

**Meeting Date:** 10/28/2014

**Report Type:** Consent

**Report ID:** 2014-00804

**Title:** Amendments to the Arena Operation, Management, and Lease Agreement and the Arena Parking Management Agreement

**Location:** Downtown Plaza, District 4

**Recommendation:** Pass a Motion 1) authorizing the City Manager or his designee to execute a second amendment to the Arena Operation, Management, and Lease Agreement (AMOLA) that incorporates the concept of an Owner Controlled Insurance Program (OCIP) into the insurance provisions, modifies the required employer's liability insurance level, allows for and provides insurance coverage for ceremonial activities such as groundbreaking to occur on the City-owned site, updates the description of the ESC land as recorded on July 31, 2014, and other minor technical changes; and 2) authorizing the City Manager or his designee to execute an amendment to the Arena Parking Management Agreement (APMA) to modify the employer's liability insurance level from \$3 million per incident to \$1 million per incident consistent with standard practice.

**Contact:** Desmond Parrington, ESC Project Manager, 808-5044, Office of the City Manager

**Presenter:** None

**Department:** City Manager

**Division:** Executive Office

**Dept ID:** 02001011

**Attachments:**

1-Description/Analysis

2-Background

3-First Amendment to APMA

4-Second Amendment to AMOLA Final

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**City Attorney Review**

Approved as to Form

Matthew Ruyak

10/23/2014 8:19:16 AM

**Approvals/Acknowledgements**

Department Director or Designee: John Dangberg - 10/22/2014 6:55:46 PM

## Description/Analysis

**Issue Detail:** Staff is seeking authorization to amend the Arena Operation, Management, and Lease Agreement (AMOLA). The AMOLA is being amended to reflect that an Owner Controlled Insurance Program (OCIP) may be utilized to provide insurance coverage for the Arena. Sacramento Downtown Arena LLC (ArenaCo) has established an OCIP that is a robust insurance program that includes comprehensive commercial general liability (CGL) and workers' compensation (WC) insurance. The OCIP provides up to \$200 million in coverage for both ArenaCo and the City, and provides for a defense of both parties for any claims or associated litigation. An OCIP was not contemplated when the AMOLA was originally prepared and as result the insurance requirements for CGL and WC were different from what is provided by the OCIP. The OCIP will increase insurance protections for the City, from \$10 million (for ArenaCo and the Arena Contractor) and \$2 million (for other contractors, subs, vendors, etc.) per occurrence for CGL insurance to \$200 million.

In addition, the AMOLA does not allow for any activities to occur on the project site apart from those associated with construction. As a result, ceremonial activities such as a groundbreaking are prohibited. The new added language would allow for City-approved ceremonial activities and it identifies that those activities would be covered by the OCIP in the event of any claims by other parties. Finally, the amendment updates Exhibit A to correctly reflect the description of the ESC land as recorded on July 31, 2014.

Staff is also seeking authorization to amend the Arena Parking Management Agreement (APMA), which governs the operation, management and maintenance of the City-owned Downtown Plaza parking garages. Currently, the agreement requires \$3 million of employer's liability insurance, which is higher than what is typically required in other City agreements (\$1 million). Based on a review by the City's Risk Manager, a reduction in the level is reasonable given that \$1 million should be sufficient to protect both ArenaCo and the City in the event of a claim. Staff recommends reducing the required employer's liability insurance level from \$3 million to \$1 million. Similarly, staff also recommends reducing the employer's liability insurance level required in the AMOLA from \$3 million to \$1 million given that the OCIP is in place for the ESC project.

**Policy Considerations:** The AMOLA and APMA were approved by City Council on May 20, 2014. The proposed changes to the insurance requirements are considered major amendments that require Council review and approval.

**Economic Impact:** Not applicable.

**Environmental Considerations:** This report identifies changes to existing agreements related to insurance requirements. The actions in this report do not have any potential for significant effect on the environment and are exempt under CEQA Guidelines section 15061(b)(3).

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** The current insurance requirements in the AMOLA and APMA do not reflect the actual insurance put in place by ArenaCo. Staff is recommending that the AMOLA be amended to allow for the use of an OCIP by ArenaCo which provides greater insurance coverage for the City and ArenaCo. Additionally, revising the employer's liability insurance from \$3 million to \$1 million in the AMOLA and APMA is consistent with standard City practice.

**Financial Considerations:** There are no costs associated with these amendments and as a result there is no impact to the General Fund. The amendment to the AMOLA provides greater general liability insurance protection than currently required in the AMOLA and provides for consistency with City practice for employer's liability insurance for both the AMOLA and the APMA.

**Local Business Enterprise (LBE):** Not applicable.

## Background

On May 20, 2014, the City Council approved the Arena Operation, Management and Lease Agreement (AMOLA). The AMOLA sets forth the insurance requirements necessary for both construction and operation of the ESC. Section 6 of Resolution 2014-0132 authorizes the City Manager or his designee to make, execute, and deliver on the City's behalf technical, clerical, and minor amendments to the AMOLA, subject to approval as to form by the City Attorney or his designee.

On July 22, the City Manager executed the first amendment to the AMOLA. That amendment clarified that the AMOLA only applied to the City-owned ESC land (Parcel 1, which was subsequently created and recorded on July 31, 2014).

Because the second amendment modifies the insurance provisions of the AMOLA, it is not considered a minor amendment and therefore requires Council approval. The second amendment makes several modifications to the AMOLA: 1) it allows for the use of an OCIP and increases the insurance requirements consistent with ArenaCo's OCIP; 2) reduces the required employer's liability insurance level; 3) allows for City-approved ceremonial events on the site and clarifies that they are covered by the OCIP; 4) updates Exhibit A to correctly reflect the ESC land as recorded on July 31, 2014; and 5) makes other minor technical changes.

The Arena Parking Management Agreement (APMA) was also approved by Council on May 20, 2014. In Exhibit B of the APMA, ArenaCo is required to carry property insurance, commercial general liability insurance, automobile liability insurance, pollution insurance, builder's risk insurance, professional liability insurance, garagekeeper's insurance, worker's compensation insurance, and employer's liability insurance. Employer's liability insurance is a component of workers' compensation insurance. It is designed to protect an employer in the event that injuries and financial damages to outside parties directly related to an employee injury fall outside of workers' compensation. Under the terms of the agreement, ArenaCo is supposed to have \$3 million of employer's liability insurance; however, the City typically requires \$1 million. Given that employer's liability claims are rare, \$1 million is considered a reasonable amount given that this involves only the parking garage operations rather than the arena construction and operation. In light of the OCIP, staff is also recommending that the employer's liability insurance levels in the AMOLA be changed from \$3 million to \$1 million.

## FIRST AMENDMENT TO THE ARENA PARKING MANAGEMENT AGREEMENT

This **FIRST AMENDMENT TO THE ARENA PARKING MANAGEMENT AGREEMENT** (this "**Amendment**") is made and entered into as of October 28, 2014, by and between the CITY OF SACRAMENTO, a municipal corporation of the State of California (the "**City**"), and SACRAMENTO DOWNTOWN ARENA LLC, a Delaware limited liability company ("**ArenaCo**"). The City and ArenaCo are sometimes referred to in this Amendment as the "**Parties**."

### **BACKGROUND**

The Parties entered into that certain Arena Parking Management Agreement, dated as of May 20, 2014 (City Agreement No. 2014-0513; the "**Agreement**").

ArenaCo has been issued an Owner Controlled Insurance Program (the "**OCIP**") for the construction of the Arena, which provides substantially higher policy amounts for general liability and worker's compensation insurance coverage than originally contemplated by the Parties.

The Parties have agreed to amend the Agreement to ensure that the insurance provisions of the Agreement are consistent with the provision of the OCIP and the Parties' other agreements, subject to the terms and conditions set forth in this Amendment.

**With these background facts in mind, the Parties agree as follows:**

1. Section 1.1(D) of Exhibit B is deleted and replaced in its entirety, to read:  
  
(D) Workers' Compensation insurance as required by the State of California with statutory limits and Employers' Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease. ArenaCo shall require all of ArenaCo's contractors, subcontractors, vendors, agents, and representatives involved in work or operations at the Parking Facilities to meet the Workers' Compensation requirements of this section. Any deductibles or self-insured retentions must be declared and approved by the City (such approval not to be unreasonably withheld, conditioned, or delayed).
2. Except as provided in Section 1, above, all provisions of the Agreement are unchanged and remain in full force and effect.

*[Remainder of page intentionally left blank; signature page follows]*

IN WITNESS WHEREOF, the Parties have entered into this Amendment as of the day and year first above written.

<p>City of Sacramento</p> <p>By: _____ John F. Shirey City Manager</p> <p>Date: _____, 2014</p>	<p>SACRAMENTO DOWNTOWN ARENA LLC, a Delaware limited liability company</p> <p>By: Sacramento Basketball Holdings LLC, a Delaware limited liability company, its Sole Member</p> <p>By: _____</p> <p>Name: _____</p> <p>Its: _____</p> <p>Date: _____, 2014</p>
<p>Approved as to Form Sacramento City Attorney</p> <p>By: _____ Matthew D. Ruyak Assistant City Attorney</p>	<p>Approved as to Legal Form Pioneer Law Group, LLP</p> <p>By: _____ Jeffrey K. Dorso Attorneys for ArenaCo</p>

**SECOND AMENDMENT TO THE ARENA MANAGEMENT,  
OPERATIONS, AND LEASE AGREEMENT**

This **SECOND AMENDMENT TO THE ARENA MANAGEMENT, OPERATIONS, AND LEASE AGREEMENT** (this "**Amendment**") is made and entered into as of October 28, 2014, by and between the CITY OF SACRAMENTO, a municipal corporation of the State of California (the "**City**"), and SACRAMENTO DOWNTOWN ARENA LLC, a Delaware limited liability company ("**ArenaCo**"). The City and ArenaCo are sometimes referred to in this Amendment as the "**Parties.**"

**BACKGROUND**

The Parties entered into that certain Arena Management, Operations, and Lease Agreement, dated as of May 20, 2014 (City Agreement No. 2014-0514; the "**Original Agreement**") as amended by that certain First Amendment to the Arena Management, Operations and Lease Agreement (the "**First Amendment**") dated as of July 30, 2014 (collectively, the "**Agreement**").

ArenaCo has been issued an Owner Controlled Insurance Program (the "**OCIP**") for the construction of the Arena, which provides substantially higher policy amounts for general liability and worker's compensation insurance coverage than originally contemplated by the Agreement.

The Parties have agreed to further amend the Agreement to ensure that the insurance provisions of the Agreement are consistent with the provision of the OCIP, subject to the terms and conditions set forth in this Amendment.

**With these background facts in mind, the Parties agree as follows:**

1. **Section 1.4(A).** Section 1.4(A) of the Agreement is deleted and replaced in its entirety, to read as follows:

(A) *Grant of Entry Right.* The City hereby grants to ArenaCo and its Affiliates (including TeamCo) an exclusive license, during the Early Use License Term, to enter upon and across (i) all portions of the Arena Land that are owned by the City at all times during the period of the City's ownership thereof and (ii) all portions of the Arena Land that are subject to the Order for Possession during the period that the Order for Possession is effective, solely for the purpose of performing and engaging in the Work (as defined in the Design and Construction Agreement) and the Pre- Opening Activities and all other ancillary uses in connection therewith (the "**Early Use License**"). Such ancillary uses related to the Work shall expressly include, without limitation, the right to hold ceremonies and events related to the Work and the construction of the Arena, provided that:

(i) the City Manager's office has approved such event in writing (such approval not to be unreasonably withheld, conditioned or delayed); (2) ArenaCo and/or the Arena Contractor responsible for such event uses due care and reasonable practices with respect to visitors' safety at the jobsite for the duration of such event; and (3) the OCIP referenced in Section 8.1(B) below shall provide general liability insurance for ArenaCo and City for such event.. The Early Use License is subject to all matters of record affecting the Arena Land and all terms and conditions of the Design and Construction Agreement.

2. **Section 8.1(B)**. Section 8.1(B) of the Agreement is deleted and replaced in its entirety, to read as follows:

(B) At all times during the Term, commercial general liability insurance (CGL) written on an "occurrence" policy form and covering liability for death, bodily injury, personal injury, and property damage with limits of \$10,000,000 per occurrence relating, directly or indirectly, to ArenaCo's business operations, conduct, or use or occupancy of the Arena. Such coverage shall include all activities and operations conducted by any Person on or about the Arena or Arena Land, and any work performed by or on behalf of ArenaCo at the Arena. Coverage should be as broad as ISO policy form CG 0001, or any replacement thereof that becomes standard in the insurance industry, or an equivalent form acceptable to the City. If a general aggregate limit applies, either the general aggregate limit shall apply separately to the Arena project/location or the general aggregate limit shall be twice the required occurrence limit. If a Products/Completed Operations aggregate limit applies, either the Products/Completed Operations aggregate limit shall apply separately to the Arena project/location or the Products/Completed Operations aggregate limit shall be twice the required occurrence limit. ArenaCo shall require Arena Contractor to meet the requirements of this section at all times during the performance of the Construction Work which may be satisfied as an enrolled participant in ArenaCo's Owner Controlled Insurance Program ("OCIP") as described herein. ArenaCo shall also require all of ArenaCo's other contractors, subcontractors, vendors, agents, and representatives involved in work or operations at the Arena to meet the CGL requirements of this section with limits of at least \$2,000,000 per occurrence and \$2,000,000 aggregate which may be satisfied during the performance of the Construction Work as an enrolled participant in the OCIP as described herein. Further, if at any time ArenaCo or any of its Concessionaires sells alcoholic beverages at the Arena, ArenaCo's coverage shall include (and ArenaCo shall require its applicable Concessionaire's coverage to include) liquor liability covering liability for death, bodily injury, personal injury, and property damage with a limit of \$5,000,000 per occurrence. Any deductibles or self-insured retentions must be declared and approved by the City (such approval not to be unreasonably withheld, conditioned, or delayed).

Commencing with heavy demolition of existing structures at the Arena project site and through any subsequent construction phase, the Commercial General Liability Insurance (CGL) described above may be satisfied by means of the OCIP. The insurance provided by the OCIP shall apply only to operations that are within the scope of the Arena project and performed by ArenaCo or directly or indirectly on behalf by ArenaCo at the Arena project site by the Arena Contractor, subcontractors, vendors, agents, and representatives. Coverage shall be written on an "occurrence" policy form covering liability for death, bodily injury, personal injury, and property damage with limits of \$200,000,000 per occurrence and subject to a \$200,000,000 general aggregate limit and \$200,000,000 products & completed operations aggregate limit for the Early Use License Term which shall apply separately and are shared by all participants in the OCIP. The required limits may be satisfied through any combination of limits provided under the CGL and Excess Liability policies on a follow form basis to coverage provided under the CGL. Such coverage shall include all activities and operations conducted by any Person on or about the Arena or Arena Land, and any work performed by or on behalf of ArenaCo at the Arena or on the Arena Land. Coverage shall be as broad as ISO policy form CG 0001 and provide limits dedicated to the Arena project. The OCIP shall extend to all operations of ArenaCo, the Arena Contractor and ArenaCo's other contractors, subcontractors, vendors, agents, and representatives involved in work or operations at the Arena during the performance of the Construction Work however coverage shall not extend to those parties specifically excluded under the OCIP, including:

- Vendors, suppliers, material dealers, abatement contractors, blasting contractors, delivery persons, haulers, hazardous waste removal contractors;
- Any person or organization that manufactures or fabricates products or components that does not also install the product or component at the Arena Land
- Any contractor or other person or organization that does not have dedicated payroll for employees at the project site for the Arena project

All OCIP excluded parties shall maintain CGL coverage for on-site and off-site operations with limits of at least \$2,000,000 per occurrence and \$2,000,000 aggregate at all times during the performance of the Construction Work.

In addition to the OCIP coverage and coverage required to be provided and maintained by excluded parties for operations at and away from the Arena project site, ArenaCo shall also require the Arena Contractor, ArenaCo's other contractors, subcontractors, vendors, agents, and representatives involved in work or operations at the Arena and enrolled in the OCIP to maintain CGL insurance as respects work performed off the Project Site, in a form providing coverage of not less than the standard ISO CG 0001 Commercial General Liability (CGL) insurance policy form,

including the following minimum coverages limits. Such insurance may be provided in any combination of primary and follow-form excess insurance:

Bodily injury liability and Property Damage including Products and Completed Operations coverage in an amount not less than \$2,000,000 per occurrence and \$2,000,000 aggregate. "

Higher insurance limits may be required based on work performed as outlined in Attachment "D" – Insurance of the OCIP.

3. **Section 8.1(D)**. Section 8.1(D) of the Agreement is deleted and replaced in its entirety, to read as follows:

(D) At all times during the Term, Workers' Compensation insurance as required by the State of California with statutory limits and Employers' Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease. ArenaCo shall require Arena Contractor and all of ArenaCo's other contractors, subcontractors, vendors, agents, and representatives involved in work or operations at the Arena to meet the Workers' Compensation requirements of this section. Any deductibles or self-insured retentions must be declared and approved by the City (such approval not to be unreasonably withheld, conditioned, or delayed).

4. **Section 8.3(C)**. Section 8.3(C) of the Agreement is deleted and replaced in its entirety, to read as follows:

(C) All CGL policies required under Section 8.1(B) above shall be endorsed to name the City, the Trustee, the Leasehold Mortgagees, and their respective officers, officials, employees, agents, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of ArenaCo and its contractors, subcontractors, agents, representatives, and employees. Such additional insured coverage should include completed operations and be provided by an endorsement (at least as broad as ISO Form CG 20 10 11 85, or through the combination of CG 20 10 07/04 and 20 37 07/04 or through the combination of GC2038 04/13 and CG2037 04/13). For any claims related to the Arena, all CGL policies shall be primary insurance as respects the City, the Trustee, the Leasehold Mortgagees, and their respective officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, the Trustee, the Leasehold Mortgagees, and their respective officers, officials, employees, agents, or volunteers shall be excess of the required CGL policies and shall not contribute with them. The liquor liability policies shall be endorsed to name the City, the Trustee, the Leasehold Mortgagees, and their respective officers, officials, employees, agents, and

volunteers as additional insureds with respect to liquor operations of the Arena. For any claims related to the liquor liability policy, the liquor liability policy insurance shall be primary insurance as respects the City, the Trustee, the Leasehold Mortgagees, and their respective officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, the Trustee, the Leasehold Mortgagees, and their respective officers, officials, employees, agents, or volunteers shall be excess of the required liquor insurance and shall not contribute with it. ArenaCo shall maintain the above additional insured coverage (including Products/Completed Operations) for an additional ten years beyond the project completion date or the expiration or earlier termination of this Agreement, as applicable. ArenaCo shall require Arena Contractor and all other contractors, subcontractors, vendors, agents, and representatives involved in work or operations at the Arena to meet the requirements of this section.

5. **Exhibit A.** Exhibit A attached hereto replaces Exhibit A to the Agreement.

6. Except as provided in Sections 1 through 5, above, all provisions of the Agreement are unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the City and ArenaCo have entered into this Amendment as of the day and year first above written.

<p>City of Sacramento</p> <p>By: _____ John F. Shirey City Manager</p> <p>Date: _____, 2014</p>	<p>SACRAMENTO DOWNTOWN ARENA LLC, a Delaware limited liability company</p> <p>By: Sacramento Basketball Holdings LLC, a Delaware limited liability company, its Sole Member</p> <p>By: _____</p> <p>Name: _____</p> <p>Its: _____</p> <p>Date: _____, 2014</p>
<p>Approved as to Form Sacramento City Attorney</p> <p>By: _____ Matthew D. Ruyak Assistant City Attorney</p>	<p>Approved as to Legal Form Pioneer Law Group, LLP</p> <p>By: _____ Jeffrey K. Dorso Attorneys for ArenaCo</p>

## Exhibit "A"

### Legal Description for Sacramento Entertainment & Sports Center District

All that certain real property situate in the City of Sacramento, County of Sacramento and State of California described as follows:

Being all of Lots A-2, A-4, AC-1, AC-2, AC-3, AC-4, E-2, GS-3, H, M-2, P, R-1, R-2, S-3, T, U-4, U-5, V, Y-1, Y-2 and a portion of lots F, R, G, U-2 and U-3 of that certain Parcel Map filed for record on July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records, also being all of that certain real property described in the Quitclaim Deed to the City of Sacramento filed for recorded on December 26, 2013 at Book 20131226 Page 0696 Sacramento County Official Records, also being a portion of Parcel One as described in the deed to Downtown Plaza Sacramento, LLC recorded on August 14, 2012 at Book 20120814 Page 1600, Sacramento County Official Records and also being a portion of that certain parcel of land described in the deed to the Redevelopment Agency of the City of Sacramento recorded on October 31, 1979 in Book 791031, Page 1981, Sacramento County Official Records and being more particularly described as follows:

**Beginning** at the southwesterly corner of Parcel R-2, said point being the intersection of the easterly right of way line of 5<sup>th</sup> Street with the northerly right of way line of "L" Street as said parcels and streets are shown and delineated on that certain Parcel Map filed for record July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

Thence along the easterly line of 5<sup>th</sup> Street North 18°29'01" East a distance of 604.97 feet;

Thence leaving said easterly right of way line of 5<sup>th</sup> Street, South 11°30'54" East for a distance of 110.36 feet;

Thence South 30°14'39" East a distance of 26.61 feet;

Thence South 71°33'00" East for a distance of 304.60 feet;

Thence South 26°30'00" East for a distance of 15.33 feet;

Thence South 71°33'00" East for a distance of 75.35 feet to the westerly line of Parcels 1 through 5 as said parcels are shown and delineated on that certain Parcel Map recorded July 29, 1981 in Book 65 of Parcel Maps at Page 41, Sacramento County Official Records;

Thence along said westerly line, South 18°27'50" West for a distance of 60.01 feet;

Thence leaving said westerly line South  $71^{\circ}32'10''$  East a distance of 26.32 feet;

Thence South  $18^{\circ}27'50''$  West a distance of 40.58 feet to the intersection with the former centerline of the abandoned "K" Street as shown and delineated on that certain Parcel Map filed for record on March 21, 1980 in Book 56 of Parcel Maps at Page 15, Sacramento County Official Records;

Thence along said centerline of "K" Street, South  $71^{\circ}31'05''$  East a distance of 165.10 feet to the westerly line of that certain parcel of land described in the deed to 630 K Street Partners LLC, a California Limited Liability Company recorded on June 20, 2013 in Book 20130620, Page 0626 Sacramento County Official Records;

Thence leaving said centerline and along said westerly line and along the arc of a non-tangent curve, concave to the northwest, whose radial bears South  $73^{\circ}45'04''$  East, having a radius of 38.50 feet, through a central angle of  $92^{\circ}13'59''$  for a distance of 61.98 feet;

Thence North  $71^{\circ}31'05''$  West a distance of 1.20 feet;

Thence South  $18^{\circ}29'35''$  West a distance of 170.33 feet to the southwest corner of said lands;

Thence leaving said westerly line and along the southerly line of Lands of 630 K Street Partners LLC South  $71^{\circ}32'19''$  East a distance of 100.32 feet to the westerly right of way line of 7<sup>th</sup> Street;

Thence leaving said southerly line and along said westerly right of way line South  $18^{\circ}28'23''$  West a distance of 30.00 feet to the northeasterly line of Lands of Jafar Nassar, River Valley Properties, Inc. William O. Noack and Yvonne P. Noack, Trustees of the Wyn Trust and Ratib and Shomisa Norzei as described in the deed recorded on May 6, 2013 in Book 20130506, Page 1501, Sacramento County Official Records;

Thence leaving said westerly right of way line and along said northerly line North  $71^{\circ}32'19''$  West a distance of 80.26 feet to the northwesterly corner of said lands;

Thence leaving said northerly line and along the westerly line of said lands and the westerly line of the lands of the Marshall Hotel Investors LP, recorded on November 13, 2009 in Book 20091113, Page 1391 Sacramento County Official Records, South  $18^{\circ}28'23''$  West a distance of 140.32 feet to the northerly right of way line of "L" Street;

Thence leaving said westerly lines and along said northerly right of way line North  $71^{\circ}33'32''$  West a distance of 280.79 feet;

Thence continuing along said northerly right of way line North  $71^{\circ}29'06''$  West a distance of 357.02 feet to the **Point of Beginning**.

**EXCEPTING THEREFROM** the following described portion of land;

**Beginning** at the southwesterly corner of Parcel R-2, said point being the intersection of the easterly right of way line of 5<sup>th</sup> Street with the northerly right of way line of "L" Street as said parcels and streets are shown and delineated on that certain Parcel Map filed for record July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

Thence along the easterly line of 5<sup>th</sup> Street North 18°29'01" East a distance of 604.97 feet;

Thence leaving said easterly right of way line of 5<sup>th</sup> Street, South 11°30'54" East for a distance of 110.36 feet;

Thence South 30°14'39" East a distance of 26.61 feet;

South 71°33'00" East a distance of 304.60 feet;

Thence South 26°30'00" East for a distance of 15.33 feet;

Thence South 71°33'00" East for a distance of 75.35 feet to the westerly line of Parcels 1 through 5 as said parcels are shown and delineated on that certain Parcel Map recorded July 29, 1981 in Book 65 of Parcel Maps at Page 41, Sacramento County Official Records;

Thence along said westerly line, South 18°27'50" West for a distance of 60.01 feet;

Thence leaving said westerly line South 71°32'10" East a distance of 26.32 feet;

Thence South 18°27'50" West a distance of 40.58 feet to the intersection with the former centerline of the abandoned "K" Street as shown and delineated on that certain Parcel Map filed for record on March 21, 1980 in Book 56 of Parcel Maps at Page 15, Sacramento County Official Records;

Thence along said centerline of "K" Street, South 71°31'05" East a distance of 165.10 feet to the westerly line of that certain parcel of land described in the deed to 630 K Street Partners LLC, a California Limited Liability Company recorded on June 20, 2013 in Book 20130620, Page 0626 Sacramento County Official Records;

Thence leaving said centerline and along said westerly line and along the arc of a non-tangent curve, concave to the northwest, whose radial bears South 73°45'04" East, having a radius of 38.50 feet, through a central angle of 92°13'59" for a distance of 61.98 feet;

Thence North 71°31'05" West a distance of 1.20 feet;

Thence North 18°29'35" East a distance of 7.38 feet;

Thence North 71°31'05" West a distance of 73.12 feet;

Thence North 18°28'55" East a distance of 4.00 feet;

Thence North 71°31'05" West a distance of 24.95 feet;

Thence North 26°30'00" West a distance of 179.06' feet;

Thence North 71°33'00" West a distance of 152.56 feet;

Thence along the arc of a tangent curve, concave to the southeast, having a radius of 190.00 feet, through a central angle of 89°57'01" for a distance of 298.29 feet;

Thence South 18°29'59" West a distance of 93.94 feet;

Thence along the arc of a tangent curve, concave to the northeast, having a radius of 190.00 feet, through a central angle of 29°23'19" for a distance of 97.46 feet;

Thence South 18°30'54" West for a distance of 101.50 feet to the northerly right of way line of "L" Street;

Thence along the northerly right of way line of "L" Street, North 71°29'06" West a distance of 75.00 feet to the **Point of Beginning**.

The lower vertical limit of the above described exception is Elevation 36.0 and has no upper vertical limit.

#### **ELEVATION NOTE:**

Elevations shown herein are based on the National Geodetic Control Monument JS1113, being a brass disk set in the top of a granite step located at the southwest entrance to the federal building located at the northeast corner of the intersection of 8<sup>th</sup> Street and "I" Street in the City of Sacramento, California and has a published elevation of 31.55 feet based on the North American Vertical Datum of 1988.

The elevations shown herein are 2.17 feet higher than the elevations referenced on 3 PM 24, 56 PM 15 and 65 PM 41, Official Records Sacramento County. Elevation 0.00 on 3 PM 24 is Elevation 2.17 herein.

