SUPPLEMENTAL AGREEMENT

Project Title & Job Number: Panhandle Annexation and PUD EIR
Date: January 25, 2007
Purchase Order #: Supplemental Agreement No.: 1

The City of Sacramento ("CITY") and Pacific Municipal Consultants (PMC) ("CONSULTANT"), as parties to that certain Consultant and Professional Services Agreement designated as Agreement Number 1, including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows by this first amendment:

   To perform tasks per Attachment 1 of this agreement

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Consultant's fees and expenses, is increased by $35,555.00, and said maximum not-to-exceed amount is amended as follows:

   Agreement's original not-to-exceed amount: $184,420.00
   Net change by previous supplemental agreements: $ 0.00
   Not-to-exceed amount prior to this supplemental agreement: $ 0.00
   Increase by this supplemental agreement: $ 35,555.00
   New not-to-exceed amount including all supplemental agreements: $219,975.00

3. Consultant agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Consultant for any and all direct and indirect costs that may be incurred by Consultant in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Consultant.

4. Consultant warrants and represents that the person or persons executing this supplemental agreement on behalf of Consultant has or have been duly authorized by Consultant to sign this supplemental agreement and bind Consultant to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Consultant shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

Approval Recommended By: Approved As To Form By:

Project Manager [Jennifer Hageman, Senior Planner] City Attorney

Approved By: Approved By:

Philip O. Carter, Principal, PMC

Attested To By:

Print Name: Marty Hanneman
Title: Assistant City Manager
For: Ray Kerridge, City Manager

City of Sacramento, City Clerk
November 13, 2006

Scot Mende/Jennifer Hageman
City of Sacramento
Development Services Department
915 I Street, 3rd Floor
Sacramento, CA 95814

Subject: Request for Contract Modification for the Panhandle Annexation and PUD EIR Associated with Additional Meetings, Modifications to the Description of the Southern Portion and Additional Costs to Expedite the Final EIR Preparation

Dear Mr. Mende/Ms. Hageman:

This letter serves as a request to modify the existing contract between Pacific Municipal Consultants (PMC) and the City of Sacramento associated with the Panhandle Annexation and PUD EIR associated with attendance at additional meetings, additional technical work associated with final modifications to the Southern Portion description and additional costs to expedite the Final EIR preparation. Specifically, this work included the following:

Additional Meetings

- PMC's current scope of work and budget assumed attendance at a total of eight project meetings with City staff and the applicant team. During the preparation of the ADEIR, the City and applicant team agreed that PMC attendance at the bi-weekly project meetings conducted this year (specifically discussed at the February 15, 2006 meeting). As a result of attendance at these meetings and additional strategy meetings and subsequent activities involving cultural resource issues and traffic issues, we have exceeded our budget for this task and expect that additional meetings will need to occur. Based on our experience with similar controversial projects, we expect that the project would involve potentially up to four additional project meetings with City staff and the applicant team and attendance to up to four public hearings (Planning Commission and City Council). The following is a breakdown of the additional funding requested to cover previously attended meetings and eight additional project meetings:

Costs to Date for Previously Attended Meetings: $3,325
Costs to Attend Eight Project Meetings: $4,480

Final Description Modifications to the Southern Portion

- Prior to release of the Draft EIR, additional edits were made to the project description of the Southern Portion that required PMC to re-edit the Draft EIR before its release. This resulted in unexpected and unbudgeted staff effort
(approximately 35 staff hours) between the screencheck document and Draft EIR. This additional cost is $3,980.

Expedite Preparation of the Final EIR

- Based on conversations at our November 8, 2006 meeting, there was interest by the applicant team and City to expedite this work product. We propose to dedicate two senior staff members and two junior staff member to work on the preparation of the Final EIR during the period of December 26, 2006 to January 5, 2007 for approximately 210 staff hours. In turn, we will submit the Administrative Final EIR by January 9, 2007 for review (assuming that we do not receive beyond 40 typical comment letters and/or letters of substantial complexity). This additional cost is $23,770.

We request that our total labor budget be increased by $35,555.

If this scope of work and budget modification request is agreeable, please provide us written authorization to proceed. If you have any questions, feel free to contact me at (916) 764-0108. We appreciate the opportunity to continue our professional relationship and look forward to a successful completion of the CEQA process.

Sincerely,

Pacific Municipal Consultants

Patrick Angell, AICP
Project Manager
ACORD CERTIFICATE OF LIABILITY INSURANCE

PRODUCER
1-949-723-0777
Hilbcorp & Bobbe
Professional Practice Insurance Brokers, Inc.
2030 Main Street
Suite 350
Irvine, CA 92614

INSURED
Pacific Municipal Consultants
10461 Old Placeerville Rd., Ste. 110
Rancho Cordova, CA 95677

DATE (MM/DD/YY)
01/24/07

INSURERS AFFORDING COVERAGE
Fidelity and Guaranty Insurance Underwriters
Continental Casualty Company
St. Paul Fire and Marine Insurance Co.
Fidelity & Guaranty Insurance Company

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HERIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS
Certificate Holder is named as an Additional Insured per attached endorsement.
All operations of the named insured.

The City of Sacramento, its officials, employees and designated volunteers

PNC Project: Panhandle Annexation and Metro PUD project (05-0777)

CERTIFICATE HOLDER  Y  ADDITIONAL INSURED; INSURER LETTER: A  CANCELLATION

City of Sacramento
Planning Division
Tom Burock
1231 I Street, Room 300
Sacramento, CA 95814
USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER WILL NOTIFY THE CERTIFICATE HOLDER NAMEED TO THE LEFT, NOT LESS THAN 30 DAYS PRIOR TO THE CANCELLATION DATE.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
This endorsement modifies insurance provided under the following:

LIABILITY COVERAGE PART
1. The following replaces the final paragraph of SECTION II. WHO IS AN INSURED, 1.:

However, no person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, limited liability company or trust that is not shown as a Named Insured in the Liability Coverage Part Declarations. This provision does not apply to you, for your participation in any past or present "unnamed joint venture," or if that person or organization is otherwise an insured under Paragraph 2. below.

2. The following is added to SECTION II. WHO IS AN INSURED, 2.:

Person Or Organization Required By Written Contract

Any person or organization that you agree to add as an insured under this Liability Coverage Part in a written contract or agreement that is made before, and in effect when, the "bodily injury" or "property damage" occurs or the offense that causes the "personal injury" or "advertising injury" is first committed, but only with respect to that person’s or organization’s liability arising out of “your work” for that person or organization.

However, such person or organization is not an insured with respect to any:
(1) “Bodily injury,” “property damage,” “personal injury” or “advertising injury” that does not arise out of:
   a. Your negligence; or
   b. The negligence of another person or organization for whom you are liable;

   a. Direct employees; or
   b. Owns, rents, or leases any real or personal property.

No other member or partner, or their spouses, of any past or present "unnamed joint venture" is an insured.

(2) “Bodily injury,” “property damage,” “personal injury” or “advertising injury” for which such person or organization has assumed liability in a contract or agreement, except for liability for damages that such person or organization would have in the absence of the contract or agreement;

(3) “Property damage” to:
   a. Property owned, used or occupied by, or loaned or rented to, such person or organization;
   b. Property over which such person or organization is for any purpose exercising physical control; or
   c. “Your work” performed for the insured; or

(4) “Bodily injury,” “property damage,” “personal injury” or “advertising injury” arising out of any architect’s, engineer’s or surveyor’s rendering of, or failure to render, any “professional service,” when such person or organization is an architect, engineer or surveyor.

3. The following is added to SECTION II. WHO IS AN INSURED: “Unnamed Joint Venture”

You are an insured for your participation in any past or present "unnamed joint venture." However, you are not an insured if the "unnamed joint venture" has:

4. The following replaces SECTION III. LIMITS OF LIABILITY, 2. b.:

b. Will apply separately to the sum of all:

   (1) Damages because of "bodily injury" and "property damage," under SECTION I. COVERAGE, A. Liability above; and
   (2) Medical payments for "bodily injury," under SECTION I. COVERAGE, B. Medical Payments
arising out of each location listed in the Schedule of Premises or each of "your projects;" and

5. The following replaces SECTION IV. CONDITIONS, 5. "Other Insurance," a. Primary Insurance, (2):

(a) Paragraph h. Certain Additional Insureds By Contract or Agreement; or

(b) Persons Or Organizations Required By Written Contract;

if you specifically agree, in that written contract or agreement, that this insurance must be primary to, and non-contributory with, such "other insurance." This insurance will then be applied as primary insurance for damages for "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies and that are incurred by such person or organization, and we will not share those damages with such "other insurance."

6. The following is added to SECTION IV. CONDITIONS, 5. "Other Insurance," b. Excess Insurance:

This insurance is excess over an "other insurance" whether primary, excess, contingent or on any other basis that is available to you for your participation in any past or present "unnamed joint venture."

(2) However, this insurance will be considered primary to, and non-contributory with, "other insurance" issued directly to a person or organization added as an addition insured under SECTION II. WHO IS AN INSURED, 2.:

7. The following is added to SECTION IV. CONDITIONS, 8. Transfer Of Rights Of Recovery And Proceeds Against Others To Us:

However, we waive any right of recovery and proceeds we may have against any person or organization that is added as an additional insured under the paragraph Person Or Organization Required By Written Contract of SECTION II. WHO IS AN INSURED, 2.:

a. Because of payments we make for "bodily injury," "property damage," "personal injury" or "advertising injury" arising out of "your work" in ongoing operations or included in the "products-completed operations hazard"; and

b. Performed under a written contract or agreement that is made before, and in effect when, the "bodily injury" or "property damage" occurs or the offense that causes the "personal injury" or "advertising injury" is committed; and

c. You specifically agree in each written contract or agreement to waive those rights of recovery and proceeds for such person or organization.

8. The following are added to SECTION V. DEFINITIONS.

"Unnamed joint venture" means any joint venture in which you are a member or partner where:

a. Each and every one of your co-ventures in that joint venture is an architectural, engineering or surveying firm; and

b. That joint venture is not named in the Liability Coverage Part Declarations.

"Your premises" means any premises, site, or location owned or occupied by, or rented to, you.

"Your project;"

a. Means any premises, site or location at, on, or in which "your work" is not yet completed; and

b. Does not include "your premises" or any location listed in the Schedule of Premises.

NOTICE OF CANCELLATION: If we cancel this policy for any reason other than non-payment of premium, we will mail written notice at least 30 days before the effective date of cancellation to the Additional Insureds on file with the company. If we cancel this policy for non-payment of premium, we will mail written notice at least 10 days before the effective date of cancellation to the Additional insureds on file with the company.
Policy Number: BA02198949

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED
DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
GARAGE COVERAGE PART
TRUCKERS COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement

SCHEDULE

The City of Sacramento, its officials, employees and designated volunteers

A. WHO IS AN INSURED is amended to include as an "insured" the person or organization shown in the Schedule as an Additional Insured. The coverage afforded to the Additional Insured is solely limited to liability specifically resulting from the conduct of the Named Insured which may be imputed to the Additional Insured. However, the naming of the person or organization shown in the Schedule as an Additional Insured does not increase or alter the Limit of Insurance or the scope of coverage of this policy.

B. EXCLUSIONS

This insurance does not apply to:

1. "Bodily injury" or "property damage" for which the Additional Insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. But his exclusion does not apply to liability for damages that the Additional Insured would have in the absence of the contract or agreement.

2. "Bodily" or "property damage" arising out of the use of your products or work you performed for the Additional Insured.

3. "Property damage" to:
   a. Property owned, used or occupied by or rented to the Additional Insured.
   b. Property in the care, custody or control of the Additional Insured for any purpose of exercising physical control.

C. Any coverage provided by this policy shall be excess only, over any other valid and collectible insurance which would apply in the absence of this policy. However, this policy shall not be excess over any policy written as specific excess.