projects.

B. The California Sustainable Strategies Pilot Program will provide an advantage to designated Catalyst Projects in obtaining future State and Federal grants.

C. Only large mixed-use infill projects with 250 or more housing units including affordable housing and job-creation are eligible to apply to be designated a Catalyst Project.

D. The Railyards is one of the largest mixed-use, transit-oriented infill development projects in the United States that will ultimately include approximately 12,000 housing units, of which 15 percent will be affordable. This project redevelops a 240-acre brownfield site in downtown Sacramento and includes a new light rail station along 7th Street, as well as expansion of the Sacramento Intermodal Transportation Facility which brings together light rail, commuter rail, and bus transit services.

E. Township 9 is a mixed-use, transit oriented development infill project located within the River District that will include 2,350 housing units, of which 178 will be affordable units, as well as almost 1 million square feet of office and retail space near the new Richards Blvd light rail station. This project involves the redevelopment of a 65-acre industrial site with high density infill development that will be one of the few projects in the Sacramento region designed and built to meet the LEED-Neighborhood Design requirements, thereby conserving energy and promoting a walkable vibrant center.

F. Curtis Park Village is a mixed-use, transit oriented development infill project that includes 527 housing units, of which 90 are senior affordable units, as well as retail and office space near two existing light rail stations. This project involves the redevelopment of a 72-acre brownfield site, which is surrounded by existing neighborhoods, with a range of housing types affordable to all income levels, shopping, and local office space.

G. These projects meet the criteria of a Catalyst Project under the California Sustainable Strategies Pilot Program by: (i) remediating existing toxic contamination, (ii) developing a range of housing and shopping opportunities, (iii) increasing the supply of affordable housing, (iv) creating thousands of new jobs adjacent to housing and

promoting public transit use, thereby reducing greenhouse gas emissions, (v) providing additional parks and open spaces, and (vi) fostering job-creation and economic development; all of which will help revitalize downtown Sacramento, the River District and the Curtis Park neighborhood.

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

Section 1. Staff is hereby authorized and directed to submit applications to the Department of Housing and Community Development for the California Sustainable Strategies Pilot Program in order to seek a Catalyst Project designation for the Railyards, Township 9 and Curtis Park Village projects.

Adopted by the City of Sacramento City Council on February 2, 2010 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.

Mayor Kevin Johnson

Attest:

Shirley Concolino, City Clerk

Exhibit A

RESOLUTION NO. 2012-

Adopted by the City of Sacramento

APPROVE THE SUBMITTAL OF A GRANT APPLICATION AND EXECUTION OF THE MEMORANDUM OF UNDERSTANDING AND STANDARD AGREEMENT WITH THE CALIFORNIA HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT FOR THE CATALYST GRANT FOR THE TOWNSHIP 9 PROJECT

BACKGROUND

A. The State of California, Department of Housing and Community Development (the "Department") has issued Program Guidelines dated December 2010 (the "Guidelines"), under its Catalyst Community Grant Program (the "Program").

B. The City of Sacramento ("Applicant"), on behalf of the Township 9 project, desires to apply for the Program and submit the Application Package for the Program.

C. The Department is authorized to approve funding allocations for the Program, subject to the terms and conditions of the Guidelines, Application Package, Memorandum of Understanding (MOU) and Standard Agreement, as such capitalized terms are defined in the "Catalyst Projects for California Sustainable Strategies Pilot Program" guidelines issued by the Department in November 2010, as the same may be amended from time to time.

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

Section 1. The City Manager or his designee on behalf of the Applicant is hereby authorized and directed to apply for and submit to the Department the Program Application Package. If the application is approved, the City Manager or his designee on behalf of the Applicant is hereby authorized and directed to enter into, execute, and deliver the MOU, a State of California Standard Agreement, and any and all other documents required or deemed necessary or appropriate by the Department to obtain Catalyst Community Grant Program Funds from the Department, and all amendments thereto (collectively, the "Program Documents").

Section 2. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, including without limitation, the terms set forth in its

MOU with the Department. Funds are to be used for allowable capital asset project expenditures to be identified in the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the Guidelines, Application Package, and Standard Agreement.

Section 3. The City Manager or his designee is authorized to execute in the name of Applicant the Application Package and the Program Documents as required by the Department for participation in the Program.