

CITY COUNCIL  
Lori Wilson, Mayor  
Michael A. Segala, Mayor Pro-Tem  
Anthony Adams  
Jane Day  
Wanda Williams



CITY COUNCIL MEETING

First and Third Tuesday  
Every Month

## A G E N D A

### SPECIAL MEETING OF THE SUISUN CITY COUNCIL

TUESDAY, NOVEMBER 26, 2019

6:00 P.M.

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SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

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#### **NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following City Council meeting includes teleconference participation by Council Member Jane Day from: 301 Morgan Street, Suisun City, CA 94585 and Council Member Michael Segala, 344 Shoveller Drive, Suisun City, CA 94585*

#### **ROLL CALL**

Council Members

#### **PUBLIC COMMENT**

*(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)*

#### **CONFLICT OF INTEREST NOTIFICATION**

*(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*

#### **CLOSED SESSION**

Pursuant to California Government Code Section 54950 the Suisun City Council will hold a Closed Session for the purpose of:

#### **City Council**

1. CONFERENCE WITH LABOR NEGOTIATOR  
Agency negotiator: City Manager and Administrative Services Director  
Employee organization: Unrepresented Employees
2. CONFERENCE WITH LABOR NEGOTIATOR  
Agency negotiator: City Manager and Administrative Services Director  
Employee organization: SCEA (Suisun City Employees' Association)

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320  
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340  
SUCCESSOR AGENCY 421-7309 FAX 421-7366

City Council

## 3. CONFERENCE WITH LABOR NEGOTIATOR

Agency negotiator: City Manager and Administrative Services Director  
Employee organization: SCMPEA (Suisun City Management and Professional Employees' Association)

## 4. CONFERENCE WITH LABOR NEGOTIATOR

Agency negotiator: City Manager and Administrative Services Director  
Employee organization: SCPOA (Suisun City Police Officers Association)

**CONVENE OPEN SESSION**

Announcement of Actions Taken, if any, in Closed Session.

**ADJOURNMENT**

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents. Assistive listening devices may be obtained at the meeting

*PLEASE NOTE:*

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendaized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. Agendas are posted at least 72 hours in advance of regular meetings at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including:
  - Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA;
  - Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA;
  - Joe Nelson Center, 611 Village Drive, Suisun City, CA; and
  - Harbor Master Office, 800 Kellogg Street, Suisun City, CA.

I, Donna Pock, Deputy City Clerk for the City of Suisun City, declare under penalty of perjury that the above agenda for the meeting of November 26, 2019 was posted and available for review, in compliance with the Brown Act.

CITY COUNCIL  
Lori Wilson, Mayor  
Michael A. Segala, Mayor Pro-Tem  
Anthony Adams  
Jane Day  
Wanda Williams



CITY COUNCIL MEETING

First and Third Tuesday  
Every Month

## A G E N D A

### REGULAR MEETING OF THE SUISUN CITY COUNCIL

### SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,

### AND HOUSING AUTHORITY

TUESDAY, NOVEMBER 26, 2019

6:30 P.M.

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SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

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#### **NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following Council/Successor Agency/Housing Authority meeting includes teleconference participation by:*

*Council/Board Member Jane Day from 301 Morgan Street, Suisun City, CA 94585; and  
Council/Board Member Michael Segala from 344 Shoveller Drive, Suisun City, CA 94585.*

(Next Ord. No. – 765)

(Next City Council Res. No. 2019 – 112)

Next Suisun City Council Acting as Successor Agency Res. No. SA2019 - 06)

(Next Housing Authority Res. No. HA2019 – 06)

#### **ROLL CALL**

Council / Board Members

Pledge of Allegiance

Invocation

#### **PUBLIC COMMENT**

*(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)*

#### **CONFLICT OF INTEREST NOTIFICATION**

*(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320

FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340

SUCCESSOR AGENCY 421-7309 FAX 421-7366

**REPORTS: (Informational items only.)**

1. Suisun City Police Officers Association – (Vera: [evera@suisun.com](mailto:evera@suisun.com)).

**PRESENTATIONS/APPOINTMENTS**

*(Presentations, Awards, Proclamations, Appointments).*

**CONSENT CALENDAR**

*Consent calendar items requiring little or no discussion may be acted upon with one motion.*

**City Council**

2. Accepting Additional Funding for the After School Education and Safety (ASES) Grant Program from the California Department of Education – (Lofthus: [klofthus@suisun.com](mailto:klofthus@suisun.com)).
  - a. Council Adoption of Resolution 2019-\_\_\_: Accepting Additional Funding from the California Department of Education After-School Education and Safety (ASES) Grant Program at Suisun Elementary School for Fiscal Year 2019/20; and
  - b. Council Adoption of Resolution No. 2019-\_\_: Adopting the 1st Amendment to the Annual Appropriation Resolution No. 2019-65 to Appropriate Funds for the After-School Education and Safety (ASES) Grant Program.
3. Council Adoption of Resolution No. 2019-\_\_\_: Appointing the City’s Representative Member and the City’s Alternate Member of the Community Action Partnership of Solano, Joint Powers Authority through June 30, 2021 - (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com)).
4. Approve Unanticipated Public Safety Repairs at the Harbor Theater – (Medill: [mmedill@suisun.com](mailto:mmedill@suisun.com)).
  - a. Council Adoption of Resolution No. 2019-\_\_\_: Authorizing the City Manager to Execute a Contract to Replace the Fire Alarm Panel at the Harbor Theater and Authorize up to 25% for Contingencies; and
  - b. Council Adoption of Resolution 2019-\_\_: Adopting the 2<sup>nd</sup> Amendment to the Annual Appropriations Resolution No. 2019-65 to Appropriate Funds to Replace the Fire Alarm Panel at the Harbor Theater.

**Housing Authority**

5. Housing Authority Adoption of Resolution No. HA 2019-\_\_\_: Appointing the City Manager as Executive Director of the Housing Authority and the Housing Manager as Executive Director Pro Tempore – (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com)).
6. Housing Authority Adoption of Resolution No. HA 2019-\_\_\_: Resolution of Intent to Sell Two Parcels Owned by the Housing Authority of the City of Suisun City (Assessor Parcel Numbers 0173-390-160 and 0173-390-180) located at the North Side of Highway 12 and East of Sunset Avenue and Take any and all Other Actions Necessary for the Completion of this Agreement and Set Public Hearing Date – (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com)).

**Joint City Council / Suisun City Council Acting as Successor Agency/Housing Authority**

7. Council/Agency/Authority Approval of the Minutes of the Regular and/or Special Meetings of the Suisun City Council, Suisun City Council Acting as Successor Agency, and Housing

Authority held on October 22, 201, October 29, 2019 and November 5, 2019 – (Hobson: Clerk@suisun.com).

Joint City Council / Suisun City Council Acting as Successor Agency

8. Council/Agency Approval of the October 2019 Payroll Warrants in the Amount of \$477,429.98. Council/Agency Approval of the October 2019 Accounts Payable Warrants in the Amount of \$3,000,354.79 – (Finance).

**PUBLIC HEARINGS**

City Council

9. PUBLIC HEARING

Confirming Intent and Approving Sale off Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) Located at 320 and 322 Merganser Drive.

- a. Council Adoption of Resolution No. 2019-\_\_\_: Approving the Sale of Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) Located at 320 and 322 Merganser Drive; and
- b. Council Adoption of Resolution No. 2019-\_\_\_: Authorizing the City Manager to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions Jointly with Senior Housing Associates VIII, and Senior Housing, LTD, for the Transfer of Property Located at 320 and 322 Merganser Drive (Solano County Assessor's Parcel No. 0173-010-210 and 0173-010-220).

**GENERAL BUSINESS**

City Council

10. Consideration of Recommendations of Cannabis Ad Hoc Committee.

- a. Council Adoption of Resolution No. 2019-\_\_\_: A Resolution of the City Council of the City of Suisun City, California, Setting Tax Rates to Cannabis Storefront Retailer Permittees and Applicants Pursuant to any Request for Application Process for Cannabis Storefront Retailers Initiated by the City Pursuant to Chapter 18.49, "Cannabis Regulatory Program," of the Suisun City Code; and
  - b. Council Adoption of Resolution No. 2019-\_\_\_: A Resolution of the City Council of the City of Suisun City, California, Approving the Following Documents to Establish a Request for Applications Process for Review And Selection of a Recommended Operator for a Cannabis Storefront Retailer/Dispensary Pursuant to Suisun City Code Section 18.49.160(B): (1) Request for Applications Guidelines and Procedures; (2) Supplemental Security Requirements – Cannabis Storefront Retailer/Dispensary; and (3) Notice of Request for Applications – Storefront Retailer/Dispensary.
11. Council Adoption of Resolution No. 2019-\_\_\_: Authorizing the City Manager to Execute Four Lease Agreements with Enterprise Fleet Management, Inc. and Declare Five City Vehicles as Surplus Assets for Auction - (Medill: [mmedill@suisun.com](mailto:mmedill@suisun.com)).

**REPORTS: (Informational items only.)**

12. a. Council/Boardmembers
- b. Mayor/Chair
13. City Manager/Executive Director/Staff

**PUBLIC COMMENT**

*(Additional time for request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda limited to no more than 3 minutes.)*

**ADJOURNMENT**

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  - Joe Nelson Center, 611 Village Drive, Suisun City, CA; and
  - Harbor Master Office, 800 Kellogg Street, Suisun City, CA.

I, Donna Pock, Deputy City Clerk for the City of Suisun City, declare under penalty of perjury that the above agenda for the meeting of November 26, 2019 was posted and available for review, in compliance with the Brown Act.

## AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

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**CITY AGENDA ITEM:** Accepting Additional Funding for the After School Education and Safety (ASES) Grant Program from the California Department of Education:

- a. Council Adoption of Resolution 2019-\_\_\_: Accepting Additional Funding from the California Department of Education After-School Education and Safety (ASES) Grant Program at Suisun Elementary School for Fiscal Year 2019/20; and
- b. Council Adoption of Resolution No. 2019-\_\_: Adopting the 1st Amendment to the Annual Appropriation Resolution No. 2019-65 to Appropriate Funds for the After-School Education and Safety (ASES) Grant Program.

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**FISCAL IMPACT:** This action results in a positive fiscal impact of 8.4% equating to an additional \$9,811 to be used for after-school programming.

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**BACKGROUND:** The Recreation, Parks, and Marina Department has been managing the After School Safety and Education (ASES) grant for over 10 years. This grant provides after school programming at Suisun Elementary School for up to 90 youth per day.

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**STAFF REPORT:** Based on the Governor's approved annual budget, the California Department of Education notified the City that our annual budget to operate the ASES program located at Suisun Elementary was being increased by nearly \$9,811. The ASES program is fully funded by the ASES grant and is not subsidized by the city. The funding to ASES programs is based on daily attendance and this year's rate was increased from \$8.19 per student per day to \$8.88 per student per day. The annual budget was originally \$116,800. With this increase in funding, the total budget for this year is \$126,611. These funds are used to pay for staff, supplies, field trips, outside instructors, and administrative costs.

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**STAFF RECOMMENDATION:** It is recommended that the City Council Accept additional Funding for the After-School Education and Safety (ASES) Grant Program at Suisun Elementary School from the California Department of Education.

- a. Council Adoption of Resolution 2019-\_\_\_: Accepting additional Funding from the California Department of Education After-School Education and Safety (ASES) Grant Program at Suisun Elementary School for Fiscal Year 2019/20; and
- b. Council Adoption of Resolution No. 2019-\_\_: Adopting the 1st Amendment to the Annual Appropriation Resolution No. 2019-65 to Appropriate Funds for the After-School Education and Safety (ASES) Grant Program.

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**PREPARED BY:**

Kris Lofthus, Recreation, Parks, and Marina Director

**REVIEWED AND APPROVED BY:**

Greg Folsom, City Manager

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**ATTACHMENTS:**

1. Council Resolution 2019-\_\_\_: Accepting additional Funding from the California Department of Education After-School Education and Safety (ASES) Grant Program at Suisun Elementary School for Fiscal Year 2019/20.
2. Council Resolution No. 2019-\_\_\_: Adopting the 1st Amendment to the Annual Appropriation Resolution No. 2019-65 to Appropriate Funds for the After-School Education and Safety (ASES) Grant Program.



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**RESOLUTION NO. 2019-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
ACCEPTING ADDITIONAL FUNDING FROM THE CALIFORNIA DEPARTMENT  
OF EDUCATION AFTER-SCHOOL EDUCATION AND SAFETY (ASES) GRANT  
PROGRAM AT SUISUN ELEMENTARY SCHOOL FOR FISCAL YEAR 2019/20**

**WHEREAS**, the City of Suisun City has managed an ASES grant from the California Department of Education for over 10 years; and

**WHEREAS**, the City of Suisun is in good standing with the California Department of Education ASES grant; and

**WHEREAS**, an increase to the State budget had a positive effect on the ASES annual budget increasing the per child, per day rate from \$8.19 per child per day to \$8.88 per child per day; and

**WHEREAS**, these funds are used to provide staff, supplies, external instructors, field trips, and administrative support; and

**WHEREAS**, the additional \$9,811 increased the 2019-2020 budget to \$126,611.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Suisun City, does hereby accept an additional \$9,811 of Funding from the California Department of Education After-School Education and Safety (ASES) Grant Program at Suisun Elementary School for Fiscal Year 2019/20.

**PASSED AND ADOPTED** at a regular meeting of said City Council held on Tuesday, the 26th of November, 2019, by the following vote:

<b>AYES:</b>	Councilmembers:	_____
<b>NOES:</b>	Councilmembers:	_____
<b>ABSENT:</b>	Councilmembers:	_____
<b>ABSTAIN:</b>	Councilmembers:	_____

**WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

\_\_\_\_\_  
Donna Pock, CMC  
Deputy City Clerk

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**RESOLUTION NO. 2019-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
ADOPTING THE 1st AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO.  
2019-65 TO APPROPRIATE FUNDS FOR THE AFTER-SCHOOL EDUCATION AND SAFETY  
(ASES) GRANT PROGRAM**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUISUN CITY:**

**THAT** Section 171 of Part III of the Annual Appropriation Resolution No. 2019-65 be and is hereby amended as follows:

		<u>Increase/ (Decrease)</u>
TO:	RECREATION & COMMUNITY SERVICES DEPARTMENT	\$ 9,800
	Recreation	
	TOTAL Section 171	<u>\$ 9,800</u>

**THAT** account titles and numbers requiring adjustment by this Resolution are as follows:

		<u>Sources</u>	<u>Uses</u>
<u>Prop. 49 After-School Program Grant Fund</u>			
Revenues:			
A/C No. 171-76950-8650	Grants/Other	\$ (9,800)	\$ -
Appropriations:			
A/C No. 171-93410-8650	Operating Contingency	<u>\$ -</u>	<u>\$ 9,800</u>
Total Prop. 49 After-School Program Grant Fund		<u>\$ (9,800)</u>	<u>\$ 9,800</u>

**THAT** the purpose is to appropriate additional grant funds for additional after-school programming.

**ADOPTED AND PASSED** at a regular meeting of the City Council of the City of Suisun City duly held on the 26th day of Novemeber, 2019 by the following vote:

<b>AYES:</b>	COUNCILMEMBERS:
<b>NOES:</b>	COUNCILMEMBERS:
<b>ABSENT:</b>	COUNCILMEMBERS:
<b>ABSTAIN:</b>	COUNCILMEMBERS:

**WITNESS** my hand and seal of the said City this 26th day of November 2019.

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Donna Pock, CMC  
Deputy City Clerk

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## AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

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**CITY AGENDA ITEM:** Council Adoption of Resolution No. 2019-\_\_ : Appointing the City’s Representative Member and the City’s Alternate Member of the Community Action Partnership of Solano, Joint Powers Authority through June 30, 2021.

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**FISCAL IMPACT:** There is no fiscal impact associated with this resolution.

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**STRATEGIC PLAN IMPACT:** Provide Good Governance.

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**BACKGROUND:** In 1999, Solano County and the cities of Fairfield, Suisun City, Vallejo, Benicia, and Dixon formed the Solano Safety Net Consortium, a Joint Powers Authority to develop and implement strategies, services, and systems that assist low-income and homeless persons to become self-sufficient. In 2006, the JPA was renamed Community Action Partnership of Solano, Joint Powers Authority (CAP Solano, JPA) reflecting a national trend of community organizations and local governments working in partnership to reduce homelessness and provide basic safety net services.

As the designated Community Action Agency for Solano County, CAP Solano, JPA administers U.S. Department of Housing and Urban Development (HUD) and Community Service Block Grant (CSBG) funding and contracts, and the coordination of services. Additionally, CAP Solano, JPA seeks out alternative funding sources which align with the goals of the organization. In 2018 and 2019, CAP Solano continued to make significant strides in its efforts to reduce poverty and homelessness throughout Solano County following the identified goals and plans laid out in the “Neighbors Helping Neighbors: Forward Together ”, the five-year regional strategic plan to respond to homelessness in Solano County. In particular, the JPA accomplished the following:

1. Facilitated the Continuum of Care HUD annual funding competition and preparation of the application, resulting in Solano County service providers receiving \$1,464,224, which is an increase of \$179,289 from the prior year.
2. Expanded the budget over three years of Resource Connect Solano (the region’s Coordinated Entry System) by \$919,046 to allow for staffing expansion through a Memorandum of Understanding with Solano County, and the cities of Benicia, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo.
  - Coordinated Entry provides a consistent, streamlined process for accessing the resources available in the homeless crisis response system. It ensures that the most vulnerable households in the community are prioritized for services.
3. Increased grant funding for use throughout Solano County:
  - \$4.9M – Partnership HealthPlan of California (PHC) 2018 Grant Funds
  - \$4.9M – Homeless Emergency Aid Program (HEAP) 2018 Grant Funds
  - \$726K – California Emergency Shelter and Housing (CESH) 2018 Grant Funds
  - \$324,003 – Emergency Solutions Grant Funds
    - \$200,000 ESG Balance of State Competitive Funding
    - \$124,003 ESG Balance of State Noncompetitive Funding

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**PREPARED BY:**  
**APPROVED BY:**

Kathy Lawton, Housing Manager  
Greg Folsom, City Manager

4. Distributed \$188,087.23 in CSBG direct services funding to local providers for homeless and very-low income services.

The City recognizes the importance of CAP of Solano, JPA's work dealing with homeless issues in Solano County. It is essential to maintain the commitment to CAP Solano JPA and to represent the interests of the City of Suisun City.

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**STAFF REPORT:** The City Council is being asked to consider renewing the appointment of Kathy Lawton-Caesar, Housing Manager, to the Community Action Partnership (CAP) of Solano Joint Powers Authority (JPA) and appointing Greg Folsom, City Manager, as the alternate member to expire June 30, 2021. In accordance with the originating policies and guidelines of the Solano Safety Net Consortium, Joint Powers Authority, the appointments on the JPA are in two-year term increments. Currently, Kathy Lawton-Caesar serves as the City's appointee and the City's alternate appointee is being updated to be held by the City Manager. Kathy Lawton was last appointed in August 2018 and Administrative Services Director, Joe Dingman, is the current alternate.

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**STAFF RECOMMENDATION:** It is recommended the City Council Adopt Resolution No. 2019-\_\_ : Appointing Kathy Lawton-Caesar as a Member of the Community Action Partnership of Solano, Joint Powers Authority and Greg Folsom as the Alternate Member, to a Term Expiring June 30, 2021.

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**ATTACHMENTS:**

1. Resolution No. 2019-\_\_ : Appointing the City's Representative Member and the City's Alternate Member of the Community Action Partnership of Solano, Joint Powers Authority through June 30, 2021.

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**RESOLUTION NO. 2019-\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
APPOINTING THE CITY’S REPRESENTATIVE MEMBER AND THE CITY’S  
ALTERNATE MEMBER OF THE COMMUNITY ACTION PARTNERSHIP OF  
SOLANO JOINT POWERS AUTHORITY THROUGH JUNE 30, 2021**

**WHEREAS**, the City of Suisun City fully supports the efforts and objectives of the Community Action Partnership of Solano Joint Powers Authority and desires to remain a partner in addressing the needs and issues of homeless individuals; and

**WHEREAS**, the cities of Solano County recognize a need to coordinate with the County on the provision of safety net services to all residents of Solano County; and

**WHEREAS**, in 1999, Solano County established the Solano Safety Net Consortium, a Joint Powers Authority joined by the cities of Fairfield, Suisun City, Vallejo, Benicia, and Dixon to develop and implement strategies to assist low-income and homeless persons to become more self-sufficient; and

**WHEREAS**, in 2006, the Joint Powers Authority was renamed Community Action Partnership of Solano, reflecting a national trend of community organizations and local government working in partnership to reduce homelessness and provide basic safety net services; and

**WHEREAS**, Community Action Partnership of Solano Joint Powers Authority is the State designated Community Action Agency for Solano County responsible for administering HUD and Community Service Block Grant funding and contracts to reduce poverty and homelessness in Solano County; and

**WHEREAS**, Community Action Partnership of Solano Joint Powers Authority requires all representatives serve a two-year term from July 1 – June 30 of the second year by appointment of their governing body; and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Suisun City does hereby appoint the Housing Manager as the representative member and City Manager as an alternate member of the Community Action Partnership of Solano Joint Powers Authority for the City of Suisun City for a two-year term to expire June 30, 2021.

**PASSED AND ADOPTED** at a Regular Meeting of said City Council of the City of Suisun City duly held on Tuesday, the 26<sup>th</sup> day of November 2019, by the following vote:

**AYES:** Councilmembers: \_\_\_\_\_  
**NOES:** Councilmembers: \_\_\_\_\_  
**ABSENT:** Councilmembers: \_\_\_\_\_  
**ABSTAIN:** Councilmembers: \_\_\_\_\_

**WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

\_\_\_\_\_  
Donna Pock, CMC  
Deputy City Clerk

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## AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

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**CITY AGENDA ITEM:** Approve Unanticipated Public Safety Repairs to the Harbor Theater:

- a. Council Adoption of Resolution 2019-\_\_: Authorizing the City Manager to Execute a Contract to Replace the Fire Alarm Panel at the Harbor Theater and Authorize up to 25% for Contingencies; and
- b. Council Adoption of Resolution 2019-\_\_: Adopting the 2<sup>nd</sup> Amendment to the Annual Appropriations Resolution No. 2019-65 to Appropriate Funds to Replace the Fire Alarm Panel at the Harbor Theater.

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**FISCAL IMPACT:** Replacement of the fire alarm panel at the Harbor Theater (project) and/or providing fire watch personnel is a public safety issue not anticipated or budgeted for Fiscal Year 2019-20. In order to avoid expending the full balance of budgeted maintenance funds on one project so early in a fiscal year, additional funds need to be appropriated from the unappropriated General Fund fund balance to pay the additional expense so as not to deplete the building maintenance funding needs anticipated for the remainder of the year. Therefore, the total estimated financial impact to the General Fund is \$46,884.90.

The Harbor Theater Lease Agreement, with Creative Arts Collective, dated November 9, 2015, states that "...Landlord's repair obligations are specifically limited in that the Landlord shall not be required to make repairs the cost of which exceeds the Monetary Rent actually received by the Landlord from Tenant..." "However if the repair is critical for Tenant's operation of the Premises, then Landlord shall promptly make such repair but the cost of such shall reduce the Landlord Repair Fund." (Lease Section 7.2. titled Limited Maintenance and Repair by Landlord.)

The monetary rent collected to date since contract inception is approximately \$21,000. See Attachment No. 5, Harbor Arts Center at Harbor Theater - Theater Lease Agreement and Resolution.

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**BACKGROUND:** Over the years the Harbor Theater has been occupied by many different groups with the City, as the landlord, maintaining the building structure. Currently, the City has entered into the Harbor Theater Lease Agreement with Creative Arts Collective for the period of October 1, 2015 to October 1, 2020.

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**STAFF REPORT:** During the City Hall and Police Department Fire Alarm Replacement Project, Council directed staff to inspect the remaining City facilities to verify that the fire protection and alarm systems at each of the facilities were constructed to Fire Code at the time of construction and in working order or if repairs are necessary. The City contracted with AlarmTech Security Systems to promptly conduct the inspections as they were familiar with the City's facilities. The facilities inspected were Joseph A. Nelson Community Center, the Senior Center, the Lawler House, the Lambrecht Sports Complex Clubhouse, the Burdick Center and the Harbor Theater. All of the inspected facilities were found to be properly constructed to the

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<b>PREPARED BY:</b>	Gemma Geluz, Administrative Assistant II
<b>REVIEWED BY:</b>	Matthew J. Medill, Public Works Director/City Engineer
<b>APPROVED BY:</b>	11 Greg Folsom, City Manager

Fire Code at the time of construction. The Harbor Theater was found to have an inoperable Fire Alarm Panel.

During the inspection, it was discovered that the fire alarm panel suffered a catastrophic failure and is no longer monitoring the fire alarm system and water suppression system. The 22-year old Simplex-Grinnell fire alarm panel and system was installed in 1997. This is a proprietary system and can only be repaired by a Simplex-Grinnell technician. The panel cannot be repaired as the parts are no longer available.

The Fire Department and City Manager were notified that the system failed and was no longer operable. The Fire Chief sent a notice to the City informing us that this was a major safety concern. Per California State Fire Code, Chapter 9 Fire Protection, Section 901.7 Systems Out of Service, “Where a required fire protection system is out of service...the building...shall be either be evacuated or an approved fire watch shall be provided for all occupants left unprotected by the shutdown until the fire protection system has been returned to service. Where utilized, fire watches shall be provided with not less than one approved means for notification of the fire department and their only duty shall be to perform constant patrols of the protected premises and keep watch for fires.” See Attachment No. 3, Suisun Fire Department Notice of Violation, dated October 29, 2019.

Furthermore, in the Suisun City Municipal Code, Section 15.04.030 Uniform code adopted, “Subject to the modifications and amendments contained in this chapter, the following primary and secondary codes are adopted and incorporated into the codes of the city by reference and as having the same legal effect as if their respective contents were set forth in this chapter and which may be amended and/or corrected from time to time:

- The 2013 California Fire Code which referenced the International Fire Code, 2012 Edition as published by the International Code Council, including appendices, with state amendments, is adopted by reference as the fire code of the city.
- 1.08.010 – Misdemeanors and infractions.
  - A. Any person in violation of any of the provisions or failing to comply with any of the mandatory requirements of the ordinance of the city is guilty of a misdemeanor, unless the violation is made an infraction by ordinance.
- 1.08.020 – Misdemeanor penalty.
  - Except in cases where a different punishment is prescribed by any ordinance of the city, any person convicted of a misdemeanor for violation of an ordinance of the city is punishable by a fine of not more than \$1,000.00, or imprisonment not to exceed six months, or by both such fine and imprisonment. (Ord. 467 § 1(b), 1983) (Ord. No. 740, § 2, 11-7-2018)”

For the City or Harbor Theater lessee, Creative Arts Collective, to comply with the above, temporary staff would be needed to conduct the fire watch as their only duty to patrol the theater building during all hours of occupancy.

The fire watch is being conducted by the Creative Arts Collective via volunteers whenever they are occupying the building. The Fire Department is doing spot inspections to make sure that they are in compliance with the fire watch.

It was decided that this was an emergency repair due to the safety issues for the public, the lessee, and City employees as outlined in Administrative Directive 5, Section XI Emergency Purchases which states, “In the case of an emergency as defined below, purchases may be made without following the regular or open purchase procedures. An emergency is defined as a situation where the life, health, safety, or convenience of citizens are involved, and where it is impossible or impractical to follow regular purchase order procedures.”

Preliminary inspection with the Fire Marshall and Chief Building Official indicated that additional repairs may be warranted to assure that the building is in full compliance with the Fire Codes. The additional repairs may include additional and replacement fire exit signs, additional fire alarm upgrades, and other miscellaneous items.

Alarmtech Security Systems was deemed the best contractor to complete this emergency replacement and upgrade project since they identified and inspected the Harbor Theater. The cost to the City would be as follows: Fire Alarm Panel with Emergency Project - \$1,000 Fire Alarm Panel Design; \$36,507.72 Fire alarm panel replacement; and 25% contingency (\$9,376.98) for identified necessary fire inspection repairs. Total estimated financial impact: \$46,884.90.

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**RECOMMENDATION:** Approve Unanticipated Public Safety Repairs to the Harbor Theater:

- a. Council Adoption of Resolution 2019-\_\_ : Authorizing the City Manager to Execute a Contract to Replace the Fire Alarm Panel at the Harbor Theater and Authorize up to 25% for Contingencies; and
- b. Council Adoption of Resolution 2019-\_\_ : Adopting the 2<sup>nd</sup> Amendment to the Annual Appropriations Resolution No. 2019-65 to Appropriate Funds to Replace the Fire Alarm Panel at the Harbor Theater.

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**ATTACHMENTS:**

1. Council Adoption of Resolution No. 2019-\_\_ : Authorizing the City Manager to Execute a Contract to Replace the Fire Alarm Panel at the Harbor Theater and Authorize up to 25% for Contingencies
2. Council Adoption of Resolution 2019-\_\_ : Adopting the 2<sup>nd</sup> Amendment to the Annual Appropriations Resolution No. 2019-65 to Appropriate Funds to Replace the Fire Alarm Panel at the Harbor Theater.
3. AlarmTech Fire Alarm Panel Scope of Work Proposal
4. Suisun Fire Department Notice of Violation, dated October 29, 2019
5. Harbor Arts Center at Harbor Theater - Theater Lease Agreement and Resolution

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**RESOLUTION NO. 2019-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT TO REPLACE  
THE FIRE ALARM PANEL AT THE HARBOR THEATER AND AUTHORIZE UP TO  
25% FOR CONTINGENCIES**

**WHEREAS**, the Council asked staff in the September 3, 2019 Council Meeting to conduct inspections of the fire alarm systems in City facilities; and

**WHEREAS**, it was discovered the fire alarm panel for the Harbor Theatre has suffered a catastrophic failure and needs to be replaced; and

**WHEREAS**, per the California State Fire Code, Chapter 9, Section 901.7, and the Suisun City Municipal Code Section 15.04.030 requires the Harbor Theater building to have a functioning fire alarm system; and

**WHEREAS**, the deficiency requires emergency repair or dedicated fire watch personnel for the health and safety of the public, the Lessee, and City employees in the building; and

**WHEREAS**, the City received a proposal with a scope of work and cost estimate of \$36,507.92 from a certified consultant, Alarmtech Security Systems, to repair the fire alarm panel including production of plans and specifications to upgrade of existing fire alarm system to bring the system up to current Fire Code, Building Code, and American with Disabilities Act regulations; and

**WHEREAS**, in Administrative Directive 5, Section XI Emergency Purchases which states, "In the case of an emergency as defined below, purchases may be made without following the regular or open purchase procedures. An emergency is defined as a situation where the life, health, safety, or convenience of citizens are involved, and where it is impossible or impractical to follow regular purchase order procedures"; and

**WHEREAS**, the project cost exceeds the full amount budgeted for Harbor Theater building maintenance; and

**WHEREAS**, it would not be prudent to expend the full balance on maintenance funds on one project so early in a fiscal year, additional funds would need to be appropriated from unappropriated General Fund fund balance to pay the additional expense; and

**WHEREAS**, an appropriate Amendment to the Annual Appropriation Resolution will be prepared and presented at the next Council meeting; and

**WHEREAS**, a 25% contingency has been recommended for unforeseen repairs and for identified necessary fire inspection repairs; and

**WHEREAS**, the City Council declares that the public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property because of the emergency situation as described herein; and

**WHEREAS**, the City Council finds that there is substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

1           **NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Suisun  
2 City does hereby approve the Fire Alarm Replacement project at Harbor Theater, and authorizes  
3 the City Manager to execute an agreement with Alarmtech Security Systems in the amount of  
4 \$1,000 for design and \$36,507.92 for construction, to include up to 25% contingencies for  
5 unforeseen repairs and identified necessary fire inspection repairs.

6           **PASSED AND ADOPTED** at a Regular Meeting of the City Council of the City of Suisun  
7 City duly held on Tuesday, the 26th day of November 2019, by the following vote:

8           **AYES:**           Councilmembers: \_\_\_\_\_  
9           **NOES:**           Councilmembers: \_\_\_\_\_  
10           **ABSENT:**       Councilmembers: \_\_\_\_\_  
11           **ABSTAIN:**       Councilmembers: \_\_\_\_\_

12                           **WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

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\_\_\_\_\_  
Donna Pock, CMC  
Deputy City Clerk

**RESOLUTION NO. 2019-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
ADOPTING THE 2nd AMENDMENT TO THE ANNUAL APPROPRIATION  
RESOLUTION NO. 2019-65 TO APPROPRIATE FUNDS TO REPLACE THE FIRE ALARM  
PANEL AT THE HARBOR THEATER.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUISUN CITY:**

**THAT** Section 010 of Part III of the Annual Appropriation Resolution No. 2019-65 be and is hereby amended as follows:

	<u>Increase/ (Decrease)</u>
TO: NON-DEPARTMENTAL	\$ 47,000
Non-Departmental	
TOTAL Section 010	<u>\$ 47,000</u>

**THAT** Section 974 of Part III of the Annual Appropriation Resolution No. 2019-65 be and is hereby amended as follows:

	<u>Increase/ (Decrease)</u>
TO: BUILDING & PULIC WORKS DEPARTMENT	\$ 47,000
Economic Development, Planning	
TOTAL Section 974	<u>\$ 47,000</u>

**THAT** account titles and numbers requiring adjustment by this Resolution are as follows:

	<u>Sources</u>	<u>Uses</u>
<u>General Fund</u>		
Revenues:		
A/C No. 010-70101-0 Unappropriated Fund Balance	\$ (47,000)	\$ -
Appropriations:		
A/C No. 010-85974-1910 Transfer to Fund 974	<u>\$ -</u>	<u>\$ 47,000</u>
Total General Fund	<u>\$ (47,000)</u>	<u>\$ 47,000</u>
<u>Harbor Theater Fund</u>		
Revenues		
A/C No. 974-81010-3365 Transfer from Fund 010	\$ (47,000)	\$ -
Appropriations:		
A/C No. 974-93140-3365 Major Facility Repairs	<u>\$ -</u>	<u>\$ 47,000</u>
Total Harbor Theater Fund	<u>\$ (47,000)</u>	<u>\$ 47,000</u>

**THAT** the purpose is to appropriate funds to improve public safety at the Harbor Theater by replacing the existing fire panel.

**ADOPTED AND PASSED** at a regular meeting of the City Council of the City of Suisun City duly held on the 26th day of November 2019 by the following vote:

<b>AYES:</b>	COUNCILMEMBERS:
<b>NOES:</b>	COUNCILMEMBERS:
<b>ABSENT:</b>	COUNCILMEMBERS: None
<b>ABSTAIN:</b>	COUNCILMEMBERS: None

**WITNESS** my hand and seal of the said City this 26th day of November 2019.

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Donna Pock, CMC  
Deputy City Clerk





# Proposal

**20 Commerce Place Ste A  
Vacaville, CA 95687  
(707) 448-0403**

DATE	ESTIMATE #
10/29/2019	6616

NAME / ADDRESS
City of Suisun 701 Civic Center Blvd Suisun City, Ca 94585 Harbor Theater

PROJECT
Fire Alarm Upgrade

DESCRIPTION	QTY
FACP Upgrade PD & Community Center Building	
Silent Knight 1110-PT Addressable Fire Alarm Control Panel	1
TELGUARD TG-7FS Verizon LTE Fire Alarm Communicator	1
Silent Knight 160-Character Fire Alarm Annunciator	1
12V 18AH Battery	2
Mier Fire Document Box, 11"x4"x15", Red	1
SILENT KNIGHT SKPHOTO Addressable Smoke Detector	7
Silent Knight Addressable Single Acton Pull Station	7
SILENT KNIGHT SK MONITOR Addressable Monitor Module	6
Silent Knight Addressable Dual Input Monitor Module	1
GENTEX GES324WR Strobe Only Red	20
GENTEX GEC324WR Horn Strobe Red	8
Fire Installation Labor	113
Miscellaneous Installation Products	1
This proposal is for a code minimum fire system to replace only the items listed above.	
Any additions required by the Fire Marshall would result in an additional charge.	
Permit Fee's are Not included in this proposal.(If Applicable)	
Input modules have been provided for connections to the waterflow tamper, PIV and Duct Detectors.	
Monitoring for Connected Fire Alarm Systems will be \$62.00 per month on a 1 year agreement.	
NFPA 72 Annul Fire Alarm inspections will be required and will be provided for an additional fee.	
This proposal may be withdrawn if not accepted within 30 days.	<b>TOTAL PROPOSAL</b>

Acceptance of Proposal



# Proposal

**20 Commerce Place Ste A  
Vacaville, CA 95687  
(707) 448-0403**

DATE	ESTIMATE #
10/29/2019	6616

NAME / ADDRESS
City of Suisun 701 Civic Center Blvd Suisun City, Ca 94585 Harbor Theater

PROJECT
Fire Alarm Upgrade

DESCRIPTION	QTY
Sales Tax Dixon, Suisun, etc	
<p>This proposal may be withdrawn if not accepted within 30 days.</p>	
<p><b>TOTAL PROPOSAL</b>                      \$36,507.92</p>	

Acceptance of Proposal

\_\_\_\_\_



# Suisun City Fire Department

621 Pintail Dr.  
Suisun City, CA 94585  
**Justin Vincent, M.S. - Fire Chief**



**To: Greg Folsom, City Manager**

**Date:** 10/29/2019

**Subject:** Suisun Harbor Theater Fire Protection System.

It has come to the attention of the Suisun City Fire Department that the fire protection system installed at the Harbor Theater building are inoperable at this time. It is my duty as the Head Fire Code Official for the City of Suisun City, per the California State Fire Code, to inform you of the relevant laws regarding this fire safety concern.

As a fire department, we cannot and do not dictate how any entity will conform to the fire code. It is the responsibility of the building owner or operator to determine their best practice to meet the relevant laws.

## **California State Fire Code**

### **Chapter 9 Fire Protection systems**

#### **901.7 Systems out of service**

*Where a required fire protection system is out of service, the fire department and the fire code official shall be notified immediately and, where required by the fire code official, the building shall be either evacuated or an approved fire watch shall be provided for all occupants left unprotected by the shutdown until the fire protection system has been returned to service.*

*Where utilized, fire watches shall be provided with not less than one approved means for notification of the fire department and their only duty shall be to perform constant patrols of the protected premises and keep watch for fires.*

**Suisun City Municipal Code**

**15.04.30- Uniform codes adopted.**

*Subject to the modifications and amendments contained in this chapter, the following primary and secondary codes are adopted and incorporated into the codes of the city by reference and as having the same legal effect as if their respective contents were set forth in this chapter and which may be amended and/or corrected from time to time:*

*I. The 2013 California Fire Code which references the International Fire Code, 2012 Edition as published by the International Code Council, including appendices, with state amendments, is adopted by reference as the fire code of the city.*

**1.08.010 - Misdemeanors and infractions.**

*A. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of the ordinances of the city is guilty of a misdemeanor, unless the violation is made an infraction by ordinance.*

**1.08.020 - Misdemeanor penalty.**

*Except in cases where a different punishment is prescribed by any ordinance of the city, any person convicted of a misdemeanor for violation of an ordinance of the city is punishable by a fine of not more than \$1,000.00, or by imprisonment not to exceed six months, or by both such fine and imprisonment. (Ord. 467 § 1{b}, 1983} ( Ord. No. 740, § 2, 11-7-2018)*

Should you have any questions, comments, or concerns, please do not hesitate to contact me or my fire department staff.

Sincerely,



**JUSTIN VINCENT, M.S., CFO**  
FIRE CHIEF  
SUISUN CITY FIRE DEPARTMENT  
621 PINTAIL DR.  
SUISUN CITY, CA 94585 707-21-7205  
[JVINCENT@SUISUN.COM](mailto:JVINCENT@SUISUN.COM)



**RESOLUTION NO. 2015-100**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
APPROVING AN AGREEMENT WITH CREATIVE ARTS COLLECTIVE TO  
LEASE AND OPERATE HARBOR THEATER AND AUTHORIZING THE CITY  
MANAGER TO EXECUTE THE AGREEMENT ON THE CITY'S BEHALF**

**WHEREAS**, the construction of the Harbor Theater (Theater) was completed in 1999, and a lease was entered into at that time with Solano Community College (SCC) for its operation of the facility; and

**WHEREAS**, SCC has indicated that it no longer wants to operate the facility and has vacated the premises; and

**WHEREAS**, On April 3, 2015, the City issued a Request for Proposal (RFP) for the Lease/Operation of the Theater; and

**WHEREAS**, On June 30, 2015, the City Council selected the Creative Arts Collective (CAC), and directed the City Manager to negotiate the terms of the lease; and

**WHEREAS**, the parties have met and conferred and agreed upon the proposed lease agreement attached hereto; and

**WHEREAS**, the proposed agreement would meet the intent of creating a lease structure within which the CAC may be successful, while protecting the City and its facilities.

**WHEREAS**, the attached agreement would help to fill a nighttime niche with a mix of programming ranging from theatrical, musical, and dance performances to children's theater, comedy, vocals, readings, lectures, and other presentations; and

**WHEREAS**, a range of classes would likewise be included including youth theater, art, rehearsals, dance, etc.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Suisun City hereby approves the attached lease agreement, and authorizes the City Manager to execute it on the City's behalf.

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**PASSED AND ADOPTED** at a Regular meeting of the City Council of the City of Suisun City held on Tuesday the 1<sup>st</sup> day of September 2015 by the following vote:

<b>AYES:</b>	Councilmembers:	<u>Day, Hudson, Segala, Wilson, Sanchez</u>
<b>NOES:</b>	Councilmembers:	<u>None</u>
<b>ABSENT:</b>	Councilmembers:	<u>None</u>
<b>ABSTAIN:</b>	Councilmembers:	<u>None</u>

**WITNESS** my hand and the seal of said City this 1<sup>st</sup> day of September 2015.



Donna Pock, CMC  
Deputy City Clerk

# HARBOR ARTS CENTER AT HARBOR THEATER

## THEATER LEASE AGREEMENT

**By and Between**

**CITY OF SUISUN CITY,  
a municipal corporation**

**“Landlord”**

**and**

**CREATIVE ARTS COLLECTIVE,  
a California non-profit corporation**

**“Tenant”**

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<b>Exhibit A</b>	Depiction of Premises
<b>Exhibit B</b>	Summary of Landlord's Personal Property
<b>Exhibit C</b>	Rent Schedule
<b>Exhibit D-1</b>	Minimum Program Requirements
<b>Exhibit D-2</b>	Reporting Obligations
<b>Exhibit E</b>	Maintenance Standards

## THEATER LEASE AGREEMENT

THIS THEATER LEASE AGREEMENT ("**Lease**") is made this \_\_\_ day of \_\_\_\_\_, 2015, by and between the CITY OF SUISUN CITY, a municipal corporation ("**Landlord**") and CREATIVE ARTS COLLECTIVE, a California non-profit corporation ("**Tenant**"). Landlord and Tenant are sometimes individually referred to as a "**Party**" and jointly as the "**Parties**".

### RECITALS:

**A.** Landlord owns that certain real property located in the City of Suisun City ("**City**"), County of Solano as follows: (i) that certain real property commonly identified as 720 Main Street, Suisun City (APN 032-141-140) improved as with a theater building (consisting of approximately 12,445 square feet) with adjacent landscape areas ("**Theater Building**"), and an adjoining patio ("**Adjoining Patio**") (collectively the "**Theater Parcel**"); (ii) that certain real property immediately adjacent to the west of the Theater Parcel (APN 0032-141-180) improved as a parking lot ("**West Parking Parcel**"); and (iii) that certain real property immediately adjacent to the north of the Theater Parcel (APN 0032-141-170) improved as a parking lot ("**North Parking Parcel**"). The West Parking Parcel and North Parking Parcel are hereinafter jointly referred to as the "**Parking Parcels**." The Theater Parcel and Parking Parcels are depicted on attached Exhibit A and are collectively referred to as the "**Property**".

**B.** Landlord also owns that certain personal property and equipment summarized on Exhibit "B" which is located in the Theater Building ("**Landlord's Personal Property**").

**C.** The Property is located in the historic plaza area of downtown Suisun City ("**Historic Downtown Area**").

**D.** Tenant is a California non-profit corporation whose purpose is the encouragement and development of artistic and performing arts through programs and classes conducted by professional performers.

**E.** Landlord desires to encourage the arts for the benefit of the community and concurrently draw people to the Historic Downtown Area which will assist local businesses and increase revenue to the City.

**F.** Pursuant to the terms of this Lease, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord (i) the Theater for Tenant's sole exclusive use, (ii) the Parking Parcels and Adjoining Patio for Tenant's non-exclusive use, and (iii) the Personal Property (collectively the "**Premises**").

NOW, THEREFORE, in consideration of the above Recitals and the mutual promises of the Parties set forth in this Lease, Landlord and Tenant hereby agree as follows:

### 1. LEASE OF PREMISES; CONDITION OF PREMISES.

**1.1. Letting.** Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the Premises (as defined in the Recitals) solely for the uses specified in Section 4. As material consideration for this Lease, Tenant agrees to use the Premises and conduct all its business operations on the Premises under the designation of "Harbor Theater". No other name shall be used with respect to the Premises without the prior

written consent of Landlord which may be granted or withheld in its sole discretion. Landlord has no objection to Tenant creating and using a fictitious business name of "Harbor Arts Center at Harbor Theater" in compliance with California law.

- 1.2. **Condition of Premises.** Subject to Landlord's completion of the Landlord Improvements (defined in Section 1.3) and Landlord's continuing maintenance obligations set forth in Section 7.2, Landlord shall deliver the Premises to Tenant and Tenant shall accept the Premises from Landlord, in its "AS IS" condition without representation or warranty. Pursuant to California Civil Code Section 1938, Tenant is advised that the Premises have not undergone an inspection by a Certified Access Specialist, and, therefore, Landlord is not aware if the Premises comply with the applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.
- 1.3. **Landlord Improvements.** Within a time frame agreeable to both parties, Landlord shall, at Landlord's sole cost and expense, make the following repairs to the Theater Building: (i) replace the lobby carpet, and (ii) repair certain areas of the roof and make other minor repairs as previously agreed by the Parties in writing ("**Landlord Improvements**").

## 2. EFFECTIVE DATE; COMMENCEMENT DATE; TERM.

- 2.1. **Effective Date.** This Lease shall be deemed effective as of the date this Lease is executed by the Landlord after approval by the City Council which date is specified on the signature page ("**Effective Date**"). Except for the Minimum Program Requirements which commence as of October 1, 2015, all other Tenant's rights and obligations under this Lease shall commence as of the Effective Date.
- 2.2. **Term.** The term of this Lease shall commence on the Effective Date and automatically terminate five (5) years thereafter ("**Term**") unless otherwise amended by the Parties pursuant to Section 31.15.
- 2.3. **Right to Terminate.** Tenant is aware that, as of the Effective Date, a potential dispute exists between Landlord and a prior occupant ("**Prior Occupant**") as to ownership of any personal property in the Theater Building with a value of Ten Thousand Dollars (\$10,000) or more. In the event that it is determined that any such personal property within the Theater Building is the property of the Prior Occupant and that Prior Occupant has the right to remove same, Landlord shall promptly notify Tenant of such event ("**Determination Notice**"). Upon receipt of the Determination Notice, Tenant may request a meeting with representatives of Landlord to discuss alternatives. If a resolution is reached, such modifications shall be effective only if this Lease is amended in accordance with Section 31.15. If the Parties do not amend the Lease, then Tenant shall have the right to terminate this Lease by written notice to Landlord delivered within sixty (60) days after its receipt of the Determination Notice. If this Lease is not amended and Tenant has not elected to terminate this Lease in the time and manner specified above, then this Lease shall remain in full force and effect.
- 2.4. **Exclusive Right to Negotiate Extension.** If Tenant has not been in default of its obligations under this Lease at any time during the original Term (as defined in Section 2.2), Tenant shall have the right (but not the obligation) to enter into a ninety

(90) day period of exclusive negotiation with Landlord to extend this Lease upon mutually acceptable terms (including but not limited to rent payments) for additional period up to one (1) additional period of five (5) years ("**ENA Right**"). Tenant must exercise this ENA Right by sending a written notice to Landlord specifying its exercise of this ENA Right which notice must be delivered to Landlord not less than eight (8) months prior to the expiration of the original Term ("**ENA Notice**"). Within fifteen (15) business days of receipt of the ENA Notice, Landlord shall deliver to Tenant its standard non-binding form of exclusive negotiation agreement ("**ENA Agreement**"). Tenant may, in its sole discretion, execute the ENA Agreement and return same to Landlord within fifteen (15) business days of its receipt of the ENA Agreement. If Tenant does not execute and return the ENA Agreement within the time specified, the right under this Section 2.5 shall cease and terminate. If Tenant does execute and return the ENA in the time specified, the ENA Agreement shall become effective. If the Parties agree to an extension and other modifications, such terms shall be effective only if this Lease is amended in accordance with Section 31.15.

### 3. RENT & PERFORMANCE STANDARDS.

- 3.1. **Monetary Rent.** Tenant agrees to pay rent on a quarterly basis for ticket sales and student fees calculated in accordance with the Rent Summary attached hereto as Exhibit C ("**Monetary Rent**") together with an accounting summary calculating the Monetary Rent for the quarter in reasonable detail in a form reasonably acceptable to Landlord ("**Accounting Summary**"). Tenant shall pay the Monetary Rent and concurrently deliver the Accounting Summary to Landlord within ten (10) days after the end of each quarter during the Term.
- 3.2. **Performance Standards.** As material consideration for this Lease, Tenants covenants to comply with all of the following requirements (collectively the "**Performance Standards**"): (i) satisfy the Minimum Program Requirements specified in Section 4.1.2 (which include quarterly meetings with the Ad Hoc committee as set forth in Exhibit D-2); (ii) comply with the Reporting Requirements set forth in Section 4.1.2; (iii) diligently maintain and repair the Premises in compliance with Section 7.1; (iv) perform the BID Obligations (as defined in Section 3.3); and (v) comply with the requirements in Section 30. On an annual basis, Tenant shall provide a reasonably detailed written report regarding Tenant's operations and compliance with its obligations under this Lease in a form satisfactory to Landlord which will be presented and discussed at a public meeting.
- 3.3. **Business Improvement District.** Tenant covenants to: (i) be an active member of the City of Suisun Historic Waterfront Business Improvement District ("**BID**") including attending monthly meetings; and (ii) actively work with the City and the BID businesses to provide special opportunities and discounts for attendees at events and classes and Tenant shall reasonably promote such special arrangements as part of its regular marketing. Tenant's obligations under this Section are collectively referred to as "**BID Obligations**".
- 3.4. **Payment of Rent.** All Monetary Rent and all other monetary obligations to be paid by Tenant to Landlord shall be in lawful money of the United States of America at the address specified in Section 31.13, or such other address as Landlord shall notify Tenant in writing.

- 3.5. **Late Payment.** Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease. Accordingly, any payment of any sum to be paid by Tenant not paid when within ten (10) days of its due date shall be subject to a five percent (5%) late charge. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for its loss suffered by such late payment by Tenant.
- 3.6. **Security Deposit.** Tenant is not required to provide and has not provided a security deposit to Landlord.

#### 4. USES.

##### 4.1. **Authorized Uses; Minimum Program Requirements & Reporting Obligations.**

- 4.1.1. **Authorized Uses.** Tenant shall use the Premises solely for the following: (i) presenting its own productions; (ii) conducting classes; (iii) third party productions; and (iv) facility rentals for banquets, weddings, meetings, trainings, conferences, special events and the like. All programs, activities and classes (including those by third party production groups) shall be in nature of artistic productions including musical performances, comedy performances, high-quality films, stage plays, dance performances, concerts, children's theater, lectures, vocals, lectures on artistic topics, readings or other presentations before an audience all of which are related to the arts including visual arts, health and wellness, cultural arts, martial arts, culinary arts, career and presentation arts, literary arts, home arts and theater performances.

Tenant may operate a refreshment stand on the Premises. Tenant may also sell or cause to be sold alcoholic beverages at events provided that it obtains all necessary permits and licenses, and complies with all applicable laws, statutes and regulations concerning the sale of alcoholic beverages.

- 4.1.2. **Minimum Program Requirements & Reporting Obligations.** Tenant shall use the Premises to provide the minimum paying programs and classes as set forth on Exhibit D-1 ("**Minimum Program Requirements**"). Tenant's reporting obligations with respect to the Minimum Program Requirements are set forth on Exhibit D-2 ("**Reporting Obligations**"). Failure to satisfy the Minimum Programs Requirements and/or comply with the Reporting Obligations shall be a material default under this Lease.

- 4.1.3. **Requirements for Third Party Events.** When Tenant allows a third party to use the Premises for an authorized use as specified in Section 4.1.1 above, Tenant shall require the user to execute an appropriate agreement which shall: require user:

(a) Require user to provide liability insurance in the amount of not less than One Million Dollars (\$1,000,000) naming both the Tenant and

Landlord as insureds to be delivered to Tenant not less than three (3) days prior to the event.

(b) If alcoholic beverages will be present, require user to obtain and deliver to Tenant liability insurance (as required in subsection (a) above) together with HOST LIQUOR LIABILITY COVERAGE endorsement.

(c) If alcoholic beverages will be present, require user to obtain an alcoholic beverage license from the California Alcoholic Beverage Control Board ("**ABC License**"). A copy of the ABC license must be submitted by the user to Tenant not less than fifteen (15) days prior to the event. (Tenant must warn user in writing that (i) providing the coverage in subsection (b) above does not constitute or waive the ABC license; and (ii) ABC special licenses are only available to registered non-profit organizations.)

(d) Any event in honor of a minor must end by 10 pm and no alcohol will be permitted.

(e) To execute an appropriate agreement which will acknowledge that it is subject and subordinate to this Lease and include the indemnity obligations in favor of Landlord consistent with Section 11.

(f) Require compliance with the General Requirements set forth on Exhibit D-1.

**4.2. Community Uses.** When there is available space and availability, Tenant shall make the Premises available to the community for rent for administrative functions, receptions, meetings, non-profit and for-profit events and other similar activities provided such uses do not violate Section 4.4.

**4.3. Landlord's Reserved Rights.** Landlord shall be permitted to use the Premises for ten (10) days per year at no cost to the Landlord other than reimbursement to Tenant for costs in excess of normal building supervision and operation. The events shall be on mutually convenient dates agreed upon by the Landlord and Tenant. In addition to the foregoing, Landlord shall have the right to use the Premises every year for (i) the Chamber of Commerce BUZZ awards, and (ii) the Old Town Christmas on the Waterfront. Tenant shall advise Landlord in advance of any such special technicians needed to operate technical sound, lighting and other theater equipment at the Premises for a Landlord event. If any special technicians are required for Landlord's events, Landlord shall be responsible to pay the costs for same.

**4.4. Prohibited Uses.** Tenant shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than those express uses specified in Section 4.1.1.

Tenant shall not sell or permit to be displayed, performed, sold, kept, or used in or about the Premises:

(a) Pornographic or sexually explicit books, magazines, programs, literature, films, drama, productions, printed material, sexual paraphernalia, or other

material or media which would be considered lewd, obscene or licentious, provided, however, that works of art of anthropological significance shall not be deemed to be within the foregoing definition. Using the Motion Picture Association of America rating system ("MPAA"), any (i) theatrical productions, films or acts that contain sexual content that would be rated NP-17 shall not be allowed, and (ii) any materials related to NC-17 productions which materials would be rated "red" by MPAA shall not be permitted. With respect to the admissions of minors, Tenant shall comply with restrictions in the MPAA rating system.

(b) Any conduct which may be prohibited by standard forms of fire insurance policies.

(c) Video or arcade game machines are prohibited, provided, however, that use of such games as a prop in a production is not prohibited.

Tenant shall comply with any and all requirements, pertaining to the use of the Premises, of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance, covering the buildings within the Premises and appurtenances.

Tenant shall not allow any animals on the Premises except (i) service dogs as defined in federal and state law; and (ii) animals that are part of an act or program permitted under Section 4.1 provided that a special permit is obtained from the City.

Tenant shall not permit smoking or vaping on any portion of the Premises.

Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant or occupant of the Property or any adjacent property. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the Premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors, or pursuant to any bankruptcy or other solvency proceeding nor display any "going out of business" or similar sign.

Tenant shall not engage in any activity in, on or about the Premises that violates any Environmental Law, and shall promptly, at Tenant's sole cost and expense, take all investigatory and/or remedial action required or ordered by any governmental agency or Environmental Law for clean-up and removal of any contamination involving any Hazardous Material created or caused directly or indirectly, by Tenant. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Premises, including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Sections 9601, et seq.; (ii) the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901, et seq.; (iii) California Health and Safety Code Sections 25100, et seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5, et seq.; (v) California Health and Safety Code Section 25359.7; (vi) California Health and Safety Code Section 25915; (vii) the Federal Water Pollution Control Act, 33 U.S.C. Sections 1317, et seq.; (viii) California Water Code Section 1300, et seq.; and

(ix) California Civil Code Section 3479, et seq., as such laws are amended and the regulations and administrative codes applicable thereto. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste", "or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos; and/or (iv) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the Parties hereto to construe the terms "Hazardous Materials" and "Environmental Laws" in their broadest sense. Tenant shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5, et seq. Tenant shall provide prompt written notice to Landlord of the existence of Hazardous Materials on the Premises and all notices of violation of the Environmental Laws received by Tenant.

**4.5. Special Event Requirements.** Tenant shall be solely responsible for all security measures for the Premises. Tenant shall, at its sole cost and expense, provide additional security at any events where a large attendance is expected in compliance with the standard requirements imposed by Landlord for municipal events.

**4.6. Abandonment.** Tenant shall not vacate or abandon the Premises at any time during the Term of this Lease. Upon termination of this Lease for any reason, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned, at the option of Landlord, shall become the property of Landlord.

**5. REAL ESTATE TAXES.** Tenant shall pay any and all real property taxes applicable to Tenant's possessory interest in the Premises. All such payments shall be made at least ten (10) days prior to the due date of the applicable installment. Tenant shall promptly (at least five (5) days prior to the due date) furnish Landlord with satisfactory evidence that such taxes have been paid. If any such taxes to be paid by Tenant shall cover any period of time after the expiration or earlier termination of the Term hereof, Tenant's share of such taxes shall be equitably prorated to cover only the period of time within the tax fiscal year that this Lease is in effect, and Tenant may apply to the County for reimbursement of any overpayments after such proration. Notwithstanding anything above to the contrary, to the extent any assessment is levied against the Premises payable in installments, Tenant shall pay all installments coming due and payable during the Term of this Lease.

Tenant acknowledges that although Landlord is a municipal entity exempt from real property taxes, Tenant's possessory interest under this Lease may be subject to real property taxation.

Landlord agrees to work with Tenant to assist in providing information to the County Tax Assessor to reduce the valuation of Tenant's possessory interest in the Premises due to the (i) Performance Standards, and (ii) that Tenant is a non-profit entity. Landlord provides no assurance to Tenant that it will be successful in such efforts and that Tenant may be required to pay real property taxes.

**6. PERSONAL PROPERTY TAXES.** During the Term, Tenant shall pay prior to delinquency all taxes assessed against the levied upon fixtures, furnishings, equipment and all other personal property owned by Tenant (excluding Landlord's Personal Property) located in the Premises, and when possible Tenant shall cause said fixtures, furnishings, equipment and



other personal property to be assessed and billed separately from Landlord's Personal Property. In the event any or all of Tenant's fixtures, furnishings, equipment and other personal property shall be assessed and taxed with Property, Tenant shall pay its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

## 7. MAINTENANCE AND REPAIRS.

7.1. **Maintenance and Repair by Tenant.** Except the specific maintenance obligations of Landlord as set forth in Section 7.2, Tenant shall at all times during the Term, and at Tenant's sole cost and expense, keep, maintain and repair the Premises, the Theater Building, the Signs (as defined in Section 13) and any improvements on the Premises, in good and sanitary order, condition, and repair, in accordance with the maintenance standards set forth on Exhibit E. Such maintenance obligations shall include, but not be limited to, any equipment installed by Tenant, the stage lighting system (including the dimmer and all lightbulb replacement, operating equipment, such as control panels and stage rigging systems), furnishings (such as seating, carpeting and drapes, mirrors, and interior repainting) and landscaping.

Tenant shall also hire a custodian to keep the Premises in good and sanitary order on a regular basis. However, Tenant may elect to have such services conducted by its own volunteers.

Tenant shall maintain a written record to evidence the regular performance of maintenance and upkeep of the facility consistent with the maintenance standards, as set forth in Exhibit E.

Upon termination of this Lease, the Premises shall be surrendered in good, clean and sanitary condition except for reasonable use and wear. Tenant agrees to surrender the Premises in its original condition, together with all additional improvements which have been approved by Landlord and installed by Tenant pursuant to Section 7.1. If Landlord wants to reserve the right to require Tenant to remove any such additional improvements upon the expiration or earlier termination of this Lease, Landlord must reserve such right in its notice of approval (which is described in Section 7.1). If Tenant is required to remove any improvements from the Premises upon termination of this Lease, Tenant shall do so at Tenant's sole cost and expense, and Tenant will repair any damage to the Premises caused by such removal. However, Landlord shall be responsible to repair the chairs to the extent of the Chair Dedication Fund as defined in Section 7.2.

Tenant shall promptly notify Landlord in writing of any condition in the Premises that require repairs by Landlord ("**Repair Notice**") which shall be made by Landlord as set forth in Section 7.2.

Tenant acknowledges that Tenant's maintenance obligations under this Section are material consideration to Landlord for this Lease and, therefore, this Section 7.1 shall be construed liberally for the protection and preservation of the Premises.

7.2. **Limited Maintenance and Repair by Landlord.** Landlord shall only be responsible to maintain in good repair and in compliance with all applicable laws, ordinances and regulations, at Landlord's sole cost and expense, **only** (i) the physical structure of

the Theater Building such as the structural elements, roof, plumbing, water heating system, electrical systems, HVAC equipment and exterior painting, and (ii) subject to the financial limitations set forth below.

Notwithstanding the foregoing, Landlord shall not be required to make repairs necessitated by reason of (i) the negligence or willful misconduct of Tenant, or any of Tenant's staff, volunteers, students, contractors, invitees, subtenants, patrons or customers; (ii) by reason of the failure of Tenant to perform or observe and promptly report to Landlord any conditions the repair of which are Landlord's responsibility; or (iii) by reason of the failure of Tenant to perform or observe the conditions or agreements in this Lease, or caused by unauthorized alterations, additions or improvements made by Tenant or anyone claiming under Tenant (collectively the "**Tenant Caused Damages**"). Tenant shall be solely responsible, at its sole cost and expense to make any Tenant Caused Damages.

Upon receipt of a Repair Notice, Landlord shall have a reasonable period of time (not to exceed five (5) business days) to commence said repairs. Upon commencement of repairs, Landlord shall use reasonable efforts to diligently complete same. Tenant and Landlord shall jointly conduct an annual inspection of the Premises within one (1) month of the end of the performing season to aid Landlord in determining if any repairs by Landlord may be necessary.

Any renovation work performed by Landlord to the Premises shall not unreasonably interfere with Tenant's operations.

Notwithstanding the foregoing, Landlord's repair obligations are **specifically limited** in that that Landlord shall not be required to make repairs the cost of which exceeds the Monetary Rent actually received by Landlord from Tenant as set forth below. During the Term, Landlord shall maintain a cumulative on-going record of all Monetary Rent received by Landlord ("**Landlord Repair Fund**"). Any repairs and maintenance costs incurred by Landlord under this Section 7.2 shall reduce the Landlord Repair Fund. If at any time when a repair or maintenance item which is Landlord's responsibility under this Section 7.2, Landlord shall only be obligated to make such repair to the extent that the current balance of the Landlord Repair Fund is sufficient to pay the cost of such repair. However, if the repair item is critical for Tenant's operation of the Premises, then Landlord shall make promptly make such repair but the cost of such shall reduce the Landlord Repair Fund. If Landlord elects, in its sole discretion, to make repairs notwithstanding the foregoing limitations, such election shall not be deemed a waiver of this limitation with respect to future repairs and the cost of such repairs shall reduce the Landlord Repair Fund.

In addition to the Landlord Repair Fund, Landlord shall maintain a cumulative on-going record of all amounts received by Landlord for the Chair Dedications (as defined on Exhibit C) ("**Chair Repair Fund**"). Upon termination of this Lease, Landlord shall use the Chair Repair Fund to repair and restore the chairs to the extent required to repair any damage due to the removal of the dedication plaques. Tenant shall remain responsible for repair or restoration of chairs for any other issues or problems. Any amount in excess of the actual costs of such repairs shall be the sole property of Landlord.

## 8. ALTERATIONS.

8.1. **To Premises.** Tenant shall not make any alterations to the Premises, or any part thereof, without the prior written consent of Landlord. If Tenant wishes to make additional improvements to the Premises, Tenant shall notify Landlord in writing specifying in reasonable detail the proposed alterations and the cost thereof. Within fifteen (15) days of receiving such notice from Tenant, Landlord shall send written notice to Tenant indicating whether Landlord approves or disapproves of the contemplated improvements. Landlord's approval shall not be unreasonably withheld and any disapproval shall be in writing and shall explain the reasons for the denial. However, as a condition to granting its approval to any of the improvements, Landlord may require Tenant to provide Landlord with reasonably satisfactory evidence of Tenant's financial ability to pay for the costs of the improvements and may require a completion bond be provided to Landlord or other security reasonably acceptable to Landlord. Any such alterations shall comply with all applicable laws and regulations. All improvements (excluding minor improvements as determined by Landlord) which are approved by Landlord shall be under the supervision of a licensed architect or structural engineer (at Tenant's cost) and made in accordance with plans and specifications approved in writing by Landlord prior to the commencement of such work. All work shall be done in a good and workmanlike manner, diligently prosecuted to completion and completed in compliance with Section 12. Upon completion of all work, Tenant shall promptly file for record a Notice of Completion in the office of the Solano County Recorder. All such improvements shall immediately be deemed a part of the Premises and may not be removed by Tenant. Prior to commencing any work of improvement hereunder, Tenant shall notify Landlord so that Landlord can post and record an appropriate Notice of Non-Responsibility.

8.2. **To Landlord's Personal Property.** In the event that Tenant elects to replace item of Landlord's Personal Property, such replacement item shall be deemed part of Landlord's Personal Property. Upon termination of this Lease, all of Landlord's Personal Property shall be surrendered to Landlord in good condition and repair, ordinary wear and tear excepted. In the event that Tenant purchases any personal property that is (i) not to replace an item of Landlord's Personal Property, and (ii) not attached to the Premises so as to constitute a fixture, such item shall be and remain owned by Tenant and may be removed by Tenant upon termination of this Lease.

9. **COMPLIANCE WITH LAWS.** Except as to the specific obligations of Landlord under Section 7.2, Tenant shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of the Premises, and shall faithfully observe in said use all municipal ordinances, including, but not limited to, the general plan and zoning ordinances, state and federal statutes, or other governmental regulations now in force or which shall hereinafter be in force. The judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such order or statute in said use, shall be conclusive of that fact as between Landlord and Tenant.

## 10. INSURANCE.

**10.1. Landlord to Provide Property Insurance.** Landlord shall maintain, at Landlord's sole cost and expense, fire, earthquake and excess coverage insurance throughout the term of this Lease, on all buildings and improvements located on the Premises (and fixtures thereto, including, but not limited to, the drapes and seats located in the Theater), in an amount equal to one hundred percent (100%) of the replacement value of the Premises, together with such other insurance, coverages and endorsements as Landlord may determine in its sole discretion. Tenant hereby waives any right of recovery from Landlord, its officers and employees, and Landlord hereby waives any right of loss or damage (including consequential loss) resulting from any of the perils insured against as a result of said insurance.

### **10.2. Tenant 's Insurance Obligations.**

**10.2.1. Liability Insurance.** During the entire term of this Lease, Certificate of Coverage on annual basis, Tenant shall, at Tenant's sole cost and expense, for the mutual benefit of Landlord and Tenant, maintain comprehensive general liability insurance insuring against claims for bodily injury, death or property damage occurring in, upon or about the Premises, written on a per occurrence basis in an amount not less than either (i) a combined single limit of Five Million Dollars (\$5,000,000) for bodily injury, death, and property damage or (ii) bodily injury limits of Five Hundred Thousand Dollars (\$500,000) per person, One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) products and completed operations and property damage limits of Two Hundred Fifty Thousand Dollars (\$250,000) per occurrence and One Million Dollars (\$1,000,000) in the aggregate.

**10.2.2. Worker's Compensation Insurance.** Tenant shall, at Tenant's sole cost and expense, maintain a policy of worker's compensation insurance in an amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both Tenant and Landlord against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Tenant in the course of conducting Tenant's business in the Premises.

**10.2.3. Liquor Insurance.** Any time alcohol beverages are present at the Premises, Tenant shall provide liability insurance with Host Liquor Liability Coverage endorsement.

**10.2.4. Director & Officer Insurance.** Tenant shall, at Tenant's sole cost and expense, maintain a policy of director's and officer's liability insurance in an amount of not less than One Million Dollars (\$1,000,000).

**10.2.5. General Provisions.** All of the policies of insurance required to be procured by Tenant pursuant to this 10.2 shall be primary insurance and shall name Landlord, its employees and agents as additional insureds. All policies shall waive all rights of subrogation and provide that said insurance may not be amended or canceled without providing thirty (30)

days prior written notice by registered mail to Landlord. Prior to the Commencement Date and at least thirty (30) days prior to the expiration of any insurance policy, Tenant shall provide Landlord with certificates of insurance and full copies of the insurance policies evidencing the mandatory insurance coverages written by insurance companies acceptable to Landlord, licensed to do business in California and rated A:VII or better by Best's Insurance Guide. Landlord may require an increase in the coverage and/or the types of coverage from time to time upon written notice to Tenant. Each of the Parties, on behalf of their respective insurance companies insuring such property of either Landlord or Tenant against such loss, waive any right of subrogation that it may have against the other.

**11. INDEMNIFICATION.** Tenant shall indemnify, protect, defend and hold harmless the Premises, Landlord and its managers, officers, directors, members, employees, agents, contractors, partners and lenders, from and against any and all claims, and/or damages, costs, liens, judgments, penalties, permits, reasonable attorneys' and consultant's fees, expenses and/or liabilities arising out of, involving, or in dealing with, the occupancy of the Premises by Tenant, the conduct of Tenant's business, any act, omission or neglect of Tenant, its officers, directors, members, employees, agents or contractors, and out of any Breach by Tenant in the performance in a timely manner of any obligation on Tenant's part to be performed under this Lease, except for matters which are the result of Landlord's gross negligence, intentional wrongful acts, or in default of this Lease. The foregoing shall include, but not be limited to, all costs of the defense or pursuit of any claim or any action or proceeding involved therein, and whether or not (in the case of claims made against Landlord) litigated and/or reduced to judgment. In case any action or proceeding is brought against Landlord by reason of any of the foregoing matters, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense. Landlord need not have first paid any such claim in order to be so indemnified. In addition, Landlord may require Tenant to pay Landlord's attorneys' fees and costs in defending against or participating in such claim, action or proceeding if Landlord shall decide, in its exercise of reasonable judgment, it is unsatisfied with the representation of its interest by Tenant or its counsel.

Landlord shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Tenant, Tenant's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, earthquake, flood, terrorism, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other any other cause, whether the said injury or damage results from conditions arising upon the Premises or from other source or places except if such injury or damage is the result of the gross negligence or willful misconduct of Landlord or Landlord's employees, contractors or agents.

**12. NO LIENS.** Tenant shall keep the Premises, the Theater Building, and the Property, free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant or alleged to have been incurred by Tenant. If Tenant shall fail to pay any charge for which a mechanic's lien claim and suit to foreclose the lien have been filed, and shall not have obtained the release of said lien from the property subject to such lien, Landlord may (but shall not be so required to) pay said claim and any costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be

immediately due and owing from Tenant to Landlord, together with interest at the rate prescribed in Section 31.6, on the amount of the mechanic's lien claim.

**13. SIGNS.** Tenant may use the marquee sign and two (2) billboards (collectively the "Signs") currently located on the exterior of the Premises for its business operations under this Lease. Tenant shall not place or permit to be placed any additional signs upon the exterior or in the windows of the Premises or in the Adjoining Patio without Landlord's prior written consent. Any sign installed without such approval shall be immediately removed by Tenant and, if said sign is not removed by Tenant within three (3) days of written notice from Landlord to Tenant, then Landlord may remove and destroy said sign without Tenant's approval and without any liability to Tenant. Tenant shall not modify or alter any of the Signs without the prior written approval of Landlord which approval shall not be unreasonably withheld or delayed. Landlord shall reply to any proposed alteration within fourteen (14) days from submission. Any revision shall comply with the City municipal code requirements related to signage prior to any revisions actually being made to the Signs. Tenant shall maintain the Signs in good condition and repair at all times during the Term at its sole cost and expense.

#### **14. UTILITIES.**

**14.1. Tenant's Responsibilities.** Tenant shall pay before delinquency all charges for water, gas, heat, electricity, power, sewer, telephone service, and all other services and utilities used in, upon, or about the Premises by Tenant or any of its subtenants, licensees, or concessionaires during the Term of this Lease. Tenant acknowledges that the Premises and other properties in the vicinity are served by a series of communal solid waste collection and disposal facilities for the deposit and removal of solid waste. Tenant shall pay such fees, assessments or charges as may be levied for the operation, maintenance and service of such facilities and shall comply with reasonable rules and regulations established from time to time for use thereof. Tenant shall insure that trash and debris produced by the activities on Premises do not accumulate on the Premises.

**14.2. Landlord Reimbursement.** Provided that Tenant is not in default under this Lease, Landlord agrees to reimburse Tenant for payment of Standard Utility Services (as defined below) as follows:

- a. For the first six (6) months of the Term, actual cost of Standard Utility Services incurred by Tenant to a maximum of Three Thousand Dollars (\$3,000) per month.
- b. For the following six (6) months of the Term, actual cost of Standard Utility Services incurred by Tenant to a maximum of One Thousand Five Hundred Dollars (\$1,500) per month; and
- c. For the following six (6) months of the Term, actual cost of Standard Utility Services by Tenant to a maximum of Seven Hundred Fifty Dollars (\$750) per month.

"Standard Utility Services" include only electricity, gas, water and garbage but excluding computer or internet services. To obtain reimbursement from Landlord, Tenant shall submit on a monthly basis a written request for reimbursement

summarizing the actual utility costs incurred by Tenant together with a copy of the actual utility bills and proof of payment. Upon receipt of the reimbursement request with the required documentation, Landlord shall promptly process such payment to Tenant in accordance with Landlord's standard processing procedures.

Tenant had originally requested that Landlord provide financial assistance of Three Thousand Dollars (\$3,000) per month to offset Standard Utility Services for the first twelve (12) months of the Term so that Tenant could establish a strong financial base for its operations. Although this Lease provides the some financial assistance as specified above, Landlord does have an interest in Tenant's success. Accordingly, during the quarterly meetings with the City's Ad Hoc Committee (which are part of the Reporting Requirements as set forth on Exhibit D-2), Tenant can indicate any financial challenges that Tenant may be experiencing as a result of utility costs and propose solutions for consideration by the Ad Hoc committee.

**15. ENTRY AND INSPECTION.** Tenant shall permit Landlord and its employees and agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the Theater Building, or for the purpose of making repairs, alterations or additions or performing the improvements to any portion of said building(s), including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, or for the purpose of posting notices of non-responsibility for alterations, additions or repairs, or for the purpose of placing upon the Property in which the Premises are located any usual or ordinary "For Sale" signs or any signs for public safety as determined by Landlord. Landlord shall be permitted to do any of the above without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the Premises thereby occasioned. Landlord shall make reasonable efforts to coordinate times for any repairs deemed necessary with Tenant to reduce to the extent practicable any interference with Tenant's use of the Premises. Tenant shall permit Landlord, at any time within six (6) months prior to the expiration of this Term to place upon the Premises any usual or ordinary "For Lease" or "For Sale" signs, and during such six (6) month period Landlord or its agents may, during normal business hours, enter upon said Premises and exhibit same to prospective tenants or purchasers.

**16. DAMAGE AND DESTRUCTION.**

**16.1. Notice to Landlord.** Tenant shall give prompt notice to Landlord in case of any fire or other damage to the Premises or the Theater Building.

**16.2. Partial Casualty to Premises.** If the Premises shall be damaged by any casualty including, but not limited to, civil unrest, vandalism, a fire, flood or earthquake, such that (i) the cost of replacement or repair of the Theater Building is less than or equal to fifty percent (50%) of the total replacement cost thereof; or (ii) the cost of replacement or repair of damage to the Theater, and any other structures comprising the Premises, when aggregated together is less than or equal to fifty percent (50%) of the total replacement cost thereof, then Landlord shall promptly repair and restore the same to substantially the condition thereof immediately prior to said damage or destruction. If insurance proceeds are forthcoming, Landlord shall not be obligated to commence the restoration and/or repair until Landlord has received said insurance proceeds. Landlord shall take all reasonable steps necessary so as to obtain such insurance proceeds promptly so as to prevent delay in restoring and/or repairing the Premises to its prior condition.

- 16.3. Substantial Damage to Premises.** If the Premises shall be damaged or destroyed by any casualty (or the other matters described above), such that (i) the cost of replacement or repair of the Theater exceeds fifty percent (50%) of the total replacement cost thereof; or (ii) the cost of replacement or repair of damage to the Theater Building, and any of the other structures comprising the Premises, when aggregated together exceeds fifty percent (50%) of the total replacement cost thereof, then Landlord may elect to either replace or repair the damage as aforesaid, or to cancel this Lease by written notice of cancellation given to Tenant within ninety (90) days after the date of the casualty. This Lease shall cease and terminate twenty (20) days following Tenant's receipt of Landlord's cancellation notice, and Tenant shall vacate and surrender the Premises to Landlord in accordance with the terms of this Lease. In determining the cost of replacement of the Theater or any other portion of the Premises, the cost of foundations and footings shall not be included, except to the extent of the cost of repair thereto required by such casualty damage or destruction.
- 16.4. Reconstruction.** In the event of any reconstruction of the Premises under this Section 16, Landlord shall be obligated to reconstruct the Premises to the extent of the condition of the Premises prior to the damage.
- 16.5. Rent Abatement.** In the event that any casualty to the Premises is such that performances are impossible or impractical during the reconstruction as determined by Tenant, Tenant shall be entitled to abatement of the Monetary Rent for actual performances canceled based on a ratio of total performances and classes required for the year under the Minimum Program Requirements bears to the number canceled.
- 16.6. Termination.** Upon any termination of this Lease under any of the provisions of this Section 16, the Parties shall be released thereby without further obligations to the other Party coincident with the surrender of possession of the Premises to Landlord, except for obligations which have theretofore accrued and be then unpaid.
- 16.7. Determination of Percentage of Damage or Destruction.** If either Landlord or Tenant contends that the percentage of the damage or destruction referred to above exceeds fifty percent (50%) and the other Party disagrees, the determination of the percentage shall be made in writing by a senior officer of the insurance company that is to make insurance proceeds available for replacement or repair. If said insurance company elects not to render such a determination in a timely manner, then, in such event, either Landlord or Tenant may by written notice to the other elect to have the determination made by binding mediation in accordance with the mediation provisions of this Lease.

## **17. ASSIGNMENT AND SUBLETTING.**

- 17.1. Assignment and Subletting.** Tenant shall not sublet the Premises or assign this Lease without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent to an assignment or sublease to a proposed assignee or subtenant. In no event shall Landlord be required to approve of any assignment or sublease which would result in a violation of any other agreements to which Landlord is a party and/or for which all of the following criteria are not met:



- a. The proposed assignee or subtenant has submitted to Landlord financial statements showing that the proposed assignee's or subtenant's financial condition, including net worth and liquidity, is equal to or greater than Tenant's financial condition;
- b. The proposed assignee or subtenant is morally and financially responsible;
- c. Tenant is not in default in the payment of rent or the performance of any obligations under this Lease; and
- d. The proposed assignee or subtenant, in Landlord's judgment, has adequate experience in the operation of a theater and comply with the Minimum Program Requirements.

Any such assignment shall be subject to all of the terms and conditions of this Lease, including, but not limited to, the use restrictions, and the proposed assignee or subtenant shall assume the obligations of Tenant under this Lease in writing in form satisfactory to Landlord. The proposed assignee or subtenant shall simultaneously provide to Landlord an estoppel certificate in the form described in Section 21. Consent by Landlord to one assignment or subletting shall not be deemed to be consent to any subsequent assignment or subletting. Any assignment or subletting without the prior written consent of Landlord shall be void, shall constitute a material breach of this Lease, and shall, at the option of Landlord, terminate this Lease. Neither this Lease nor any interest therein shall be assignable as to the interest of Tenant by operation of law.

Landlord shall be under no obligation to consider a request for its consent to an assignment or sublease until Tenant shall have submitted in writing to Landlord a request for Landlord's consent to such assignment or sublease, a history of the proposed assignee's or subtenant's business experience and financial viability and such other information as required by Landlord to verify that the criteria set forth herein are met.

- 17.2. Temporary Uses by Third Parties.** Notwithstanding Section 17.1, Tenant may, from time to time, sublease on a short term basis all or a portion of the Theater Building to valid theatrical companies for specific productions which comply with the use restrictions set forth in Section 4. Tenant shall control or otherwise monitor the sale of all tickets to any productions by such temporary subtenant and which sales shall be included in the calculation of Monetary Rent.

## **18. DEFAULT AND REMEDIES; TERMINATION.**

- 18.1. Default by Tenant.** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- (i) Failure to pay any Monetary Rent or other monetary payment required hereunder to Landlord within five (5) days after receiving notice from Landlord of Tenant's failure to pay any such obligation when due under this Lease.

- (ii) Failure to perform any provision of this Lease (other than the payment of money), if the failure to perform is not cured within thirty (30) days of receiving written notice of the default from Landlord. If the default cannot be reasonably cured within thirty (30) days, Tenant shall not be in default of this Lease if Tenant commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.
- (iii) Failure of Tenant to meet or comply with the Performance Standards.
- (iv) Vacation or abandonment of the Premises by Tenant.
- (v) Making a general assignment for the benefit of creditors.
- (vi) Filing of a voluntary petition in bankruptcy or the adjudication of Tenant as a bankrupt.
- (vii) Appointment of a receiver to take possession of all or substantially all the assets of Tenant located at the Premises or of Tenant's leasehold interest in the Premises.
- (viii) Filing by any creditor of Tenant of an involuntary petition in bankruptcy which is not dismissed within sixty (60) days after filing.
- (ix) Attachment, execution or other judicial seizure of all or substantially all of the assets of Tenant or Tenant's leasehold where such an attachment, execution or seizure is not discharged within sixty (60) days.

In the event of any such default or breach by -Tenant, Landlord may at any time thereafter, without further notice or demand, rectify or cure such default, and any sums expended by Landlord for such purposes shall be paid by Tenant to Landlord upon demand and as additional Rent hereunder. In the event of any such default or breach by Tenant, Landlord shall have the right to continue the lease in full force and effect and enforce all of its rights and remedies under this Lease, including the right to recover the Rent as it becomes due under this Lease or Landlord shall have the right at any time thereafter to elect to terminate the Lease and Tenant's right to possession thereunder. Upon such termination, Landlord shall have the right to recover from Tenant:

(a) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(b) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; and

(c) The worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided.

The “worth at the time of award” of the amounts referred to in subparagraphs (i), (ii), and (iii) above shall be computed by allowing interest (or by discounting in the case of subparagraph (iii)) at three percent (3%) over the prime rate then being charged by Bank of America, N.A. but in no event greater than the maximum rate permitted by law.

“Rent” shall include all sums payable pursuant to this Lease on a regular basis; including “Monetary Rent,” “Additional Rent,” reimbursement of real estate taxes and any similar amounts. The payment shall be computed on the basis of the average monthly amount thereof accruing during any preceding twelve (12) month period selected by Landlord, except that if it becomes necessary to compute such Rent before such a twelve (12) month period has occurred, then such Rent shall be computed on the basis of the average monthly amount hereof accruing during such shorter period.

Such efforts as Landlord may make to mitigate the damages caused by Tenant’s breach of this Lease shall not constitute a waiver of Landlord’s right to recover damages against Tenant hereunder.

Notwithstanding any of the foregoing, the breach of this Lease by Tenant, or an abandonment of the Premises by Tenant, shall not constitute a termination of this Lease, or of Tenant’s right of possession hereunder, unless and until Landlord elects to do so, and until such time Landlord shall have the right to enforce all of its rights and remedies under this Lease, including the right to recover rent, and all other payments to be made by Tenant hereunder, as they become due. Failure of Landlord to terminate this Lease shall not prevent Landlord from later terminating this Lease or constitute a waiver of Landlord’s right to do so.

**18.2. No Waiver.** Acceptance of any payment under this Lease shall not be deemed a waiver of any default or a waiver of any of Landlord’s remedies.

**18.3. Landlord’s Default.** Except as may be elsewhere expressly provided in this Lease, Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord’s obligation is such that more than thirty (30) days are required for performance then Landlord shall not be deemed in default if Landlord commences performance within the thirty (30) day period and thereafter diligently prosecutes the same to completion.

**18.4. Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**18.5. Termination.**

**18.5.1.** The Parties acknowledge that this Lease shall be terminated immediately at the occurrence of any of the following events:

a. By expiration of the Lease;

- b. By mutual agreement of both Parties; or
- c. In the case of casualty as provided for in Section 16.6.

**18.5.2.** The Parties acknowledge that this Lease may be terminated by Landlord upon five (5) days written notice if Tenant fails to meet the Performance Standards.

**18.5.3.** Termination of this Lease shall not extinguish Tenant's obligations to pay Rent or its other obligations including indemnification of Landlord.

**19. SURRENDER OF PREMISES.** The voluntary or other surrender of the Premises by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or licensees, or may, at the option of Landlord, operate as an assignment to it of any or all of such subleases or licenses.

**20. FORCE MAJEURE.** If either Party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the Party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section 20 shall excuse Tenant from the prompt payment of any Monetary Rent.

**21. ESTOPPEL CERTIFICATE.** Tenant shall, at any time and from time to time upon not less than twenty (20) days prior notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and is in full force and effect, and the dates to which the Minimum Rent has been paid, and stating whether or not to the best knowledge that Landlord is in default under this Lease, and, if in default, specifying in reasonable detail each such default, and such other matters as Landlord may reasonably request, it being intended that any such statement delivered by Tenant may be relied upon by Landlord or any prospective purchaser of the fee or any prospective mortgagee or encumbrancer thereof.

If Landlord desires to refinance or transfer the Premises, Tenant agrees to deliver to Landlord or any lender or transferee designated by Landlord such financial information concerning Tenant as may be reasonably required by such lender or transferee and is reasonably available to Tenant. All such financial information shall be received by Landlord in confidence.

**22. SUBORDINATION.** The rights of Tenant shall be and are subject and subordinate at all times to the lien of any mortgage now or hereafter in force against the Theater Building, and Tenant shall promptly execute and deliver such further instruments subordinating this Lease to the lien of any such mortgage as shall be requested by Landlord.

**23. CONDEMNATION.** In the event a condemnation or transfer in lieu thereof results in a taking of any substantial and/or material portion of the Premises, Landlord or Tenant may, upon written notice given to the other Party within thirty (30) days after such taking or transfer in lieu thereof, terminate this Lease. In connection therewith, Landlord and Tenant acknowledge that:

- a. Landlord (acting as the City of Suisun City) possesses the power to take the Premises through eminent domain proceedings; and
- b. The business to be conducted by Tenant upon the Premises is not a viable business without financial assistance from Landlord, therefore if Tenant must vacate the Premises, it will be extremely impractical, if not impossible, for Tenant to operate its business elsewhere.

Therefore, upon such termination Tenant shall have the right to claim and recover from Landlord and/or the condemning authority only the amount equal to the value of any improvements installed by Tenant. Tenant shall **not** receive any value related to the leasehold value of the property which shall be paid solely to Landlord.

**24. USE OF LANDLORD'S NAME.** Tenant shall not use Landlord's name for advertising or promotion without Landlord's prior written consent which may be granted or withheld in its sole discretion.

**25. TRADE FIXTURES.** Tenant has the right to use the Landlord's Personal Property but Tenant shall, at its own cost and expense, install and equip the Premises with all furniture, fixtures, trade fixtures, equipment and personal property reasonably required for the operation of Tenant's business. Any and all fixtures and appurtenances installed by Tenant shall conform with the requirements of all applicable laws and regulations. All furniture and trade fixtures installed by Tenant shall remain the property of Tenant during the Term of this Lease but Tenant shall not be remove any trade fixtures during the Term hereof without Landlord's prior written consent, which consent may be withheld or granted in Landlord's sole discretion. On termination of this Lease, Tenant may, provided Tenant is not in default of this Lease, remove at its own expense all trade fixtures, equipment and its personal property. At termination of this Lease, if Tenant has left any merchandise, furniture, equipment, signs, trade fixtures or other personal property in the Premises, Landlord may give Tenant written notice to remove such property. In the event such property is not removed within five (5) days of the date of said notice, Landlord may dispose of said property in any manner whatsoever and Tenant hereby waives any claim or right to said property or any proceeds derived from the sale thereof. Any damage to the Premises resulting from the installation or removal of any of said trade fixtures or equipment shall be repaired by Tenant at Tenant's sole cost and expense.

**26. PARKING.** Tenant has the non-exclusive right to use the Parking Parcels. Furthermore, public parking is available at other locations near the Premises. Tenant is acknowledges that parking on the Parking Parcels and the public parking is also utilized by and important to the businesses in the Historic Downtown Area.

Student parking shall be off-site in the public parking area adjacent to the Galleria as may be designated by Landlord ("**Student Parking**") Tenant shall require and enforce the use of the Student Parking by its students.

**27. QUIET ENJOYMENT.** As long as Tenant is not in default under this Lease, Tenant shall have quiet enjoyment of the Premises during the Term.

**28. RECORDING MEMORANDUM.** Within ten (10) business days of the Commencement Date (as defined in Section 2.2), the Parties shall execute a memorandum of this Lease in the form reasonably acceptable which Landlord shall cause to be recorded in the Official

Records of Solano County ("**Memorandum of Lease**"). Upon termination or exercise of any rights under this Lease or an amendment of this Lease, the Parties shall execute and record an amendment to the Memorandum of Lease. Tenant shall cooperate with executing any documents reasonably required to effect this provision. Upon termination of the Lease, Tenant shall execute and acknowledge any documents reasonably requested by Landlord in order to terminate the Memorandum of Lease.

**29. HOLDOVER.** Tenant has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease. Any holding over after the expiration of the term of this Lease, with the consent of Landlord, express or implied, shall be construed to be a tenancy from month to month, cancelable upon thirty (30) days written notice, and at a monthly rent equal to Four Thousand Dollars (\$4,000) and upon terms and conditions as existed during the last year of the term hereof.

**30. SPECIAL REQUIREMENTS.** Tenant represents and warrants to Landlord that, as of the Effective Date, it is a non-profit corporation and has applied for tax exempt status. Tenant covenants and agrees that at all times during the Term of this Lease as may be extended by the parties, Tenant shall remain a non-profit corporation in good standing with the State of California. Tenant agrees to provide Landlord with open access to all its corporate records upon request. Tenant shall promptly notify Landlord in writing of any change in its corporate officers, articles, bylaws or non-profit status. As of the Effective Date, Tenant's single point of contact for interaction with Landlord under this Lease shall be the President of the Board. Tenant may change this designation from time to time upon written notice delivered to Landlord together with reasonable documentation confirming corporate authorization for such appointment. Tenant acknowledges that the covenants under this Section 30 are material consideration for this Lease.

**31. MISCELLANEOUS.**

**31.1. Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their successors and assigns and be governed by the laws of the State of California. Any litigation between the Parties hereto concerning this Lease shall be initiated in the Superior Court of the State of California for the County of Solano.

**31.2. Attorney's Fees.** In any action between the Parties seeking enforcement of any of the terms and provisions of this Lease, or in connection with the Premises, the prevailing Party in such action shall be entitled, to have and to recover from the other Party its reasonable attorney's fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

**31.3. Partial Invalidity.** If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereof.

**31.4. Successors in Interest.** The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the Parties hereto; and all of the Parties hereto shall be jointly and severally liable hereunder.

- 31.5. No Oral Agreements.** This Lease covers in full each and every agreement of every kind or nature whatsoever between the Parties hereto concerning this Lease, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein, and there are no oral agreements. Tenant acknowledges that no representations or warranties of any kind or nature not specifically set forth herein have been made by Landlord or its employees, agents or representatives.
- 31.6. Interest.** Any sum due to Landlord under this Lease shall bear interest from and after its due date at a rate equal to three percent (3%) over the reference rate being charged by Bank of America, N.A. per annum until paid to Landlord but not in excess of the maximum rate permitted by law.
- 31.7. Authority.** Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors and that this Lease is binding upon said corporation in accordance with its terms.
- 31.8. Time.** Time is of the essence of this Lease.
- 31.9. Consistency.** Each provision herein shall be interpreted so as to be consistent with every other provision.
- 31.10. Relationship of Parties.** The relationship of the Parties is that of Landlord and Tenant, and it is expressly understood and agreed that Landlord does not in any way or for any purpose become a partner of Tenant in the conduct of Tenant's business or otherwise, or a joint venturer with Tenant.
- 31.11. Non-Discrimination.** Tenant herein covenants by and for Tenant, Tenant's successors, heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises, nor shall the Tenant, or any person claiming under or through Tenant, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, Tenants, subtenants, subtenants or vendees of the Premises.
- 31.12. Non-Collusion.** No official, officer, or employee of Landlord has any financial interest, direct or indirect, in this Lease, nor shall any official, officer, or employee of Landlord participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Tenant represents and warrants that (i) it has not paid or given, and will not pay or give, to any third party including, but

not limited to, Tenant or any of its officials, officers, or employees, any money, consideration, or other thing of value as a result or consequence of obtaining this Lease; and (ii) it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of Landlord, as a result or consequence of obtaining this Lease. Tenant is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Lease void and of no force or effect.

- 31.13. Notices.** Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either Party to this Lease to or on the other, such notice or demand shall be given or served in writing and shall not be deemed to have been duly given or served unless in writing, and personally served or forwarded by certified mail, postage prepaid, addressed as specified below. Either Party may change the address set forth below by written notice by certified mail to the other. Any notice or demand given by certified mail shall be effective one (1) day subsequent to mailing.

Landlord: Suisun City  
701 Civic Center Blvd.  
Suisun City, CA 94585  
Attn: City Manager

With a copy to: Aleshire & Wynder, LLP  
18881 Von Karman Avenue, Suite 400  
Irvine, CA 92612  
Attn: Anthony Taylor, City Attorney

Tenant: Creative Arts Collective  
David D Rodgers Jr  
720 Main St, Suisun, CA 94505  
Attn: President

With a copy to: Robert Dellenbach  
280 L. Waterman Blvd #270  
Fairfield, CA 94534

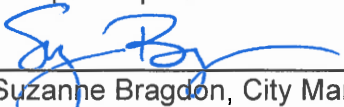
- 31.14. Not an Offer.** The submission of this Lease and any ancillary documents to Tenant shall not constitute an offer to lease, and Landlord shall have no obligation of any kind, express or implied, to lease the Premises to Tenant until Landlord has approved, executed and returned to Tenant a fully signed copy of this Lease.
- 31.15. Amendments.** This Lease may be modified or amended only in writing executed by both Parties and approved by Landlord in accordance with applicable law.
- 31.16. Exhibits.** Exhibits A, B, C, D-1, D-2, and E attached hereto are incorporated herein by reference.



IN WITNESS WHEREOF, the Parties have duly executed this Lease on the day and year first above written in Suisun City, California.

**LANDLORD:**

**CITY OF SUISUN CITY,**  
a municipal corporation

By:   
Suzanne Bragdon, City Manager

November 9, 2015

**ATTEST:**

  
Linda Hobson, City Clerk

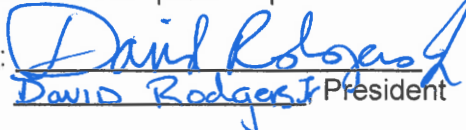
**APPROVED AS TO FORM:**

**ALESHIRE & WYNDER, LLP**

By: \_\_\_\_\_  
Anne Nelson Lanphar  
City Attorney

**TENANT:**

**CREATIVE ARTS COLLECTIVE,** a  
California non-profit corporation

By:   
David Rodgers, President

IN WITNESS WHEREOF, the Parties have duly executed this Lease on the day and year first above written in Suisun City, California.

**LANDLORD:**


**CITY OF SUISUN CITY,**  
a municipal corporation

By:   
Suzanne Bragdon, City Manager

November 9, 2015

**TENANT:**

**CREATIVE ARTS COLLECTIVE,** a  
California non-profit corporation

By:   
David Rodgers, President

**ATTEST:**

\_\_\_\_\_  
Linda Hobson, City Clerk

**APPROVED AS TO FORM:**

**ALESHIRE & WYNDER, LLP**

By:   
Anne Nelson Lanphar  
City Attorney

**EXHIBIT A**  
**DEPICTION OF PREMISES**

**HARBOR THEATER PARCEL**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SOLANO, CITY OF SUISUN CITY, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOT 9, AS SHOWN ON THE PARCEL MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997 IN BOOK 67 OF MAPS, AT PAGE 72, SOLANO COUNTY RECORDS.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT FOR PUBLIC ACCESS, PARKING AND PUBLIC SERVICE APPURTENANT TO PARCEL ONE ABOVE, OVER AND ACROSS LOT B, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997 IN BOOK 67 OF MAPS, PAGE 72, SOLANO COUNTY RECORDS.

APN: 0032-141-140

**WEST PARKING PARCEL**

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SOLANO, CITY OF SUISUN CITY, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2, AS SHOWN ON THE PARCEL MAP OF SUISUN CITY REDEVELOPMENT PROJECT, FILED OCTOBER 27, 2006, IN BOOK 48 OF PARCEL MAPS, PAGE 18, SOLANO COUNTY RECORDS.

APN: 0032-141-180

**NORTH PARKING PARCEL**

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SOLANO, CITY OF SUISUN CITY, AND IS DESCRIBED AS FOLLOWS:

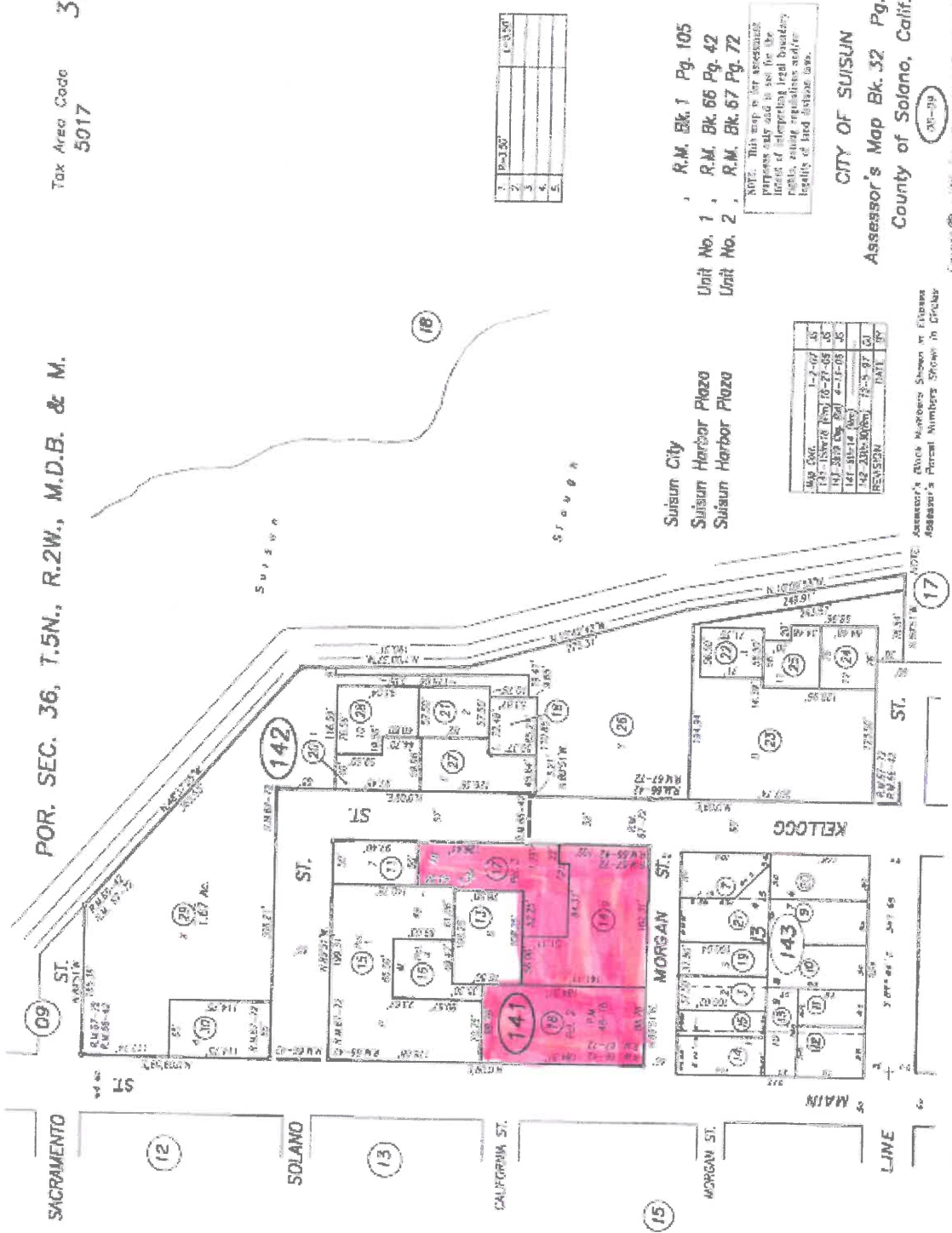
PARCEL 3, AS SHOWN ON THE PARCEL MAP OF SUISUN CITY REDEVELOPMENT PROJECT, FILED OCTOBER 27, 2006, IN BOOK 48 OF PARCEL MAPS, PAGE 18, SOLANO COUNTY RECORDS

APN: 0032-141-170

EXHIBIT A

Tax Area Code  
5017 32

POR. SEC. 36, T.5N., R.2W., M.D.B. & M.



1	10-1-30	1-1-30
2		
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R.M. Bk. 1 Pg. 105  
Unit No. 1 ; R.M. Bk. 66 Pg. 42  
Unit No. 2 ; R.M. Bk. 67 Pg. 72

NOTE: This map is for assessment purposes only and is not for the purpose of determining legal boundary lines, easements, or other legal rights or interests in real property.

CITY OF SUISUN  
Assessor's Map Bk. 32 Pg. 32  
County of Solano, Calif.

Map No.	Issue Date	Issue No.	Issue Date
1	1-2-07	35	
2	1-15-07	36	
3	1-22-07	37	
4	1-29-07	38	
5	2-5-07	39	
6	2-12-07	40	
7	2-19-07	41	
8	2-26-07	42	
9	3-5-07	43	
10	3-12-07	44	
11	3-19-07	45	
12	3-26-07	46	
13	4-2-07	47	
14	4-9-07	48	
15	4-16-07	49	
16	4-23-07	50	
17	4-30-07	51	
18	5-7-07	52	
19	5-14-07	53	
20	5-21-07	54	
21	5-28-07	55	
22	6-4-07	56	
23	6-11-07	57	
24	6-18-07	58	
25	6-25-07	59	
26	7-2-07	60	
27	7-9-07	61	
28	7-16-07	62	
29	7-23-07	63	
30	7-30-07	64	
31	8-6-07	65	
32	8-13-07	66	
33	8-20-07	67	
34	8-27-07	68	
35	9-3-07	69	
36	9-10-07	70	
37	9-17-07	71	
38	9-24-07	72	
39	10-1-07	73	
40	10-8-07	74	
41	10-15-07	75	
42	10-22-07	76	
43	10-29-07	77	
44	11-5-07	78	
45	11-12-07	79	
46	11-19-07	80	
47	11-26-07	81	
48	12-3-07	82	
49	12-10-07	83	
50	12-17-07	84	
51	12-24-07	85	
52	1-7-08	86	
53	1-14-08	87	
54	1-21-08	88	
55	1-28-08	89	
56	2-4-08	90	
57	2-11-08	91	
58	2-18-08	92	
59	2-25-08	93	
60	3-4-08	94	
61	3-11-08	95	
62	3-18-08	96	
63	3-25-08	97	
64	4-1-08	98	
65	4-8-08	99	
66	4-15-08	100	

NOTE: Assessor's Block Numbers Shown in Pink are Assessor's Parcel Numbers Shown in Grey

30-39  
SUISUN CITY, SOLANO COUNTY, CALIF.

**EXHIBIT B**

**SUMMARY OF LANDLORD'S PERSONAL PROPERTY**

**Harbor Theater Equipment  
Inventory list as of 9/30/2015**

Light Board- ETC Obsession 2 light board  
Sound Board- Allen & Heath GL3300 Dual Function Audio Mixing Console  
Furman 20 Amp Pro Series power conditioner  
Alesis Midiverb4 parallel processor  
Neutrik 24 channel A/B input/output system (x2)  
Denon DN-C615 Cd/mp3 player  
Toa BG-115 integrated amplifier (x7)  
DBX 1066 Compressor/Limiter/Gate  
DOD SR831 Qxlr graphic equalizer (x2)  
Rapco Line Driver  
Atlas soundolier SACR-191 sequential switch system  
AB International Professional Series 6300 six channel amplifier (x2)  
AB International Professional Series 4300A four channel amplifier  
AB International Professional Series Sub 2000 three channel amplifier  
Epson Projector  
ETC Source4 Ellipsodial light instrument, various barrels and accessories, x54  
Fresnels, various lenses, x21  
ETC Source4 Pars, various lenses and accessories, x15  
Pars Cans, x4  
Cyc strip lights, 3 channel, x4  
129 chairs  
7 pink tables  
7 lobby chairs  
Maroon drapes in reception hall  
Black drapes in dance hall  
Black drapes in theater  
Scissor lift MX19  
Table saw Delta Unisaw  
Chop saw Hitachi C10FS  
3 ladders (1)12ft Trestle E7412 (2)28ft D6228-2 (3)12ft painted black all Werner ladders  
Shop Vac Craftsman 8gal  
Washer & dryer

## EXHIBIT C

### MONETARY RENT & OTHER PAYMENTS SCHEDULE

**Monetary Rent:** Monetary Rent shall include all of the following:

- \$2 per ticket sold to all events.
  - Complimentary tickets shall not be included.
  - Sales under 2-for-1 promotions shall be viewed as the sale of only one ticket.
- \$2 per student enrollment in a class.
- 2.5% of the gross amount paid to Tenant for any facility rental or use (i.e. such as banquet, wedding, special events, etc.) that is not included in the foregoing fees for ticket sales and students fees. This requirement shall not apply to meetings or rehearsals only if Tenant does not receive any compensation for same.

**Chair Dedication Amounts:** To reflect and thank a donor for their contribution to Tenant, Tenant may attached plaques to the chairs in the Premises with the donor's name. For each such plaque, Tenant shall pay Five Dollars (\$5) to Landlord which shall be used to create the Chair Repair Fund as specified in Section 7.2. Tenant shall pay such amounts to Landlord concurrently with the Mandatory Rent along with reasonable summary of information regarding such donations.

**Landlord Audit Rights:** Landlord may audit Tenant's books and records with respect to Mandatory Rent and the Chair Dedication Funds upon ten (10) days prior written notice to Tenant. Any audit conducted by Landlord shall be completed within sixty (60) days after commencement of same. Tenant and Landlord shall cooperate as may be reasonably necessary in order to facilitate the timely completion of any audit. Landlord's audit will be conducted only during regular business hours at the office where Tenant maintains its business records. If such audit determines that an additional sum is due to Landlord, Tenant shall promptly pay such amount to Landlord together with interest thereon in accordance with Section 31.6. If the audit determines that the amount of underpayment exceeds five percent (5%) of the amount which should have been paid, then Tenant shall also promptly reimbursed Landlord for the cost of the audit. If the audit discloses that any underpayment of Monetary Rent is negligent or careless and amount underpaid exceeds ten percent (10%) of the amount due, such shall constitute a material default by Tenant. In the event the audit determines that Tenant has overpaid Monetary Rent, the amount overpaid shall be applied as a credit to future Monetary Rent due under this Lease.

EXHIBIT D-1

**MINIMUM PROGRAM REQUIREMENTS**

**Live Theater Productions:**

- Three (3) recurring regularly scheduled monthly events.
- 4 full theatrical productions per year, each with a minimum of 8-12 performances.
- Cumulative minimum attendance of 450 paying attendees per month.

**Classes:**

- Provide classes such as art, poetry, youth theater, dance, vocal training, high-quality films, acting, instructor, etc.
- Twelve (12) classes offered per month (on an average) each with a minimum of 1 session per week for not less than 4 consecutive weeks.
- Cumulative minimum of 150 students enrolled per month.

**ADDITIONAL REQUIREMENTS:**

**(a) Commencement of Minimum Program Requirements:** Tenant shall commence the Minimum Program Requirements as of the Commencement Date.

**(b) General Requirements:** In conjunction with operating its business operations (including the Minimum Programs Requirements) and any other special events, Tenant work with the City (as the appropriate public agency) at Tenant's sole cost and expense to:

- Secure all required permits.
- Arrange for additional security for traffic and crowd control if necessary.
- Parking (off site if necessary) and transportation to the Premises.
- Any other reasonable requirements to facilitate the event which may vary depending on expected attendance.

**EXHIBIT D-2**

**REPORTING OBLIGATIONS REGARDING MINIMUM PROGRAM REQUIREMENTS**

On a quarterly basis, Tenant shall meet with an Ad Hoc Committee of the City Council responsible for economic development activities in the Waterfront District to report on activities, initiatives, accomplishments and the like as well as Tenant's compliance with the Minimum Program Requirements. Such quarterly meetings shall occur at a time and location mutually acceptable to both Parties. However, at any time, Tenant may request a special meeting with the Ad Hoc Committee to discuss special issues and interests. Tenant is aware that all actions of the Ad Hoc Committee are not legally binding on Landlord unless and until approved by the City Council in accordance with applicable law.

In preparation for these quarterly meetings, Tenant will prepare, at a minimum, a "Schedule of Events" that includes both past, current and planned events running from July-June. For each event, dates will be provided as well as a description of the event, attendance numbers (actual or estimated) and the number of showings/screenings. A suggested format follows.



**SCHEDULE OF EVENTS**

**Harbor Arts Center @ Harbor Theater**  
720 Main Street, Suisun City, CA 94585

DATE	EVENT	DESCRIPTION	Estimated Attendance	# of Events
October 24, 30, 31, 2015	Haunted House	Haunted House	100-200	4
October 24 & 31, 2015	Halloween Carnival	Family Friendly Activities	100-200	2
November 6-8, 2015	Once Upon A Time Series	Starbound Theatre presents "Cinderella"	200-300	4
November 14, 2015	Community Art Day Fundraiser	Actors workshopping for auditions, etc.	100-200	1
November 21, 2015	Rental Booking	Theatre Rental		1
November 28, 2015	Ladies Night of Comedy	Comedy show	75-100	1
December 5, 2015	Once Upon A Time Series	Starbound Theatre presents "Cinderella"	200-300	3
December 5-6, 2015	Holiday Arts & Crafts Faire	Holiday Arts & Crafts Faire	75-125	2
December 11-19, 2015	Theatre Production	Hip Hop Christmas	400-500	6
December 19, 2015	Paint Night Event	Easy Easel Paint Party	25-35	1
December 20, 2015	Rental Booking	Theatre Rental		1
January 15-24, 2016	Theatre Production	Resident Theatre Partner	200-400	4
January 30, 2016	Comedy Night	Comedy show	75-100	1
February 5-7, 2016	Theatre Production	Harbor Arts Center Presentation	100-200	3
February 12-21, 2016	Dinner Theatre Production	Collective Member Booking	200-300	6
February 12-21, 2016	Theatre Production	Harbor Arts Center Presentation	200-400	6

Events highlighted in yellow are confirmed

Total Number of Events: 163

**SCHEDULE OF EVENTS**

**Harbor Arts Center @ Harbor Theater**  
720 Main Street, Suisun City, CA 94585

DATE	EVENT	DESCRIPTION	Estimated Attendance	# of Events
February 27, 2016	Comedy Night	Comedy show	75-100	1
March 4- March 13, 2016	Theatre Production	Collective Member Booking	300-400	6
March 18- April 3, 2016	Theatre Production	Resident Theatre Partner	400-600	9
March 26, 2016	Comedy Night	Comedy show	50-75	1
April 8-April 24, 2016	Theatre Production	Harbor Arts Center Presentation	400-600	9
April 30, 2016	Comedy Night	Comedy show	75-100	1
May 6- May 15, 2015	Theatre Production	Rental	200-300	6
May 20-22, 2016	Theatre Production	Collective Member Booking	150-200	3
May 28, 2016	Comedy Night	Comedy show	75-100	1
June 17, 2016	City of Suisun	Buzz Awards		1
June 24- June 26, 2016	Theatre Production	Harbor Arts Center Presentation	200-300	4
July 9- July 10, 2016	Dance Showcase	Collective Booking	400-500	4
July 22- July 24, 2016	Theatre Production	Collective Member Booking	300-400	4
June 30, 2016	Comedy Night	Comedy show	75-100	1
August 5- August 21, 2016	Theatre Production	Resident Theatre Partner	400-500	9
August 12- August 21, 2016	Theatre Production	Collective Member Booking	200-400	6

Events highlighted in yellow are confirmed

Total Number of Events: 163

**SCHEDULE OF EVENTS Harbor Arts Center @ Harbor Theater**  
720 Main Street, Suisun City, CA 94585

DATE	EVENT	DESCRIPTION	Estimated Attendance	# of Events
August 27, 2016	Comedy Night	Comedy show	75-100	1
September 9-September 25, 2016	Theatre Production	Harbor Arts Center Presentation	500-600	9
September 24, 2016	Comedy Night	Comedy show	75-100	1
October 14-23, 2016	Theatre Production	Collective Member Booking	200-400	6
October 28-30, 2016	Theatre Production	Collective Member Booking	200-300	4
October 29, 2016	Comedy Night	Comedy show	75-100	1
November 4-November 20, 2016	Theatre Production	Resident Theatre Partner	400-600	9
November 26, 2016	Comedy Night	Comedy show	75-100	1
December 3-5, 2016	Theatre Production	Collective Member Booking	200-300	4
December 9-11, 2016	Theatre Production	Rental	100-200	4
December 9-11, 2016	Theatre Production	Collective Member Booking	200-300	4
December 16-24, 2016	Theatre Production	Harbor Arts Center Presentation	300-400	6
December 31, 2016	Comedy Night	Comedy show	75-100	1

Events highlighted in yellow are confirmed

Total Number of Events: 163

**EXHIBIT E**  
**TENANT MAINTENANCE STANDARDS**

Exhibit F  
Tenant Maintenance Standards & Obligations

Mandatory Standards Maintenance Schedule		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
<b>ID</b>	<b>Task Name</b>												
	<b>DAILY TASKS W/ANY USE</b>												
1	Trash pickup - Take to dumpster	x	x	x	x	x	x	x	x	x	x	x	x
2	Clean restrooms and stock	x	x	x	x	x	x	x	x	x	x	x	x
3	Mop & sweep building	x	x	x	x	x	x	x	x	x	x	x	x
4	Clean concession	x	x	x	x	x	x	x	x	x	x	x	x
5	Sweep theatre and clean seats	x	x	x	x	x	x	x	x	x	x	x	x
6	Store all maintenance equipment	x	x	x	x	x	x	x	x	x	x	x	x
	<b>WEEKLY TASKS</b>												
7	Clean trash cans	x	x	x	x	x	x	x	x	x	x	x	x
8	Litter pick-up parking lot	x	x	x	x	x	x	x	x	x	x	x	x
9	Sweep around building	x	x	x	x	x	x	x	x	x	x	x	x
	<b>QUARTERLY TAKS</b>												
10	Wash around building	x	x	x	x	x	x	x	x	x	x	x	x

## HOUSING AUTHORITY AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

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**HOUSING AUTHORITY AGENDA ITEM:** Consideration of the Housing Authority of the City of Suisun City Resolution No. HA 2019-\_\_\_ : Appointing the City Manager as Executive Director of the Housing Authority and the Housing Manager as Executive Director Pro Tempore

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**FISCAL IMPACT:** There would be no impact to the General Fund.

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**STRATEGIC PLAN GOAL(S):** Provide Good Governance.

---

**BACKGROUND:** The City Manager has historically served in the capacity of the Executive Director of the Suisun City Housing Authority. In 2006, Housing Authority Resolution No. HA 2006-01 designated the Assistant City Manager as the Executive Director Pro Tempore.

---

**STAFF REPORT:** The last Executive Director Pro Tempore appointed by the Housing Authority Board was the former Assistant City Manager in 2006. There currently is no Assistant City Manager on staff and no intent to fill the position. The Housing Manager oversees the day-to-day operations of the Housing Authority. In order to provide good governance, the Board should update the appointment of the City Manager as the Executive Director and the Housing Manager as the Executive Director Pro Tempore.

---

**RECOMMENDATION:** It is recommended that the Housing Authority of the City of Suisun City Adopt Housing Authority Resolution No. HA 2019-\_\_\_ : Appointing the City Manager as Executive Director of the Housing Authority and the Housing Manager as the Executive Director Pro Tempore.

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**ATTACHMENTS:**

1. Housing Authority of the City of Suisun City Resolution No. HA 2019-\_\_\_ : Appointing the City Manager as Executive Director of the Housing Authority and the Housing Manager as the Executive Director Pro Tempore
2. Bylaws of the Housing Authority of Suisun City

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**PREPARED BY:**  
**REVIEWED BY:**  
**APPROVED BY:**

Greg Folsom, City Manager  
 Anthony Taylor, City Attorney  
 Greg Folsom, City Manager

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**RESOLUTION NO. HA 2019-**

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SUISUN CITY APPOINTING THE CITY MANAGER AS EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY AND THE HOUSING MANAGER AS EXECUTIVE DIRECTOR PRO TEMPORE**

**WHEREAS**, in order to provide good governance, the Housing Authority Board will designate an Executive Director and an Executive Director Pro Tempore to provide general supervision over the administration of its business and affairs, subject to direction of the Housing Authority; and

**WHEREAS**, the City Manager has historically served in the capacity as Executive Director, but has not been officially appointed as such by the Housing Authority Board; and

**WHEREAS**, in 2006, Housing Authority Resolution No. HA 2006-01 designated the Assistant City Manager as Executive Director Pro Tempore, but the Assistant City Manager position is vacant and is not expected to be filled; and

**WHEREAS**, the Housing Manager oversees the day-to-day operations of the Housing Authority; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Suisun City Housing Authority hereby appoints the City Manager as Executive Director of the Housing Authority and the Housing Manager as the Executive Director Pro Tempore.

**PASSED AND ADOPTED** at a regular meeting of said Housing Authority held on Tuesday, the 26th of November, 2019; by the following vote:

<b>AYES:</b>	Boardmembers:	_____
<b>NOES:</b>	Boardmembers:	_____
<b>ABSENT:</b>	Boardmembers:	_____
<b>ABSTAIN:</b>	Boardmembers:	_____

**WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

\_\_\_\_\_  
Donna Pock, CMC  
Deputy City Clerk

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## EXHIBIT A

# BYLAWS OF THE HOUSING AUTHORITY OF THE CITY OF SUISUN CITY

### ARTICLE I - THE AUTHORITY

**Section 1. Name of Authority.** The name of the Authority shall be the "Housing Authority of the City of Suisun City".

**Section 2. Seal of Authority.** The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

**Section 3. Office of Authority.** The office of the Authority shall be at such place in the City of Suisun City, California, as the Authority may from time to time designate by resolution.

### ARTICLE II - OFFICERS

**Section 1. Officers.** The officers of the Authority shall be a Chair, a Vice Chair an Executive Director, and a Secretary.

**Section 2. Chair.** The Chair shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chair shall sign all contracts, deeds and other instruments made by the Authority. At each meeting the Chair shall submit such recommendations and information, as the Chair may consider proper concerning the business, affairs and policies of the Authority.

**Section 3. Vice Chair.** The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair; and in case of the resignation or death of the Chair, the Vice Chair shall perform such duties as are imposed on the Chair until such time as the Authority shall elect a new Chair,

**Section 4. Executive Director.** The Executive Director shall be appointed by the Board and shall have general supervision over the administration of its business and affairs, subject to the direction of the Authority. The Executive Director shall be charged with the management of the housing projects and programs of the Authority.

1  
2 The Executive Director shall have care and custody of all funds of the Authority and shall  
3 authorize deposits and disbursements under the direction of the Authority. The accounting of the  
4 Authority shall be performed by the Finance Department.

5 **Section 5. Secretary.** The Secretary shall be appointed by and serve at the pleasure of  
6 the Executive Director. The Secretary shall attend the meetings, keep the records of the  
7 Authority, record all votes and keep a record of the proceedings in a journal of proceedings to be  
8 kept for such purpose, and shall perform all duties incident to this office. The Secretary shall  
9 have custody of the seal of the Authority and shall have power to affix such seal to all contracts  
10 and instruments authorized to be executed by the Authority.

11 **Section 6. Additional Duties.** The officers of the Authority shall perform such other  
12 duties and functions as may from time to time be required by the Authority or the Bylaws or rules  
13 and regulations of the Authority.

14 **Section 7. Election or Appointment.** The Chair and Vice Chair shall be elected at the  
15 first meeting of the calendar year of the Authority from among the Commissioners of the  
16 Authority, and shall hold office for two years or until their successors are elected and qualified.  
17 The two-year terms shall start in even numbered years.

18 The Executive Director shall be appointed by the Authority. Any person appointed to fill the  
19 office of Executive Director, or any vacancy therein, shall have such term as the Authority fixes,  
20 but no Commissioner of the Authority shall be eligible to this office except as a temporary  
21 appointee.

22 **Section 8. Vacancies.** Should the offices of Chair or Vice Chair become vacant, the  
23 Authority shall elect a successor from its membership at the next regular meeting, and such  
24 election shall be for the unexpired term of said office. When the office of Executive Director  
25 becomes vacant, the Authority shall appoint a successor as provided in Section 7 of this Article.

26 **Section 9. Additional Personnel.** The Authority may from time to time employ such  
27 personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the  
28 Housing Authorities Law, as amended, of California and all other laws of the State of California  
applicable thereto. The selection and compensation of such personnel (including the Secretary)  
shall be determined by the Authority subject to the laws of the State of California.

### ARTICLE III - MEETINGS

29 **Section 1. Regular Meeting.** Regular meetings shall be held on the first Tuesday of the  
30 following months: January, April, July, October; however, each Tuesday shall be considered a  
31 regular meeting day if necessary to carry out the business of the Authority. In the event a day of  
32 regular meeting shall be a legal holiday, said meeting shall be held on the next succeeding secular  
33 day.

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**Section 2. Special Meetings.** The Chair of the Authority or the majority of the Commissioners may call a special meeting of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting shall be mailed to each Commissioner of the Authority at his or her business or home address at least twenty four (24) hours prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all of the Commissioners of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

**Section 3.** All of the meetings of the Commissioners shall be open to the public, whether regular or special.

**Section 4 Quorum.** The powers of the Authority shall be vested in the Commissioners thereof in office from time to time. Four (4) Commissioners shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the Commissioners present.


**Section 5.** All resolutions shall be in writing and shall be copied in a journal of the proceedings of the Authority.

**Section 6. Manner of Voting.** The voting on all questions coming before the Authority shall be by roll call, and the ayes and noes shall be entered upon the minutes of such meeting, except on the election of officers which may be by ballot.

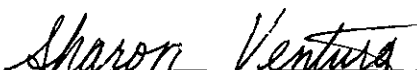
#### ARTICLE IV - AMENDMENTS

**Amendments to Bylaws.** The bylaws of the Authority shall be amended only with the approval of at least four of the Commissioners of the Authority at a regular or special meeting.

DATED: March 16, 1999

  
Michael Segala, Housing Authority Chair

ATTEST:

  
Sharon Ventura, Housing Authority Secretary

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## HOUSING AUTHORITY AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

**CITY AGENDA ITEM:** Consideration of Resolution No. HA2019-\_\_\_: A Resolution of Intent to Sell Two Parcels Owned by the Housing Authority of the City of Suisun City (Assessor Parcel Numbers 0173-390-160 and 0173-390-180), located along the North Side of Highway 12 and East of Sunset Avenue, and Authorize the Executive Director to Take any and all Actions Necessary to Move Forward with the Sale of the Property and Set Public Hearing Date.

**FISCAL IMPACT:** None at this time, however, if the Housing Authority Board ultimately proceeds with the sale of the property, there would be a positive one-time impact to the Housing Authority of \$925,000. There would be no impact to the General Fund.

**STRATEGIC PLAN IMPACT:** Develop Sustainable Economy; Ensure Fiscal Solvency.

**BACKGROUND:** The Suisun City Housing Authority owns two vacant parcels (APN's 0173-390-160 and 0173-390-180) which are along the north side of Highway 12 and east of Sunset Avenue and the Sunset Shopping Center. For the several years that the City has owned these parcels, it has marketed them for commercial development and been in contract on various occasions. However, each time the deals have fallen short of entitlement and initiation of development.

**STAFF REPORT:** Staff was approached by a developer (Brandon Norton, Norton Capital Inc.) who is interested in developing the property for commercial purposes. The developer has a knowledge of the area and the retail market demand based on both his own experience in retail development, and his direct experience working with the Lewis Group as a leasing agent for the proposed commercial project on the 34-acre property. While that particular site was not feasible for a 30+ acre commercial development, the developer did identify enough interest in the Suisun City market to warrant the development of the 8.29-acre property owned by the Housing Authority.

The development team would be comprised of Norton Capital Inc, which is redeveloping the 105,000 sf Oakmont Plaza in Fairfield, and Sutter Retail Development Corporation ([www.srdc.co](http://www.srdc.co)), the development arm of Hilbers Inc., ([www.hilbersinc.com](http://www.hilbersinc.com)) one of the largest retail commercial contractors on the west coast. Sutter Retail Development Corp has built projects in Williams, Napa, Marysville, Yuba City, and Fairfield, including an O'Reilly's Auto Parts on W. Texas Street in Fairfield.

Mr. Norton expressed interest in purchasing the properties for the amount of \$925,000, which exceeds the value based on an appraisal dated August 25, 2016 and updated on May 16, 2017 prepared by Garland & Associates. Garland & Associates is the appraiser most often used by the City to appraise properties, and Ronald Garland is very experienced with Suisun City properties.

**PREPARED BY:**  
**REVIEWED BY:**  
**APPROVED BY:**

Greg Folsom, City Manager  
 Anthony Taylor, City Attorney  
 Greg Folsom, City Manager

Additionally, the Planning Commission adopted Resolution PC19-13 at their November 19, 2019 meeting which found the future sale to be in conformance to the 2035 General Plan per Government Code Section 65302 (Attachment 6).

Before Housing Authority property can be sold, the Housing Authority must follow the procedures articulated by Section 37420 et seq. of the Government Code. The process runs as follows:

1. The Housing Authority Board must adopt a resolution finding its intention to sell the property.
  - The resolution must: “(a) Fix a time for hearing protests to the sale. (b) Provide for publication of the notice of hearing. (c) Fix the time final action will be taken. (d) Contain an accurate description of the property to be sold.”
  - Additionally, the “resolution shall be published at least once in a daily newspaper published and circulated in the city or, if there is none, the legislative body shall designate a newspaper published in the county. It shall also be posted for not less than ten days in at least three conspicuous places upon each parcel of real property affected.”
2. Protests may be provided to the city clerk at any time prior to final action.
  - If no protests are received, or the council overrules the protests by a 4/5 vote, the sale can proceed.
3. Sale of the property requires a 4/5 vote of the council at a noticed public hearing. If the sale does not pass by this margin (or if the protests are not overruled by a 4/5 vote) then no further action can be taken for 6 months (unless a special election is called) on the sale of the property. Note that the vote to proceed with the sale is separate from the vote needed to overrule the protests, if applicable.

Once the resolution of intent to sell Housing Authority property is adopted by the Board, staff will publish and post the resolution as required by law, and issue a notice of public hearing for the Board to take final action on the sale. At the hearing, the Board will be provided with all protests, if any, and will take action on the sale of the property.

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**RECOMMENDATION:** It is recommended that the Housing Authority Board Adopt Resolution No. HA2019-\_\_\_: A Resolution of Intent to Sell Two Parcels Owned by the Housing Authority of the City of Suisun City (Assessor Parcel Numbers 0173-390-160 and 0173-390-180), located along the North Side of Highway 12 and East of Sunset Avenue, and Authorize the Executive Director to Take any and all Actions Necessary to Move Forward with the Sale of the Property and Set a Public Hearing Date.

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**ATTACHMENTS:**

1. Resolution No. HA2019-\_\_\_: A Resolution of Intent to Sell Two Parcels Owned by the Housing Authority of the City of Suisun City (Assessor Parcel Numbers 0173-390-160 and 0173-390-180), located along the North Side of Highway 12 and East of Sunset Avenue, and Authorize the Executive Director to Take any and all Actions Necessary to Move Forward with the Sale of the Property and Set Public Hearing Date.
2. Purchase and Sale Agreement
3. Appraisal Dated 8-25-2016
4. Appraisal Update dated 5-16-2017
5. ALTA Survey
6. Planning Commission Resolution No. PC19-13

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**RESOLUTION NO. HA2019-**

**A RESOLUTION OF INTENT TO SELL TWO PARCELS OWNED BY THE HOUSING AUTHORITY OF THE CITY OF SUISUN CITY (ASSESSOR PARCEL NUMBERS 0173-390-160 AND 0173-390-180), LOCATED ALONG THE NORTH SIDE OF HIGHWAY 12 AND EAST OF SUNSET AVENUE, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE ANY AND ALL ACTIONS NECESSARY TO MOVE FORWARD WITH THE SALE OF THE PROPERTY AND SET PUBLIC HEARING DATE.**

**WHEREAS**, the City owns property located along the north side of Highway 12 and east of Sunset Avenue consisting of Assessor Parcel Numbers 0173-390-160 and 0173-390-180 (the “Properties”).

**WHEREAS**, \$900,000 is the appraised value based on an appraisal dated August 25, 2016 and updated May 16, 2017, completed both by Garland & Associates.

**WHEREAS**, Developer has submitted an offer to purchase the properties for \$925,000.

**WHEREAS**, Section 37420 *et seq.* of the Government Code sets forth the procedures to dispose of City-owned residential real property, and requires that the City Council first adopt a resolution of intent to sell and conduct a noticed public hearing on the disposition prior to taking final action; and

**NOW, THEREFORE, BE IT RESOLVED, THE CITY OF SUISUN CITY HOUSING AUTHORITY DOES HERBY RESOLVE AS FOLLOWS:**

**Section 1 Intention:** The Housing Authority Hereby declares its intent to sell the real property located along the north side of Highway 12 and east of Sunset Avenue in Suisun City, also identified as Solano County Assessor’s Parcel Number (0173-390-160 and 0173-390-180) (the “Properties”).

**Section 2 Notice of Public Hearing:** Notice is hereby given that a public hearing for the Housing Authority Board to take action on the sale of the Properties will be held by the City Council on December 17, 2019, or as soon as thereafter as feasible in the City Council Chambers, located at 701 Civic Center Boulevard, Suisun City.

**Section 3 Notice:** The Housing Authority shall give notice of the time and place of the public hearing to all interested parties by causing the publishing of this Resolution once in the local

1 newspaper, not less than ten (10) days before the date of the Public Hearing, and by posting a  
2 copy of this resolution on the official bulletin board customarily used by the Housing Authority  
3 for the posting of notices. It shall also be posted for not less than ten days in at least three  
4 conspicuous places upon each parcel of the Properties. Any interested person may file a written  
5 protest with the City Clerk prior to the conclusion of the Public Hearing, or, having previously  
6 filed a protest, may file a written withdrawal of that protest. A written protest shall state all  
7 grounds of objection and a protest by a property owner shall contain a description sufficient or  
8 identify the property owned by such property owner. At the public hearing, all interested  
9 persons shall be afforded the opportunity to hear and be heard.

9 **Section 4 Action on Protests:** After the public hearing, the Board will take action with respect  
10 to any protests filed. Protests may be overruled by the Board by a 4/5 vote.

11 **Section 5. Final Action on Sale of Properties:** After the public hearing, and provided that no  
12 protests are filed or the Board overrules the protests by a 4/5 vote, the Board will take final  
13 action to set the sale of the Properties in motion.

14 **PASSED AND ADOPTED** at a Regular Meeting of said Housing Authority of the City  
15 of Suisun City duly held on Tuesday, the 26<sup>th</sup> day of November 2019, by the following vote:

16 **AYES:** Councilmembers: \_\_\_\_\_  
17 **NOES:** Councilmembers: \_\_\_\_\_  
18 **ABSENT:** Councilmembers: \_\_\_\_\_  
**ABSTAIN:** Councilmembers: \_\_\_\_\_

19 **WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

20  
21 \_\_\_\_\_  
22 Donna Pock, CMC  
23 Deputy City Clerk  
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**AGREEMENT FOR PURCHASE AND SALE  
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is made this \_\_\_ day of \_\_\_\_\_, 2019 by and between SUTTER RETAIL DEVELOPMENT, INC., a California corporation (“**Buyer**”) and HOUSING AUTHORITY OF SUISUN CITY, a public body, corporate and politic (“**Seller**”). PLACER TITLE COMPANY, a California corporation shall be the escrow holder (“**Escrow Holder**”).

**RECITALS:**

**A.** Seller is the owner of that certain unimproved real property consisting of approximately 8.29 acres located east of Sunset Avenue and north of Highway 12 in the City of Suisun City (“**City**”), County of Solano, State of California (Assessor Parcel Nos. 0173-390-160 and 0173-390-180), more particularly described in **Exhibit A** attached hereto and by this reference incorporated herein (“**Property**”).

**B.** Buyer proposes to develop a retail center similar to the proposed concept plan attached hereto as **Exhibit B** together with landscaping lighting and public street improvements on the Property (“**Proposed Project**”).

**C.** Seller now desires to sell and Buyer desires to buy the Property based upon the terms and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

**TERMS AND CONDITIONS:**

**1. PURCHASE AND SALE OF PROPERTY.** Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer the Property in AS-IS condition subject only to the representations and warranties set forth herein and on the other terms and conditions in this Agreement.

**2. EFFECTIVE DATE; OPENING OF ESCROW.**

**2.1 Effective Date.** This Agreement shall be deemed effective upon execution of the Agreement by Seller after approval by the Seller’s Board as required by law (“**Effective Date**”).

**2.2 Opening of Escrow.** Within three (3) business days from the Effective Date, the parties shall open an escrow (“**Escrow**”) with Laura Vierra (“**Escrow Officer**”) at Placer Title Company 1300 Oliver Rd., Suite 120 Fairfield, CA 94534 Phone: (707) 429-2211 (“**Escrow Holder**”) by causing an executed copy of this Agreement to be deposited with Escrow Holder which Escrow Holder shall sign and accept and Buyer concurrently delivering the Deposit to Escrow Holder as specified in Section 3.2.a (“**Opening of Escrow**”). If Buyer fails to deliver the Deposit in the time specified, Seller shall have the right to terminate this Agreement.

**3. PURCHASE PRICE; PAYMENT OF PURCHASE PRICE.**

**3.1 Purchase Price.** The purchase price is Nine Hundred Twenty-Five Thousand Dollars (\$925,000) (“**Purchase Price**”).

**3.2 Payment of Purchase Price.**

- a. **Initial Deposit.** Upon Opening of Escrow, Seller shall deliver the amount of Fifty Thousand Dollars (\$50,000) Dollars ("**Initial Deposit**") to Escrow Holder.
- b. **Interest Bearing Account.** Buyer shall have the right to direct Escrow Holder to invest the Initial Deposit in an interest bearing demand account provided Buyer complies with all requirements. Interest shall be retained in the Escrow and taxable to Buyer.
- c. **Deposit.** The term "**Deposit**" shall mean the Initial Deposit plus any interest earned thereon.
- d. **Option Consideration.** If Buyer elects to exercise the Option to Extend pursuant to Section 5.3, the Extension Consideration paid directly to Seller shall be credited against the Purchase Price at Closing.
- e. **Balance of Purchase Price.** Buyer shall deposit the balance of the Purchase Price with Escrow Holder in good funds at least one (1) business day prior to the Closing Date.
- f. **Good Funds.** All funds deposited in Escrow or delivered to Seller under Section 5.2 shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

#### 4. **FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.**

**4.1 Seller.** Seller agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- i. Executed and acknowledged grant deed in the form attached hereto as **Exhibit C** ("**Grant Deed**") and such other documents as reasonably required by Title Company.
- ii. A Non-Foreign Affidavit as required by federal law.
- iii. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

**4.2 Buyer.** Buyer agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- i. A Preliminary Change of Ownership Statement completed in the manner required in Solano County ("**PCOR**").
- ii. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

**4.3 Recordation, Filing, Completion and Distribution of Document.** Escrow Holder shall confirm that any documents signed in counterpart are matching documents and shall combine the signature pages thereof so as to create fully executed documents. Escrow Holder will cause the Grant Deed to be recorded in the Official Records of Solano County so it can issue the

Title Policy in accordance with Section 7. Promptly following Close of Escrow, Escrow Holder shall distribute Escrow Holder's final closing statement and conformed copies of all recorded documents to the parties.

**5. CLOSING DATE; EXTENSION OPTIONS; TIME IS OF ESSENCE.**

**5.1 Closing Date.** Escrow shall close not later than thirty (30) days after expiration of the Entitlement Period, BUT, in no event, later than fourteen (14) months from the Opening of Escrow ("**Closing Date**"). The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the time Grant Deed is filed for recording by the Escrow Holder in the Office of the County Recorder of Solano County, California.

**5.2 Option to Extend.** Provided Buyer is not in default under this Agreement, Buyer shall have one (1) option to extend the Closing Date for a period of ninety (90) days ("**Option to Extend**"). At least ten (10) days prior to the initial Closing Date, Buyer may exercise the Option to Extend by delivering directly to Seller: (i) written notice exercising the Option to Extend; and (ii) the sum of Fifty Thousand Dollars (\$50,000) as option consideration ("**Extension Consideration**"). A copy of the Option to Extend exercise notice will be provided to Escrow Holder. At Closing of Escrow, the Extension Consideration shall be credited to the Purchase Price. If Escrow does not close, the Extension Consideration shall be retained by Seller as option consideration for the extension.

**5.3 Time is of Essence.** Buyer and Seller specifically agree that time is of the essence under this Agreement.

**5.4 Possession.** Upon the Close of Escrow, Seller shall deliver possession of the Property to Buyer.

**5.5 Executive Director Authority.** Seller by its execution of this Agreement agrees that its Executive Director or his/her designee (who has been designated by Executive Director's written notice delivered to Buyer and Escrow Holder) shall have the authority to execute documents on behalf of Seller including, but not limited to, issuing approvals, disapprovals and extensions. Any such approval, disapproval or extension executed by the Executive Director or his/her designee shall be binding on Seller.

**6. TITLE POLICY.**

**6.1 Approval of Title.** Promptly following execution of this Agreement but, in no event later than five (5) days following Opening of Escrow, a preliminary title report shall be issued by Placer Title Company ("**Title Company**"), describing the state of title of the Property, together with copies of all exceptions listed therein and a map plotting all easements specified therein ("**Preliminary Title Report**"). Within forty-five (45) days after Buyer's receipt of the Preliminary Title Report, Buyer shall notify Seller in writing ("**Buyer's Title Notice**") of Buyer's disapproval of any matters contained in the Preliminary Title Report except that Buyer may not disapprove any title exceptions caused by Buyer's entry onto the Property pursuant to Section 7.4. ("**Disapproved Exceptions**").

In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of ten (10) days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such

election by delivery of written notice to Seller and Escrow Holder within five (5) days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) days following receipt of notice of such additional exceptions.

**6.2 Title Policy.** At the Close of Escrow, the Title Company shall furnish Buyer with an ALTA owner's non-extended Policy of Title Insurance ("**Title Policy**") insuring title to the Property vested in Buyer with coverage in the amount of the Purchase Price, containing only (i) the exceptions approved or waived by Buyer in accordance with Section 6.1; (ii) any exception resulting from Buyer's acts under Section 7.4; and (iii) any acts caused by Buyer. The cost of the Title Policy to Buyer shall be paid as set forth in Section 12.4. If Buyer desires to obtain an ALTA extended coverage owner's title policy, Buyer shall deliver an ALTA survey, at Buyer's cost, to Title Company at least thirty (30) days prior to the Closing Date and Buyer shall pay the additional cost for the extended coverage.

## **7. DUE DILIGENCE.**

**7.1 Due Diligence.** Seller has provided Buyer with any and all documents and information in Seller's possession and control concerning the Property including contracts, leases, and reports which are listed on **Exhibit D**. Commencing with the Effective Date, Buyer shall have the right to obtain at its cost to conduct such engineering, feasibility studies, soils tests, environmental studies and other investigations as Buyer in its sole discretion may desire, to permit Buyer to determine the suitability of the Property for Buyer's contemplated uses and to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Property, including Buyer securing financing and necessary entitlements for Buyer's proposed project.

**7.2 Natural Hazard Disclosure Report.** Upon Opening of Escrow, Escrow Holder shall promptly order a commercial Natural Hazards Disclosure report for the Property from Disclosure Source ("**NHD Report**") to be delivered to Buyer and Seller.

**7.3 Disapproval of Due Diligence Matters.** No later than One Hundred Eighty (180) days from the Opening of Escrow ("**Due Diligence Expiration Date**"), Buyer may, in its sole discretion, notify Seller in writing (with a copy to Escrow Holder) of (i) its disapproval of the due diligence matters (excluding title matters which are to be approved or disapproved pursuant to Section 6), and (ii) its election to terminate this Agreement and Escrow ("**Disapproval and Termination Notice**").

If Buyer sends the Disapproval and Termination Notice in the time and manner specified above, the parties shall execute any documents required by Escrow Holder and upon receipt of said documents executed by the parties, Escrow Holder shall return the Deposit (less any cancellation charges) to Buyer. If Buyer does not deliver the Disapproval and Termination Notice in the time and manner specified above, Buyer shall conclusively be deemed to have approved due diligence matters.

**7.4 Right to Enter the Property.** Commencing with the Effective Date, Seller grants Buyer, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, reports, investigations and tests shall be done at Buyer's sole cost and expense.

Prior to entry onto the Property, Buyer shall (i) notify Seller the date and purpose of each intended entry together with the names and affiliations of the persons entering the Property; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) allow an employee of Seller to be present at Seller's election; (v) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this provision; (vi) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Property in the amounts required by the State of California; (vii) provide to Seller prior to initial entry a certificate of insurance evidencing that Buyer has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000) which insurance names Seller as additional insured; (viii) return the Property to substantially its original condition following Buyer's entry; (ix) provide Seller copies of all studies, surveys, reports, investigations and other tests derived from any inspection ("**Reports**"); and (x) to take the Property at closing subject to any title exceptions caused by Buyer exercising this right to enter.

Buyer agrees to indemnify, and hold Seller free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) which Seller may suffer or incur as a consequence of Buyer's exercise of the license granted pursuant to this Section 7.4 or any act or omission by Buyer, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Buyer (except Seller and its agents) with respect to the Property, excepting any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) arising from the mere discovery by Buyer of any hazardous materials or conditions and excepting to the extent such claims arise out of the negligence or misconduct of Seller. Buyer's obligations under this Section 7.4 shall survive termination of this Agreement for any reason.

**7.5 Reliance Letters.** If Buyer does not terminate this Agreement pursuant to Section 7.3, Buyer shall provide reliance letters to Seller (in a form reasonably acceptable to Seller) with respect to all reports and investigations conducted by Buyer including, but not limited to, the Phase I and Phase II reports ("**Reliance Letters**").

## **8. ENTITLEMENTS**

**8.1 Commencement.** Within One hundred twenty (120) days from the expiration of the Due Diligence Period ("**Entitlement Period**"), Buyer shall use commercially reasonable efforts to apply for and obtain all discretionary governmental permits and approvals for the Proposed Project and diligently prosecute same including, but not limited to, responding to requests and modifications, payment of all necessary fees, etc. ("**Entitlements**"). Entitlements If Buyer is not in breach of this Agreement and if the Entitlements have not been obtained prior to the expiration of the Entitlement Period, Buyer may elect to terminate this Agreement by providing written notice to Seller (with a copy to Escrow Holder) of (i) its failure to obtain the Entitlements, and (ii) its election to terminate this Agreement and Escrow ("**Entitlement Termination Notice**"). If Buyer does not provide the Entitlement Termination Notice in writing prior to the expiration of the Entitlement Period, Buyer shall be deemed to have waived the right to terminate under this Section 8.1. Upon issuance of the Entitlement Termination Notice, Escrow Holder shall return the Deposit (less cancellation charges) to Buyer.

**8.2 Notice.** Buyer understands that Seller is a separate legal entity from the City, does not have legal authority to issue any approvals on behalf of City, and nothing herein is to be construed to imply any approval by the City.

**9. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

**9.1 Conditions to Buyer's Obligations.** The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- i. Title Company will issue the Title Policy as specified in Section 6.2.
- ii. Buyer has not elected to terminate this Agreement pursuant to Section 7.3 or 8.1.
- iii. Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- iv. Seller is not in default of its obligations under this Agreement.

**9.2 Conditions to Seller's Obligations.** The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- i. Buyer has delivered the balance of the Purchase Price to Escrow Holder.
- ii. Buyer has delivered the Reliance Letters pursuant to Section 7.5.
- iii. Title Company will issue the Title Policy as specified in Section 6.2.
- iv. Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- v. Buyer is not in default of its obligations under this Agreement.

**10. LIQUIDATED DAMAGES.**

**IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. THEREFORE, BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671 AND 1677 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE FOR A BREACH PRIOR TO THE CLOSING. IF BUYER FAILS TO PROMPTLY DELIVER THE SUM SPECIFIED ABOVE TO SELLER, SUCH FAILURE SHALL CONSTITUTE A MATERIAL BREACH OF THIS PROVISION AND SELLER MAY ELECT TO SUE BUYER UNDER THIS PROVISION OR TO WAIVE THIS PROVISION AND PROCEED AGAINST BUYER FOR ALL APPLICABLE DAMAGES RESULTING FROM BUYER'S DEFAULT. THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF BUYER UNDER THIS AGREEMENT OR BUYER'S OBLIGATIONS TO DELIVER THE REPORTS UNDER SECTION 7.4**



**Seller's Initials**

**Buyer's Initials**

**11. CONDITION OF THE PROPERTY.** Upon the Close of Escrow, Buyer shall acquire the Property in its "AS-IS" condition and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Property, and, except as and only to the extent specifically set forth in Section 12, Seller makes no other representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property, and Seller specifically disclaims all representations or warranties of any nature concerning the Property made by it. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage.

Buyer has an opportunity to conduct all its due diligence and investigation pursuant to Section 7 in order to decide to acquire the Property. If Buyer does not elect to terminate this Agreement pursuant to Section 7, as of Closing, Buyer assumes all responsibility for any existing conditions existing on the Property. In the event Buyer incurs any loss or In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under Section 1542 of the California Civil Code which provides as follows:

**“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”**

Buyer Initials \_\_\_\_\_

Seller Initials \_\_\_\_\_

Notwithstanding any other provision of this Agreement, Buyer's release and this Section shall survive the termination of this Agreement and shall continue in perpetuity.

**12. REPRESENTATIONS AND WARRANTIES.**

**12.1 General Representations and Warranties.**

Seller hereby makes the following representations and warranties to Buyer, each of which is true in all respects as of the Opening of Escrow and shall be true in all respects on the date of Close of Escrow on the Property to the best of knowledge of Seller's existing staff without duty to investigate:

(a) There are no contracts, leases, claims or rights affecting the Property and no agreements entered into by or under Seller which shall survive the Close of Escrow that would adversely affect Buyer's rights with respect to the Property except as heretofore disclosed in writing by Seller to Buyer.

(b) Seller has not received any written notice from any third parties, prior owners of the Property, of any federal, state or local governmental agency, indicating that any hazardous materials, environmental claims, environmental cleanup liability exists or applies to the Property.

(c) There are no easements or encroachments onto the Property by buildings or improvements from any adjoining property.

(d) Seller is not a foreign person as defined in Internal Revenue Code Section 1445(f)(3).

(e) There are no pending or, any threatened proceedings in eminent domain or otherwise, which would affect the property or any portion thereof.

**12.2 Survival of Representations and Warranties of Seller.** The representations and warranties provided in this Section 12 shall survive the Closing and delivery of the Grant Deed for a period of one (1) year after the Closing.

**13. ESCROW PROVISIONS.**

**13.1 Escrow Instructions.** Sections 1 through 6, inclusive, 9, 13, 15 and 16 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

**13.2 General Escrow Provisions.** Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Solano County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 15 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Solano County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

**13.3 Real Property Taxes.** As a public agency, Seller is not subject to real property taxes.

**13.4 Payment of Costs.**

**a. Cost Allocation.** Seller shall pay any documentary transfer taxes, the cost of the NHD Report and one-half (1/2) of the escrow fees ("**Seller's Charges**"). Buyer shall pay the cost of the Title Policy, recording charges for the Grand Deed, one-half (1/2) of the escrow fees and any charges incurred by Buyer's act ("**Buyer's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

**b. Closing Statement.** At least five (5) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary Escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

**13.5 Termination and Cancellation of Escrow.** If Escrow fails to close due to a failure of a condition precedent, then the party in whose favor the condition precedent runs may elect to

cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return (i) the funds in accordance with the foregoing provisions of this Agreement, and (ii) all documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

**13.6 Information Report.** Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report (“**Information Report**”) and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

**13.7 No Withholding as Foreign Seller.** Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

**13.8 Brokerage Commissions.** Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

**14. RISK OF PHYSICAL LOSS.** Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by Buyer after Close of Escrow. In the event that the Property shall be damaged by fire, flood, earthquake or other casualty Buyer shall have the option to terminate this Agreement, provided notice of such termination is delivered to Seller within twenty (20) days following the date Buyer learns of the occurrence of such casualty. If Buyer fails to terminate this Agreement pursuant to the foregoing sentence within said twenty (20) day period, Buyer shall complete the acquisition of the Property, in which case Seller shall assign to Buyer the interest of Seller in all insurance proceeds relating to such damage (subject to the rights of tenants under leases of the Property). Seller shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyer shall have no right to any insurance proceeds.

**15. NOTICES.** Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by (i) personal delivery which will be deemed received the following day; (ii) by national overnight delivery service which will be deemed received the following business day; or (iii) by mailing the same by registered or certified mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail,

addressed to the party to whom the notice is directed as set forth below, or such other address and to such other persons as the parties may hereafter designate:

**To Seller:** Suisun City Housing Agency  
701 E. Suisun City Street  
Suisun City, CA 90745  
Attention: Greg Folsom

**With a Copy to:** Aleshire & Wynder, LLP  
18881 Von Karman Avenue, Suite 1700  
Irvine, CA 92612  
Attention: Anthony Taylor

**To Buyer:** Sutter Retail Development, Inc.  
1210 Stabler Lane  
Yuba City, CA 945993  
Attn: Kurt Hilbers, Chief Executive Officer

**To Escrow Holder:** Placer Title Company  
1300 Oliver Road Suite 120  
Fairfield, CA 94534  
Attn: Laura Vierra, Escrow Officer

**16. GENERAL PROVISIONS.**

**16.1 Assignment.** Buyer shall not assign this Agreement without the prior written consent of Seller. Seller shall not unreasonably withhold consent for an assignment to an entity wholly owned and controlled by either Kurt Hilbers or Kristen Longwell. Buyer shall notify Seller of any such proposed assignment and provide copies of the assignment and assumption agreement in a form reasonably acceptable to Seller. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

**16.2 Attorney's Fees.** In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

**16.3 Interpretation; Governing Law; Venue.** This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. The venue for any dispute shall be Solano County.

**16.4 No Waiver.** No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

**16.5 Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

**16.6 Severability.** If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**16.7 Merger.** This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written are merged herein and shall be of no further force or effect.

**16.8 Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

**16.9 Qualification and Authority.** Each individual executing this Agreement on behalf of Buyer represents, warrants and covenants to the Authority that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Buyer in accordance with authority granted under the organizational documents of such entity, and (b) Buyer is bound under the terms of this Agreement.

**16.10 No Third Party Beneficiaries.** This Agreement is only between the parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.

**16.11 Execution in Counterparts.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

**16.12 Exhibits.** Exhibit A, B, C and D attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

**NOTE: Each of Sections 10 and 11.2 must also be initialed.**

**BUYER:**

SUTTER RETAIL DEVELOPMENT, INC,  
a California corporation

By: \_\_\_\_\_  
Kurt Hilbers, Chief Executive Officer

**SELLER:**

HOUSING AUTHORITY OF SUISUN CITY,  
a public body, corporate and politic

By: \_\_\_\_\_  
Greg Folsom, Executive Director  
\_\_\_\_\_, 2019

**ACCEPTED BY ESCROW HOLDER:**

PLACER TITLE COMPANY,  
a California corporation

By: \_\_\_\_\_  
Laura Vierra, Escrow Officer

Dated: \_\_\_\_\_, 2019

**ATTEST:**

\_\_\_\_\_  
Linda Hobson, Authority Secretary

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Anthony Taylor, Authority Counsel

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

The real property located in the City of Suisun City, County of Solano, State of California described as follows:

Parcel One:

Parcels 1 and 3, as shown on that certain Parcel Map filed in the Office of the County Recorder of Solano County, State of California on October 3, 1996 in Book 40 of Parcel Maps, at Page 21.

Parcel Two:

The non-exclusive easements for the ingress and egress and passage of motor vehicles and pedestrians over and across easements, as set forth in that certain "Declaration of Restrictions and Grants of Easements", recorded November 1, 1979, in Book 1979, Page 94395, Instrument No. 56053.

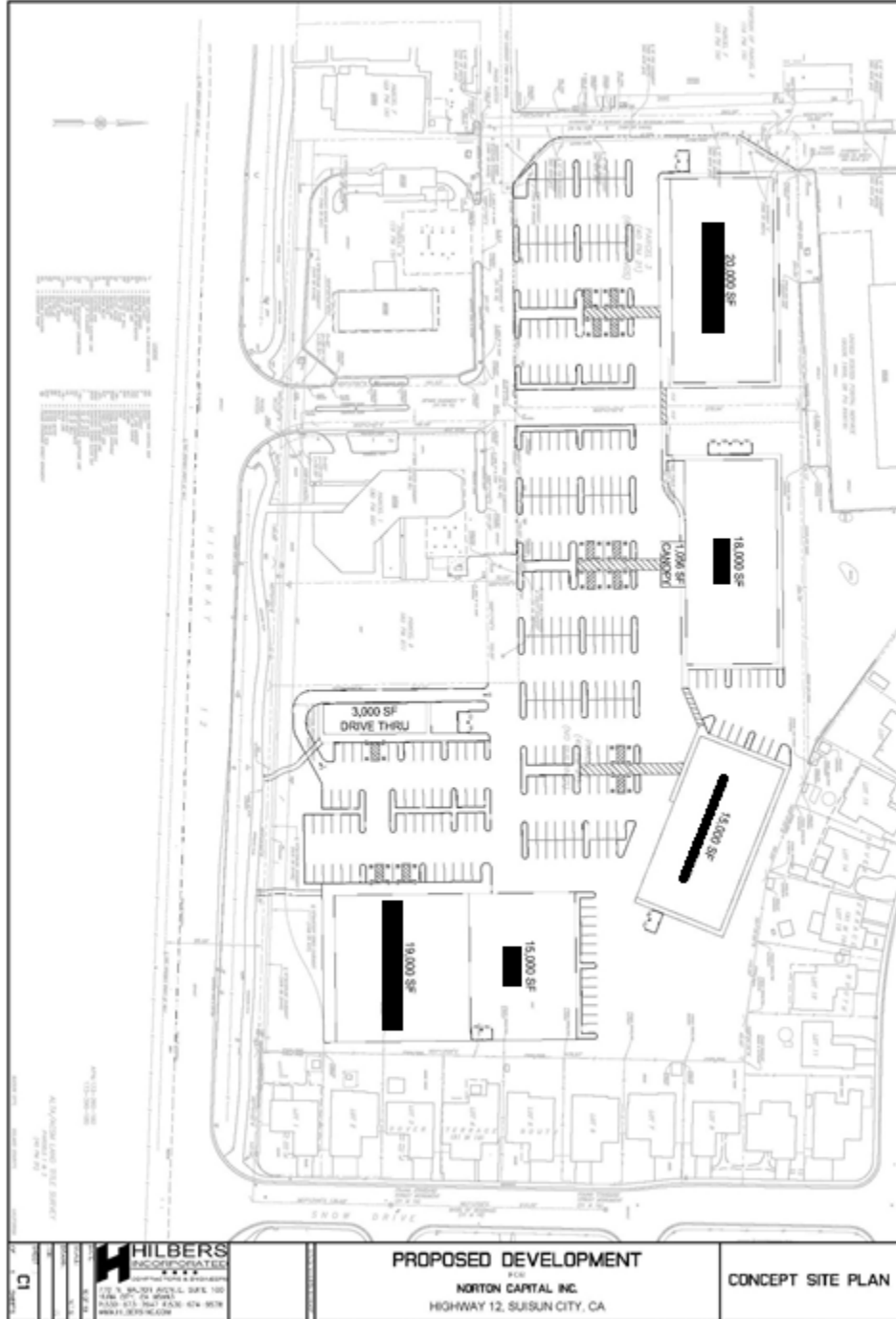
Parcel Three:

The non-exclusive easements for the ingress and egress and passage of motor vehicles and pedestrians, over and across easements, as set forth in that certain "Second Amendment to Declaration of Restrictions and Grants of Easements", recorded March 18, 1988 in Book 1988, Page 28571, Instrument No. 14752.

APN: 0173-390-160, 0173-390-180

**EXHIBIT B**

**PROPOSED PROJECT – CONCEPT PLAN**





**EXHIBIT C**  
**GRANT DEED**

FREE RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Sutter Retail Development, Inc.  
1210 Stabler Lane  
Yuba City, CA 945993  
Attn: Kurt Hilbers,  
Chief Executive Officer

APN 0173-390-160 and 0173-390-180  
THE UNDERSIGNED DECLARES that the documentary  
transfer tax (computer on full value) is \$\_\_\_\_\_

(Space Above This Line for Recorder's Office Use Only)

**GRANT DEED**

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the HOUSING AUTHORITY OF SUISUN CITY, a public body, corporate and politic ("**Grantor**"), hereby grants to the SUTTER RETAIL DEVELOPMENT, INC., a California corporation ("**Grantee**"), all of its respective rights, title, and interest in the real property in the City of Suisun City, County of Solano, State of California, as more particularly described in Schedule 1 attached hereto and incorporated herein by this reference ("**Property**").

Grantor has determined the Property is not required for its foreseeable needs and is being disposed of pursuant to Health & Safety Code Section 34315.7(d).

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

**GRANTOR:**

Dated: \_\_\_\_\_, 20\_\_

HOUSING AUTHORITY OF SUISUN CITY, a  
public body, corporate and politic

By: \_\_\_\_\_  
Greg Folsom, Executive Director

**ATTEST:**

APPROVED AS TO FORM:

\_\_\_\_\_  
Linda Hobson, Secretary

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Anthony Taylor, Authority Counsel

**SCHEDULE 1 TO GRANT DEED**  
**LEGAL DESCRIPTION OF THE LAND**

That certain real property located in the City of Suisun City, County of Solano, State of California, and is described as follows:

Parcel One:

Parcels 1 and 3, as shown on that certain Parcel Map filed in the Office of the County Recorder of Solano County, State of California on October 3, 1996 in Book 40 of Parcel Maps, at Page 21.

Parcel Two:

The non-exclusive easements for the ingress and egress and passage of motor vehicles and pedestrians over and across easements, as set forth in that certain "Declaration of Restrictions and Grants of Easements", recorded November 1, 1979, in Book 1979, Page 94395, Instrument No. 56053.

Parcel Three:

The non-exclusive easements for the ingress and egress and passage of motor vehicles and pedestrians, over and across easements, as set forth in that certain "Second Amendment to Declaration of Restrictions and Grants of Easements", recorded March 18, 1988 in Book 1988, Page 28571, Instrument No. 14752.

APN: 0173-390-160, 0173-390-180



**EXHIBIT D**

**LIST OF DUE DILIGENCE DOCUMENTS**

## ***GARLAND & ASSOCIATES***

*Appraisal of an 8.29 Acre  
Adjacent to Highway 12 Site  
Suisun City, Solano County, California*

### ***DATES OF VALUATION:***

*March 21, 2016 - Date of Value  
March 21, 2016 - Date of Inspection  
August 25, 2016 - Date of Report*

### ***PREPARED FOR:***

*Jason Garben  
Development Services Director  
701 Civic Center Boulevard  
Suisun City, CA 94585*

### ***PREPARED BY:***

*Garland & Associates  
2333 Courage Drive, # H-2  
Fairfield, California 94533  
(707) 429-8660*

Ronald G. Garland, MAI, SRA  
Steve Salmon, MAI

**GARLAND &  
ASSOCIATES**  
REAL PROPERTY ECONOMICS ANALYSTS & APPRAISERS

August 25, 2016

Jason Garben  
Development Services Director  
701 Civic Center Boulevard  
Suisun City, CA 94585

Dear Mr. Garben:

The following report of an appraisal of a 8.29 acre site located adjacent to Highway 12, Suisun City, California, has been prepared in response to your request. The purpose of this appraisal is to form an opinion of the market value of the fee simple interest in the subject property.

This appraisal report is intended to be in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). Please refer to the Assumptions and Limiting Conditions and Appraisal Scope located on pages IV through VI of the Introduction, which limit this report. All data gathered in this investigation is from sources believed to be reliable.

In my opinion, as of March 21, 2016, the market value of the fee simple interest in the subject property was \$900,000. This letter must remain attached to this report which contains 45 pages and Addenda in order for the value opinion set forth to be considered valid.

Sincerely,



Ronald G. Garland, MAI, SRA  
CA #AG001662

2333 Courage Drive, Suite H-2, Fairfield, California, 94533 ♦ Phone 707/429-8660

## EXECUTIVE SUMMARY

Subject Property Owner of Record	City of Suisun City Housing Authority
Assessor Parcel Number(s)	173-390-160 173-390-180
Property Address	The subject does not have an address but is on the north side of Highway 12 approximately 475 feet east of Sunset Avenue.
Size	8.29 Acres
Zoning	City of Suisun City; General Commercial
General Plan	City of Suisun City; Mixed Use Commercial
Building Improvements	None
Site Character	Irregular shape, impaired exposure, impaired access, requires extensive off-site improvements to become a usable site.
Highest and Best Use	The highest and best use of the subject is a non-retail and non-office commercial mixed use project. Some of the uses which might work included hotel, restaurant, service uses including auto service, and other service uses such as religious facilities, event center, or training center uses, and of course self-storage. This mixed commercial project development could potentially include non-commercial use of apartments
Income Approach	\$625,000 to \$850,000
Sales Comparison Approach	\$900,000
Final Market Value Opinion	\$900,000

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**OPPOSITE PAGE EXHIBITS**

- Location Aerial Image
- Sunset Avenue Commercial; District Aerial Image
- Subject Property Parcel Map
- Subject Property Aerial Depiction

**ADDENDA**

- Subject Photographs
- 4/26/06 Placer Title PTR excerpts
- 6/27/07 Kister, Savio & Rei, Alta Survey
- Subject Development Proposals
- Humphreys & Partners Site Layout
- “off-site” improvement cost estimate
- Exclusive Right to Negotiate agreement
- Retail-Hotel Land Sales Data
- Multi-Family Land Sale Data
- Additional Land Sale Data
- Total Property Land Sale Data



## ASSUMPTIONS AND LIMITING CONDITIONS

The Uniform Standards of Professional Appraisal Practice defines a Hypothetical Condition as:

An assumption which is contrary to what is firmly known to exist, but is supposed or assumed for the purpose of discussion or analysis. In compliance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), we are informing readers and users of this appraisal that the use of a Hypothetical Condition was utilized in our analysis and impacts the assignment analysis, conclusions and opinions.

This appraisal is subject to the following *SPECIFIC* assumptions and limiting conditions:

1. The clients is the City of Suisun. The intended user is the client and appropriate staff. The intended use of the appraisal is to serve as a valuation guide for decisions relating to the potential sale of the property. Any other parties choosing to utilize this appraisal do so at their own risk, and without our consent.
2. A recent title report was not provided as part of this assignment. It is a specific assumption of this appraisal that there are no title issues or encumbrances that would have a negative impact on value.

This appraisal is subject to the following *GENERAL* assumptions and limiting conditions:

1. Reliance upon this report by any intended user is implied concurrence that the Scope of Work of the appraisal assignment is appropriate for the intended use of that user.
2. It is the responsibility of the Client to read this report and to inform the appraisers of any errors or omissions of which he/she is aware of before using this report or making it available to a third party.
3. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on the property, was not called to our attention nor did we become aware of such during the inspection. We have no knowledge of the existence of such substances on or in the property unless otherwise stated and we are not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion reported herein is predicated on the assumption that no such hazardous substances exist in or on the property, or in such proximity that would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.
4. Unless specifically stated in this report, nothing contained herein shall be construed to represent any direct or indirect recommendation to buy, sell, hold, or construct the property appraised at the appraised value. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

**ASSUMPTIONS AND LIMITING CONDITIONS (continued)**

5. No liability is assumed for matters legal in character.
6. I assume that there are no defects of title and that the property is free and clear of all liens or encumbrances.
7. No right or obligation to expert testimony or attendance in court by reason of this appraisal, with reference to this property, is included, unless arrangements have been previously made.
8. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purposes by any but the principal to whom it is addressed without said principal's previous written consent, and in any event, only with the proper qualifications.
9. The information furnished by others, as identified in this report, is believed to be accurate and reliable, but no guarantee is made as to the correctness thereof.
10. Any sketches in this report are included to assist the reader in visualizing the property. Land dimensions were taken from available public information and we assume no responsibility for these dimensions.
11. The projections of costs, income, and expenses for the subject property are not predictions of the future. These projections are our best estimates of the current market thinking about what future income and expenses will be. We make no warranty or representation that these projections will materialize. The real estate market is constantly fluctuating and changing and it is not our task to estimate the conditions of a future real estate market. We can only reflect what the investment community envisions for the future in terms of rental rates, expenses, supply and demand.
12. Neither all nor any parts of the content of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute, or to the MAI or SRA designations) shall be disseminated to the public through any media or to any other parties without prior written consent and approval.
13. Ronald G. Garland is certified by the State of California as General Real Estate Appraisers. However, I am not licensed or certified in the fields of building inspection or civil, soils, structural, or environmental engineering. I believe that the subject property is not adversely impacted by hidden or unapparent conditions relative to these fields, unless otherwise stated within this report.
14. I assume that there are no hidden or unapparent conditions which would influence the value of the subject property.

## SCOPE OF APPRAISAL

1. Discussed with the Client the nature of the assignment, including an agreement of the purpose and intended use of the report, date of valuation and report, property rights and interest appraised, extraordinary assumptions, values to be reported, and any other appropriate restrictions or limitations to be placed on the scope of the assignment.
2. Ronald Garland inspected and photographed the subject property March 21, 2016.
3. Investigated the current ownership and recent history of the subject property.
4. Investigated the city, area, and immediate location in relation to the impact of these locales on the subject property.
5. Interviewed John Kerns Associate Planner with the City of Suisun City Planning Department regarding current and reasonable future land uses, land use policies, and development requirements that may impact the subject property.
6. Formed an opinion of the highest and best use of the subject property.
7. Researched comparable sales, including public records, other appraisers, active and knowledgeable brokers, and publications providing comparable sale data.
8. Inspected all of the comparable sales used in analysis.
9. Confirmed comparable data to the extent necessary, preferably with parties immediate to each transaction.
10. Developed an opinion of the value of the subject property by use of appropriate appraisal techniques.
11. Prepared the written appraisal report document.

**PROFESSIONAL QUALIFICATIONS  
RONALD G. GARLAND, MAI, SRA**

Ronald G. Garland, MAI, SRA is a real property analyst and appraiser, experienced in the appraisal of single and multi-family residential, subdivision, office, retail, light industrial, speculative land, development land, and agricultural land. In addition to appraisal, Mr. Garland is experienced in the analysis and valuation of various complex and special purpose properties, along with development valuation, analysis, and feasibility studies. Specialized studies include absorption analysis, financial feasibility analysis, development cash flow analysis, conservation easements, and complex or specialized property highest and best use analysis. Mr. Garland has testified as an expert witness in the Solano, Napa, Contra Costa and Sacramento County Superior Courts and the United States Bankruptcy Court - Eastern District of California relating to various real estate valuation topics. Mr. Garland has taught seminars on the appraisal of conservation easements for both the Northern California and Sierra Nevada Chapters of the Appraisal Institute and for the California Council of Land Trust. Mr. Garland has been published in the California Land Use Law & Policy Reporter.

Mr. Garland holds both the MAI and SRA designations of the Appraisal Institute and has been recertified under the voluntary program of continuing education for the designated members of the Institute. Mr. Garland served an elected term as a member of the National Board of Directors of the Appraisal Institute from 1996 through 1999 and served as the 1995 President of the San Francisco Bay Area Chapter of the Appraisal Institute. Mr. Garland is also certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).

**EMPLOYMENT**

July, 1983	Owner/Operator, Garland and Associates
July, 1979	District Appraisal Officer, Bank of America
December, 1976	Appraiser, Merced County Assessor's Office

**EDUCATION**

University	University of California at Davis, Bachelor of Science in Agricultural Science and Management (1976)
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Appraisal Courses	<p><b>Appraisal Institute:</b>          Litigation Appraising: Specialized Topics and Applications (2013)          The Appraiser as an Expert Witness: Preparation &amp; Testimony (2013)          Condemnation Appraising: Principles and Applications (2013)          Business Practice and Ethics (2007) (2013)          Valuation of Conservation Easements (2008)          Effective Appraisal Writing (2004)          Uniform Appraisal Standards for Federal Land Acquisitions -          (Yellow Book)(2002)</p>
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**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA** (continued)

Appraisal Courses

**Appraisal Institute:** (cont.)

Advanced Income Capitalization (1998)  
Advanced Sales Comparison and Cost Approaches (1996)  
Highest & Best Use and Market Analysis (1995)  
Capitalization Theory & Techniques, Part B (AIREA, 1986)  
Valuation and Report Writing (AIREA, 1985) Case Studies (AIREA, 1985)  
Electronic Spreadsheet in the Appraisal Office (AIREA, 1985)  
Residential Valuation (AIREA, 1984)  
Subdivision Analysis (AIREA, 1982)  
Introduction to Appraisal (SREA, 1978)  
Income Property Appraisal (SREA, 1978)

**RECENT CONTINUING EDUCATION**

Seminars/Workshops

**Appraisal Institute:**

Appraisal Litigation Conference (2013) (2012) (2011) (2009)  
Appraising the Appraisal (2012)  
The Death of Redevelopment in California (2012)  
Wind Projects and Land Value (2012)  
Diminution of Value and Severance Damages (2011)  
Annual Summer Conference (2011)  
IRS Valuation Summit II (2011)  
Qualitative Analysis (2011)  
Wetlands, Waterways & Unusual Valuation Issues (2011)  
Economic Forecast (2010 & 2011)  
Partial Interests/GIS/Ad Valorem Tax/Managing Trainees (2006)  
California Conservation Easements (2005)  
Water Rights Symposium sponsored by ASFMRA (2005)  
Market Analysis and A Site to Do Business (2005)  
Eminent Domain California Update (2005)  
Estimating Loss in Value (2004)  
Appraisal Litigation Practice and Courtroom Management (2003)  
Case Studies in Limited Partnership and Common Tenancy (2003)  
Entitlement, Land Subdivision and Valuation (2001)  
Communications Corridors, Tower Sites, and Property Rights (2001)  
Federal Land Exchanges and Acquisitions: Appraisal Issues Applications (2000)  
Public Interest Value vs. Market Value Seminar (1999)  
The Condemnation Process (1998)  
Wetlands Valuation (1998)  
Valuation of Detrimental Conditions (1998)

**International Right of Way Association**

Transportation Corridors (1999)  
Taking "Special" out of Benefits (1997)  
Condemnation Appraising and Mock Trial (1997)  
Contaminated Properties (1993)

**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA** (continued)

**AFFILIATIONS**

Northern California Chapter, Appraisal Institute  
Sacramento Sierra Chapter, Appraisal Institute

**RECENT PROFESSIONAL ACTIVITIES**

**Appraisal Institute:**

Chair of 2014 Spring Litigation Conference (2013-2014)  
Spring Litigation Conference Committee (2011) (2012) (2013)  
California State Legislative Subcommittee (2013-2014)  
Member of the National Nominations Committee (2000)  
Member of the National Board of Directors (1997-1999)  
Region I Vice Chair (1997-1998)  
National Finance Committee (1998-1999)  
San Francisco Bay Area Chapter President (1995)  
San Francisco Bay Area Chapter Vice President (1994)  
San Francisco Bay Area Chapter Treasurer (1993)  
Northern California Chapter Secretary (1992)  
Northern California Chapter Board of Directors (1989-92)  
Sierra-Nevada Chapter Board of Directors (1989-91)  
Northern California Chapter Long Range Planning Committee (1989)  
Northern California Chapter Admissions Committee (1986-90)  
Professional Standards Review and Counseling Committee (1984-91)

**Other:**

Committee Work and Seminar Presentations - California  
Council of Land Trusts (2012 - 2014)

**COMMUNITY ACTIVITIES**

Cordelia Rotary, Charter Member and 2001-2002 President

# **Analysis**

## **APPRAISAL ASSIGNMENT**

In this appraisal I have formed an opinion of the market value of the fee simple interest in the subject property. The subject property is an 8.29 acre site located adjacent to Highway 12, within Suisun City, California.

This appraisal is intended to be in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). The value opinions are in terms of cash or cash equivalence.

As a note about this appraisal, I performed this appraisal in early and mid March 2016. I formed a final opinion of value on March 21, 2016. I then verbally reported my conclusions in an oral report to the City of Suisun City Housing Authority Commission on March 22, 2016. Then during July and August 2016, I wrote this report documenting that appraisal. This document is written from the perspective as if it were written in March 2016, and does not reflect facts and events after the March 21, 2016-date of value.

## **CLIENT, INTENDED USE AND USERS**

The client is the City of Suisun City Housing Authority. The intended user is the client and appropriate staff. The intended use of the appraisal is to serve as a valuation guide for client decisions relating to the potential sale of the property.

I do not authorize the use of this appraisal by any other parties, or for any other use. Any other parties choosing to utilize this appraisal do so at their own risk, and without our consent.

## **DATES OF APPRAISAL**

03/21/16 - date of inspection

03/21/16 - date of value

08/25/16 - date of report



## PROPERTY RIGHTS APPRAISED

This is an appraisal of the fee simple interest in the subject property. *Fee simple interest* is defined as “absolute ownership, unencumbered by any other interest or estate.”<sup>1</sup> However, all ownerships are subject to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

## DEFINITION OF MARKET VALUE

Market Value is “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”<sup>2</sup>

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<sup>1</sup> *Dictionary of Real Estate Appraisal*, 4th Edition, The Appraisal Institute

<sup>2</sup> *Dictionary of Real Estate Appraisal*, 4th Edition, The Appraisal Institute

## **APPRAISAL PROCESS**

In this appraisal, I will form an opinion of the market value of the fee simple interest in the subject property. In order to form an opinion of the value of the subject, I will analyze those external and internal characteristics of the property that may have an impact on value. As a means of quantifying value, various marketplace activities will be analyzed. In this appraisal, the marketplace activity has been analyzed by both the Income Approach (Developmental Approach) and the Sales Comparison Approach.

In this appraisal the Income Approach is the use of a simplified development approach. This approach analyzes the subject property from the prospective of a land developer when considering the sale of sites as revenues, and development costs, and profit as expenses, in order to arrive at a residual land value.

The Sales Comparison Approach is a direct analysis of sales of comparable properties to draw conclusions regarding the value of the property, and the market provided sufficient data for analysis.

The subject property is a vacant site. The Cost Approach is not appropriate for this appraisal assignment because there is no building to cost. The omission of the Cost Approach does not impact the reliability of the value conclusion opined by the Income and Sales Comparison Approaches.

## **LOCATION**

The subject property is located partially adjacent to the north side of California Highway 12 approximately 475 feet east of Sunset Avenue in Suisun City, Solano County, California.

## **LEGAL DESCRIPTION**

I was provided an April 26, 2006 Placer Title Company preliminary title report order # 501-16068. This preliminary title report covers the subject property. Relevant portions of that preliminary report have been excerpted and included in the addenda. The subject property is located in the City of Suisun City, County of Solano, State of California and is commonly known as Assessor's Parcel Numbers 173-390-160 and 173-390-180.



**Sunset Commercial District**

**subject 8.29 acres**

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## **SOLANO COUNTY & FAIRFIELD/SUISUN CITY MARKET AREA OVERVIEW**

The purpose of this report section is to highlight and provide historical information on economic issues that are relevant to the area economy on the date of value, and in relevant real estate marketplaces. Solano County is located roughly midway between San Francisco to the southwest and Sacramento to the northeast, and is the most eastern of the San Francisco Bay Area's nine counties.

The majority of the urban areas in Solano County are positioned along Interstate Freeways-80 and -680, which converge in the center of the county. An area map is opposite this page for reference.

The major element of growth in Solano County has been migration into the county by both businesses and families. The county offers rare circumstances found nowhere else in the San Francisco Bay Area, being most notably relatively affordable housing, available and reasonably priced land, nearby educational opportunities as well as a wide variety of recreational activities.

Geographically, Solano County extends from Vallejo on the southwest to Dixon on the northeast, but locally the county is referred to as southern Solano County and northern Solano County. Southern Solano County is located adjacent to the Sacramento River Delta, Suisun Bay as well as San Pablo Bay, and consists of the three waterfront communities of Vallejo, Benicia and Rio Vista. Northern Solano County consists of the county seat city of Fairfield and the cities of Suisun City, Vacaville and Dixon.

The subject property is located in Suisun City. Adjacent Fairfield is the 2<sup>nd</sup> largest city, and is the County seat. Based on ABAG and other population studies, it is anticipated that work centers within a 1-hour commute of the Fairfield-Suisun area are expected to remain strong through the next decade.

This area is particularly appealing to households who split the commute between the major employment centers of Contra Costa County/the inner Bay Area to the southwest and the Sacramento area to the northeast. In addition, families are attracted to moving to the Fairfield-Suisun area from larger and more expensive population centers to avoid congestion, air pollution, crime, poor schools and to improve the general quality of life.

Major corporations having a profound signature presence in the Fairfield-Suisun area include *Anheuser-Busch* and the *Jelly Belly* Candy Company that manufactures the world-renowned *Jelly Belly* jelly beans, as well as other candies.

Travis Air Force Base, a major area employer, is clearly increasing in importance and thus would appear to indicate that the future of Travis is relatively secure. Travis is the primary Air Mobility Command base for the United States west coast, and the Base is also the host of other large aircraft missions for both the Army and Navy.

The subject property is located in Suisun City, between Fairfield on the north and the protected Suisun Marsh on the south. The location of Suisun City along the waterfront offers a unique opportunity for waterfront development; this has only been explored during the past two decades. There is very limited waterfront property available for development in the Bay Area counties. With the anticipated growth patterns in Solano County, high profile development of the Suisun waterfront may become more economically feasible.

During 1983 Suisun City adopted a specific plan for the historic and waterfront areas with the intent of revitalization and rehabilitation of Old-Town and the waterfront area. The specific plan included a working waterfront and a historic and viable Main Street area, and an *Amtrak* rail station. The *Amtrak* station is on the Capitol Corridor route, which serves the East Bay area and the Sacramento Metroplex, and extends from San Jose to Auburn.

The marina-oriented waterfront has become a popular recreational destination for both local residents and for those residing outside the area. It is clear that Suisun has made positive strides in increasing the social and economic viability of the City, and it also has been successful in establishing an identity separate from that of Fairfield. The city leaders of Suisun City have made a strong effort to promote the new Waterfront District in Suisun City, and there are numerous festivals, events and summer music concerts that are successfully raising the profile of the area.

## ECONOMIC OVERVIEW

The stock market as represented by the Dow Jones Industrial Average peaked in September 2007 in the range of 14,000, only to drop to half of that by February 2009. A strong bull run ended in February 2015 with a peak just more than 18,000. The last year plus has been a mild bumpy ride for the Dow, with several up and down cycles spanning a 2,000 point range; with the Dow now back near its record high.

International instability and international terrorism along with dramatically dropping oil prices have sent the international economy in much of the world into varying degrees of recession, which has not yet penetrated the US economy. International capital appears to be fleeing countries with financial instability and collapsing oil economies for the perceived security of the US dollar and stability of the US economy. However, with a record high market much of that international capital flowing into the US is going into tangible assets; of which real estate is one of the major categories.

All but the most major metropolitan areas are still struggling with soft office and less than robust retail sales; therefore, significant portions of that international capital seeking a home are seeking agricultural land, and California agricultural land in particular. However, international funded real estate investment influence is felt throughout most investment product California real estate market segments.

Available on-line data in the following table provides some insight into the City of Suisun:

Local	Per Capita Income	Household Income	Retail Sales Per Capita	Median Home Price
City of Suisun	\$25,809	\$71,306	\$2,779	\$304,000
Solano County	\$29,132	\$67,341	\$12,137	\$350,000
California	\$29,906	\$61,489	\$12,665	\$430,800

One interesting observation is that while the Suisun average household income is strong in comparison to the County of Solano or the State of California household incomes, the per capita income in Suisun is considerably less than that of the County or State. The apparent reason for this inverse relationship is likely that the average household size in Suisun is considerably larger than the average household size in the County or State. The significance to this appraisal of a commercial site in Suisun is household incomes in Suisun are likely proportionally more dedicated to necessities of life, and less dedicated to discretionary spending.

An even more important to this appraisal is the \$2,779 annual per capita's retail sales in Suisun. This does not mean that people in Suisun spend amazingly little per year. What this means is residents of Suisun spend most of their money outside of Suisun City.

This is not so much commentary that residents of Suisun choose to go outside of the City to spend their money, as it is a commentary about the retail market in this region. In this region large ticket item retailers mostly choose to locate within a commercial district within a few thousand feet of an I-80 interchange. This is not only auto, and appliance sales, but also includes home improvement stores, apparel, sporting goods, consumer electronics, book stores, and most consumer goods retailing. This also extends to chain restaurants, and commercial recreational activities. I-80 does not go through Suisun, and Suisun has not been able to attract these larger ticket and more discretionary purchase item retailers to locate in Suisun.

## COMMERCIAL MARKETPLACE OVERVIEW

I wish to comment on my view as to the overall state of the area wide commercial real estate marketplace, and how I have related that view to my analysis. Following the great recession, the resulting contraction in the credit markets took financial leverage out of almost every associated marketplace, including real estate.

Investors were more concerned about risk, and there were fewer dollars available in the marketplace. However, interest rates have returned to historically low levels, and despite a less leveraged lending environment that is reliant on more cash heavy buyers, there are increasing levels of buyers returning to the marketplace attempting to take advantage of the reduced price levels and currently low interest rates. At this time, there is more money in the marketplace in comparison to five years ago, but less than what was in the market ten years ago.

The overall marketplace appears to have stabilized in the second half of 2011, and positive absorption occurred over calendar year 2012 and 2013. In 2014 and 2015 the overall marketplace has continued to be under strain. Institutional demand for prime properties has increased notably. There is currently a larger than typical gap between the strength of the top tiered prim market properties and second or third tiered properties.

In the northern Solano County market area, significant commercial development activity and demand has returned to primary market areas, generally clustered along the Interstate 80 commercial corridor. However, secondary assets, or assets in secondary markets/locations continue to struggle. Assets with notable detriments, or that requires speculation on improved



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Sunset Commercial District



future market conditions continue to largely sell at liquidation levels.

Marketplace tolerance for risk is low; despite notable increases in demand and value for prime assets, participants continue to prefer to compete for prime assets at even very low yield rates rather than acquiring unproven, or secondary assets. It appears that until competition for prime assets boils over, the secondary asset marketplace will continue to see underwhelming levels of demand and absorption.

## **MARKET AREA DESCRIPTION**

The subject property is located in what I term the Sunset Avenue Commercial District. This district is largely centered on both sides of Sunset Avenue from Merganser Dr on the north to HWY12 on the south, On the east side of Sunset Avenue is the Sunset Shopping Center, of which the subject property is titled phase II. The west side of Sunset is the Heritage Park Shopping Center. An illustration of the Sunset Avenue Commercial District appears on the opposite page.

The Sunset Center opened circa 1981. With all of its satellite pads, and restaurants, Sunset is approximately 100,000 square feet in size. When Sunset first opened it was anchored by a Lucky's supermarket, and a Thrifty's Drugs. The Thrifty's is now a Rite Aid. The Lucky's closed circa 2000 and that space remained vacant for many years. Circa 2011 In-Shape Fitness opened in the former Lucky's space

Sunset Center has a typical mix of neighborhood center inline tenants such as, ethnic restaurants, liquor store, donuts, hair salons, and such. By my visual observation the inline space within Sunset Center appears to be 20% to 35% vacant. The broker reports asking rents for Sunset Avenue fronting inline space of \$1.50 per square foot per month, and less than that for the northern and southern facing inline spaces.

Originally Sunset Center featured pads adjacent to Sunset Avenue hosting McDonalds, Taco Bell, and Kentucky Fried Chicken. On the date of value the Kentucky Fried Chicken building had been vacant for a period of time but was scheduled to reopen as a Mountain Mikes Pizza. Originally along the HWY 12 exposure was a free standing Denny's. That Denny's closed and the building is now occupied by Black Bear Diner.

A newer retail strip in Sunset Center is located along the north side of the front parking lot, backing to Merganser Dr. That strip hosts Starbucks and O'Reilly Auto parts, along with other typical strip center tenants.

The major portion of the Sunset Center, excluding its pads and the newer strip, sold in August 2013. According to available public records, at the time the lender in possession of Sunset Center after foreclosing, sold the major part of Sunset Center for just less than \$145 per square feet.

The Heritage Park Shopping Center, located on the west side of Sunset Avenue, opened circa 1989. Heritage with all of its satellite and pad spaces is approximately 175,000 square feet. Its grocery store anchor is Raley's. Raley's appears to have struggled prior to Lucky's closing across the street. However, Raley's appears to have remained economically viable with closure of the Lucky's competition across the street. Raley's durability that remains to be seen with a new super Walmart in the area.

The other "anchor" in Heritage is an Ace Hardware. The original Ace Hardware franchisee went bankrupt. The space remained vacant for a number of years. Another Ace Hardware franchisee within the region acquired the franchise, and leased the space (presumably at a lot lower rate than the original lease) and that store has been open for a few years.

There are a few other junior anchor inline spaces in Heritage Center which have struggled with occupancy over the years. A southern exposure HWY 12 facing junior anchor space has successfully been occupied by Dollar Tree for a few years.

The inline space in the Heritage Center is absolutely struggling. By my visual observation the inline space within Heritage Center appears to be 35% to 50% vacant. According to broker information on their website there is 38,823 square feet of inline available in 15 Heritage Center suits. I have repeatedly attempted to contact that broker via email and phone without response. This suggests to me that this broker no longer has a contract to represent this property. Therefore this reported 38,823 square feet of vacancy may not be an accurate number, but it is visually at least that level of vacancy.

Heritage Center has only one Fast Food pad. It opened nearly three decades ago as a Carl's Jr but recently change to a Del Taco.

Public records indicated a notice of default on the Heritage Center debt was recorded in July 2015. A notice of trustees sale was recorded in November 2015, with a final judgment amount of slightly less than \$30 million. This suggests a debt amount of \$170 ± per square foot. A couple of court house steps auctions have been noticed, but none of those auctions have come to fruition.

I have no inside information about this specific situation. However, I have four decades experience as a real estate appraiser, and that experience leads me to believe that the lender does not want to take the property back at its \$170 ± per square foot of debt because they think the property value is less than that. I surmise that the lender is attempting to negotiate some new equity interest ownership to recapitalize the equity position. It appears the lender would rather take a loan right down that have to take ownership of the property. Whatever the specific facts are, it is clear that the Heritage Center is in financial trouble.

Between the troubles of both the Sunset and Heritage Centers it is clear that the Sunset Avenue Commercial District is significantly over built.

As if the Sunset Avenue Commercial District was not struggling enough, a competing 177,000 square foot Super Walmart opened in March 2015. This Super Walmart is located a mile and a half east of Sunset Avenue on HWY 12 at Walters Road. While a Super Walmart is a single store not technically a “district” it is essentially the same size as the entirety of the Heritage Park Shopping Center. Again, while this is not technically a “district” it certainly draws significant retail trade customers away from the Sunset Avenue Commercial District.

The nearly 100,000 square foot Marina Center is located three-quarters of a mile west of Sunset Avenue on the south side of HWY 12. The Marina Center has many retail development design flaws including that it is nearly 100,000 square feet without an anchor tenant, or anchor tenant space. It is designed as entirely inline retail strip space.

Marina Center is designed with inward facing storefronts which do have exposure to any street. The majority of the storefronts are only visible from the central parking lot. The Marina Center site plan design creates a reasonable site area coverage ratio, but fails to design any of the space to contemporary retail access and exposure standards.

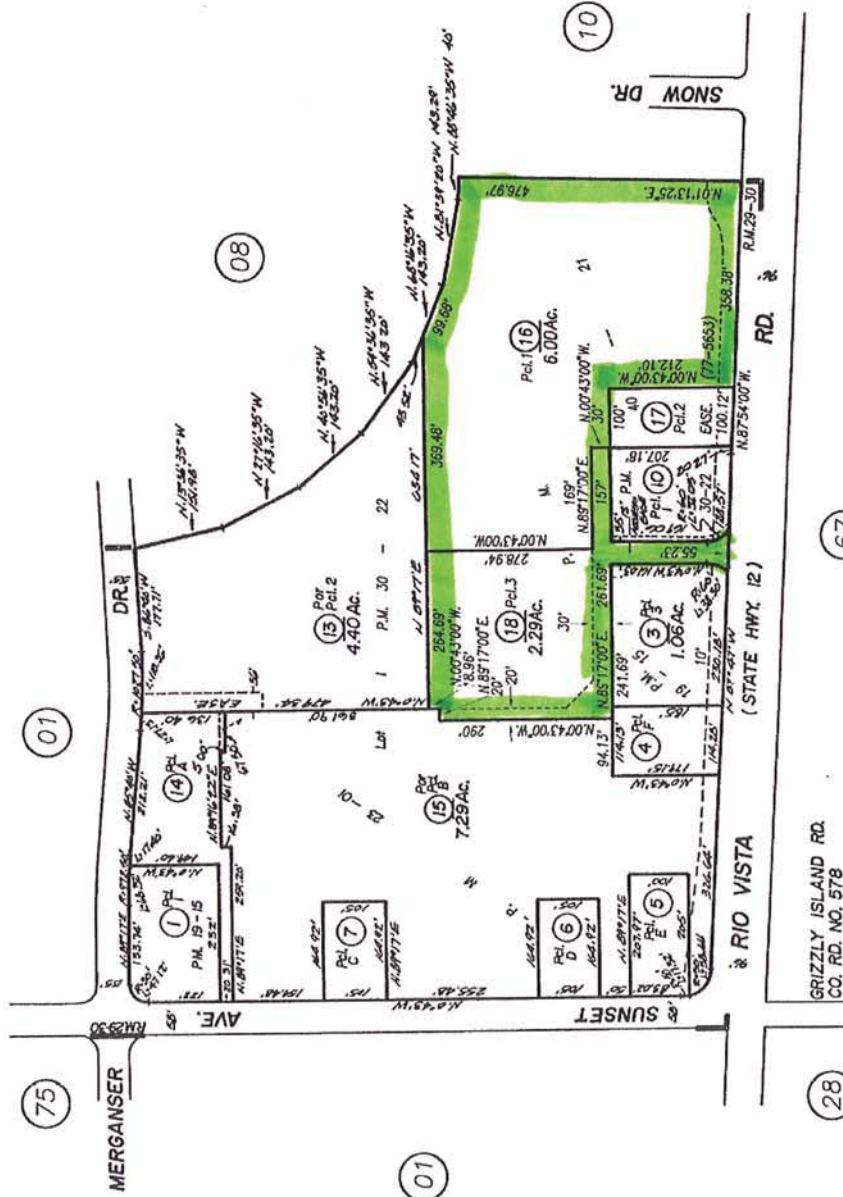
As if Marina Center did not have enough design problems on its own during the mid 1990s CalTrans widened HWY 12 to a median divided four lane arterial in which the Marina Center lost its HWY 12 left in left access.

That 1990s access impairment hit to the Marina Center on top of the then new Heritage Park Shopping Center competition was the death of Marina Center as a retail viable center. Most of the tenants of the Marina Center are religious and social club entities, along with various social services-nonprofits and such. There are some third tier quasi-retail tenants such as martial arts, and nail studios but very little actual retail sales tenants. Asking rents in the Marina Center are in the \$1.00 to \$1.50 per square foot range. In my opinion, while Maria Center was conceived as

Tax Area Code  
5005

POR. LOT 37, RANCHO TOLENAS  
POR. SEC. 30, T.5N., R.1W., M.D.B. & M. EXT.

173-39



NOTE: This map is for assessment purposes only and is not for the intent of interpreting legal boundary rights, zoning regulations and/or legality of land division laws.

NOTE: Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles

REVISION	DATE	BY
390-16-18 P.M.	10-3-96	S.W.
Adj. Pg. 75	7-30-92	FG

Cold Spring Harbor Unit No. 1, R. M. Bk. 29 Pg. 30

CITY OF SUISUN  
Assessor's Map Bk. 173 Pg. 39  
County of Solano, Calif.

9798

1996, Solano County Ass

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a retail project, it simply does not compete in the retail segment of the marketplace.

In a broader perspective of Suisun the Sunset Avenue Commercial District is the only significant retail district in Suisun. There are quaint shops in the downtown waterfront district but these do not compete with the Sunset Avenue Commercial District. Additionally, there is a smattering of neighborhood convenience stores throughout Suisun. However, there are not any other significant retail districts within Suisun.

## **DESCRIPTION OF THE SUBJECT PROPERTY**

### **Site**

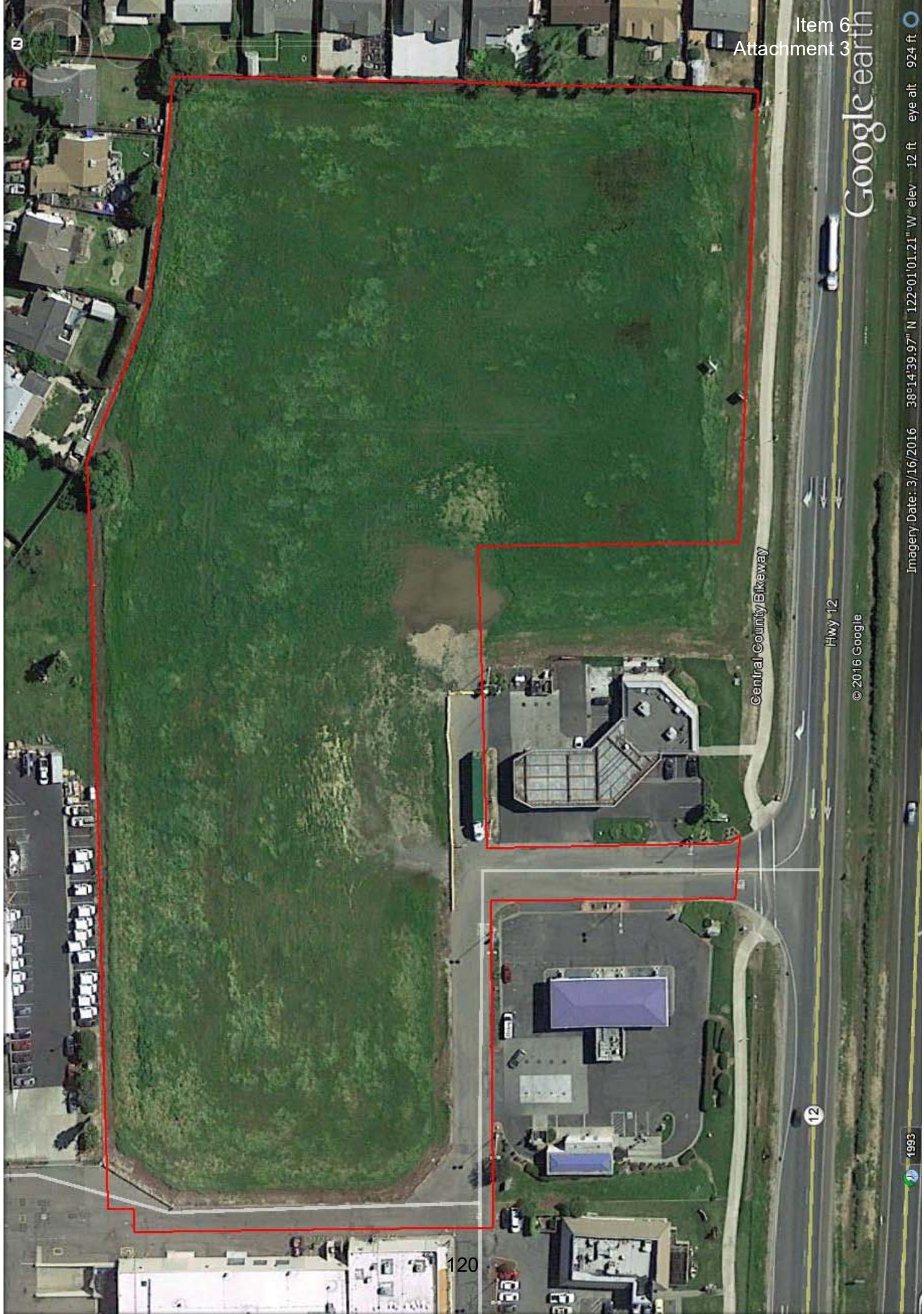
The site is 8.29 gross acres, or 361,112 SF and is commonly known as Solano County Assessor Parcel Numbers 0173-390-16 and 0173-390-18. It is very irregularly shaped site as illustrated on the Assessor's Parcel Map on the opposite page. An aerial image is on the following opposite page.

The subject is part of the land development of the Sunset Shopping Center with various reciprocal access and utility corridors servicing not only the subject but also all of the Sunset Shopping Center development including the US Post office north of the subject fronting onto Merganser Dr.

The subject parcel shape is almost an inverted "L" with an access "cherry stem" to State Highway 12. There is 358 ± lineal feet of HWY 12 frontage in the eastern part of the site. Ingress and egress along this 358 ± lineal feet of HWY 12 frontage has been dedicated to CalTrans, such that the subject does not have HWY 12 access through any part of that 358± lineal feet of frontage.

The "cherry stem" access is located between an existing Chevron gas station, mini-mart, car wash on the west and a Union 76 gas and Seven-Eleven mini-mart on the east. The "cherry stem" is approximately 55 feet wide and 250 feet long for approximately 13,750 square feet. This "cherry stem" is a third of an acre or 3.8% of the total subject property site area. This "cherry stem" access is the sole HWY 12 access point for the subject property. It is also the sole HWY12 access point for the entire Sunset Shopping Center. This HWY 12 access point is a right in right out only access to west bound HWY 12.

A copy of the June 27, 2007 Kister, Savio & Rei, Inc Alta Survey of the subject property may be found in the addenda. Among many things the Alta Survey illustrates are the public access right of way, and utilities corridors. The survey does not present a calculation of that circulation and



Google earth

Imagery Date: 3/16/2016 38°14'39.97" N 122°01'01.21" W elev 12 ft eye alt 924 ft

Hwy 12

Central County Bkeway

© 2016 Google

12

1993

utility corridor land area. However, I have estimated the recorded access and utilities corridor easements to be approximately 1.05 acres or 13% of the subject property land area.

Except the one north extending easement along the line between APNs 0173-390-16 & 18, the remainder of the access corridors are paved. That pavement is now 35 years old and in poor condition. It is likely that the City of Suisun will require repaving of the access corridors as a condition of project approval. However, more importantly the marketplace will demand the developer repave these access corridors.

The subject is generally level, and generally relatively native soil conditions and topography.

### **Utility Services**

I understand that adequate “backbone” infrastructure exists to support reasonable development of the subject. That is that there is adequate water and sewer treatment and line capacity to support development of the subject.

Relatively minor utility service extensions are necessary but as I understand these are within the range of typical commercial site utility extension requirements. Later, I will address a Peabody Engineering cost estimate that addresses these utility extension costs as well as the above referenced paving costs.

### **Exposure**

The subject property is within the world of commercial and retail in particular exposure challenged. The core of this retail development node is Sunset Avenue. The subject has no exposure to Sunset Avenue. It is behind the Sunset Shopping Center. More particularly the subject is primarily behind the In-Shape.

The 358 ± lineal feet of HWY 12 frontage within the eastern part of the site provide HWY 12 exposure. However; for an 8.29 acre site, 358 ± feet of frontage exposure is simply not competitive in the realm of retail development. The majority of the subject site area has exposure to HWY 12 which is significantly blocked (called filtered in the industry) exposure. The Chevron gas station, mini-mart, car wash, the Union 76 gas and Seven-Eleven mini-mart, and the Black Bear Diner largely block the HWY 12 subject property exposure.

One of the subject property exposure changes there is not a left in, left out, HWY 12 access point. Therefore, east bound HWY 12 traffic is past a commercially viable access point prior to the subject being visible to that east bound traffic.

## Access

There are three access routes to the subject. The major subject property access route is through the Sunset Shopping Center around the south side of the main structure between the Black Bear Diner and the store front strip along the south end of the main building. This access route benefits from a left in, left out, signalized intersection near the center of the Center's Sunset Avenue frontage. One subject property challenges with this access point is there is not a visual connection between the access point and the subject property.

There is a right in right out Sunset Avenue driveway between the McDonalds and Taco Bell. This driveway lines up with the driveway between the main building and the Black Bear Diner. Again, this access point offers virtually no subject property exposure prior to progressing a fair way down the driveway.

There is a legal access point via the easement to Merganser Drive to the north. This easement is on the west side of the subject and along the rear loading dock area of the Sunset Shopping Center, this easement extends north between the rear of the Sunset Center and the Post Office on Merganser Dr. This is a legal and physical subject property access point. The Merganser Dr access point has virtually no commercial utility or value. It provides the necessary alternate emergency vehicle access. However, in the realm of commercial development this access point is not significant.

Over the years many developers, along with the City of Suisun, have attempted to obtain CalTrans permits for a right in right out HWY 12 access point within the 358 ± feet of subject property HWY 12 frontage. None of those efforts have proved fruitful. Further in studying the history of these various attempts, one has to conclude that there is little to no chance of developing a second HWY 12 access point.

The sole subject property owned access point is the "cherry stem" driveway to HWY 12 between the Chevron and the 76/Seven-Eleven. This access point possesses a visual connection albeit a filtered visual connection of the subject property from the access point.

Only one subject property access point possesses a visual connection between the access point and the subject property. A problem with this access point is there is only filtered subject property visibility. A further problem with this access point is that it is only accessible to less than a quarter of the traffic count of the Sunset Avenue commercial node district.



### **Tax & Assessment Data**

The subject property is currently owned by a public entity, and therefore is not subject to property taxes. California law requires the Assessor to reassess a property upon sale, and current levels of assessment are of no consequence to a potential buyer of the subject property.

### **Zoning**

The subject is zoned General Commercial. This is a very liberal commercial zoning which allows a wide range of commercial uses. The zoning is consistent with the General Plan land use element Mixed Use Commercial designation.

Table 3-1 of the General Plan offers the following summarization of the Mixed Use Commercial designation.

*Provides for “horizontal” (same site) and “vertical” (same building) mixed-use development. Allows retail, commercial service, professional office, public services and facilities, and other compatible uses. Allows higher-density residential uses, as described in the “Higher-Density Residential” Land Use Designation. Mixed-use projects may use FAR to regulate intensity of combined residential and nonresidential sites or may use the FAR and density (units per acre) separately for the nonresidential and residential portions of the project.*

This Mixed Use Commercial General Plan designation allows residential uses within the commercial district. As will be discussed later, at least one development proposal for the subject property includes a portion of the property being a residential apartment development.

That residential use is allowed within the Mixed Use Commercial General Plan designation district. However, a change in zoning to high density residential would be necessary. This is a discretionary zoning change which is consistent with the General plan designation. A change in zoning for a portion of the subject, to high density residential, is considered to be not very speculative because the General Plan already provides for that use.

### **Easements & Other Title Matters**

I was provided an April 26, 2006 Placer Title Company preliminary title report order # 501-16068. This preliminary title report covers the subject property. Appraisal relevant portions of that preliminary report have been excerpted and included in the addenda

I was also provided a copy of a June 27, 2007 ALTA/ACSM Land Title Survey performed by Kisler, Savio & Rei, Inc. A copy of that survey may be found in the addenda.

I have considered the matters of record within these title documents. I am not aware if additional matters have become of record since these decade old documents were created. However, if additional title matters have become of record since these documents were prepared, those matters have not been considered in this appraisal.

The subject appears to be encumbered by thirteen easements to host various utility services and shared project access. These various easements are clustered in corridors which reasonably serve as traffic circulation corridors servicing the subject and the broader Sunset Shopping Center. These easements are not onerous to value other than the fact that they contribute to the subject property to have a very low net usable to gross land area ratio.

There are effectively Covenants, Conditions and Restrictions (CC&Rs) covering the entirety of the Sunset Shopping Center project including the subject. These CC&Rs have been amended a few times. The net result of these CC&Rs is there are some reasonable limitation upon the subject, and the subject benefits from those same CC&R restrictions and access provisions applying to other parts of the Sunset Shopping Center. It appears that an amendment to the CC&Rs would be necessary in order for residential development to occur on the subject.

#### **Flood Zone/Seismic/Environmental Information**

The subject property is not located in a FEMA Flood Zone according to the FEMA Solano County Map 06095C 0457E, dated May 4, 2009. This area is not located in a designated Alquist-Priolo Earthquake Fault Zone, although all areas of California are subject to seismic activity.

I did not have access to any environmental studies. I am not aware of any environmental problems associated with this area. The value contained within this report assumes there are no environmental problems, including any soil/ground water contamination, or endangered species habitat.

#### **Ownership & Sale History**

The April 26, 2006 Placer Title Company preliminary title report order # 501-16068 I was provided indicates the subject property was owned by *The Redevelopment Agency of the City of Suisun City*. I believe that through the grant deed document 20698 recorded March 9, 2011 title was transferred to the *City of Suisun City Housing Authority*. This was not an arm's length sale and does not provide an indication of market value.

During 2015 Hall Equities had some type of an exclusive right to negotiate agreement with the Housing Authority to acquire the subject property. I am not aware of a sale price being associated with this exclusive right to negotiate agreement. Hall Equities is the owner of the major portion of the developed Sunset Shopping Center.

Through CBRE; Hall Equities marketed the leasing of 80,000 plus square feet of mid-size and small box retail space and a small amount of in-line strip retail space Hall was proposing on the subject property. That development project failed to attract sufficient tenant interest to get the development project off of the ground. The exclusive right to negotiate agreement terminated without a sale or development.

In a December 15, 2015 agreement, the Housing Authority entered into a Due Diligence and Exclusive Right to Negotiate (ERN) with Harbor Park LLC (Camran Nojoomi). This ERN contains a 75-day exclusive negotiations period with a stated intent of negotiating a sale price and a disposition and development agreement during the period Harbor Park LLC is performing their due diligence investigation. This appraisal is being performed to assist the City of Suisun City Housing Authority in decisions regarding establishing a sale price for this potential transaction.

SFP-E, LLC, an Oregon limited liability company (Les Schwab) issued a January 12, 2016 Letter of Intent to Purchase (LOI) to Camran Nojoomi. This non-binding agreement offers Mr. Nojoomi \$336,000± for a 48,000± square foot site located in the south east portion of the subject. The LOI then states the price is to be \$7.00 per square foot of land area not for public roadways or exclusively by third parties. The LOI explicitly addresses that the seller, Mr Nojoomi, is responsible for recording a parcel map making the Les Schwab site a legal parcel. While not explicitly stated in the LOI it appears Les Schwab's intent is that Mr Nojoomi would sell a finished site with access to the site and utility extensions to the site developed and paid for by Mr Nojoomi.

### **Recent Development Proposals**

During 2015 Hall Equities marketed leasing of 80,000 plus square feet of mid-size and small box retail space, with a small amount of in-line strip retail space proposed on the subject. This space was actively marketed by CBRE.

Within the *Subject Development Proposals* section of the addenda are two illustrations of the project Hall Equities was proposing. This proposal included 50,000 square feet that could host a single 50,000 square foot retail tenant or could be divided in various configurations.

Additionally, the plan included three small box spaces ranging from 7,000 to 12,000 square feet.

An additional 6,200 feet of in-line strip space, and an undefined building pad was included in the plan.

This plan was much as that planned for the subject site when the Sunset Shopping Center was in the planning stages during the late 1970's. The plan is similar in configuration to the vast amount of retail development that occurred during the 1990s and the first half of the 2000 decade.

In my opinion retailing has changed dramatically during the past 15 years. There has been significant contraction within the small and mid size retail box users by tenants such as Circuit City, Good Guy's, Linens Plus, Borders Books, Sports Authority, and such retailers. This segment of the marketplace of retailers has been hit hard from two sides, being Super Walmarts on one side of the marketplace, and internet shopping on the other side of the consumer goods retail sales marketplace. This small and mid-sized box retail segment is in a contraction mode, not an expansionary mode. I am not surprised that Hall Equities was not able to get their proposed project off of the ground because the project was designed for a contracting segment of the retail marketplace.

In December 2015 Harbor Park LLC (Camran Nojoomi) entered into a Due Diligence and Exclusive Right to Negotiate (ERN) agreement for the subject property. Mr. Nojoomi is proposing a mixed use development of the subject. This proposed project is summarized as:

Use	Size
Holiday Inn Express Hotel	54,233 sf
Restaurant	5,000 sf
Les Schwab (Tire Store)	14,348 sf
Residential Apartments	80 units

A Humphreys & Partners Architects, LP site layout designed to host this development proposal may be found in the addenda. Following that site layout are architectural renderings of the proposed Holiday Inn Express Hotel, Les Schwab, and Residential Apartments.

Jack Varozza P.E., LEED AP, QSD, Vice President, Peabody Engineering has designed the site development plan for this proposed project. Mr. Varozza has provided the following net site area calculations.

Use	Development Pad Sizes
Holiday Inn Express Hotel	1.55 acres
Retail pads	1.79 acres
Residential Apartments	3.69 acres
Total net usable site area	7.03 acres
// // // // // // // // // //	
Gross site area	8.29 acres
Net usable area percentage	85%

A fifteen present traffic circulation and utility corridor load factor is a very large traffic circulation site load factor. Typically with street frontage parcels this load factor is in the 0% to 5% range. This 1.26 acre gross to net area loss is greater than the 1.05 acres loss I have estimated for the recorded public access and utilities corridors. This is because this 1.26 acre estimate includes an eastward access and utility corridor extension necessary to create the proposed Les Schwab pad.

Mr. Varozza also provided an “off-site” improvement cost estimate of \$900,100, for this development proposal. A copy of that cost estimate may be found in the addenda within the Subject Development Proposals section. Depending on how one classifies the term “off-site” improvements one might not consider these to be “off-site” improvements because they are improvements within the subject property lines. However, there are traffic circulation and utility services extensions necessary to make the subject property four buildable pads, and in that sense these are “off-site” of the four building pads proposed in this development scenario.

This Due Diligence and Exclusive Right to Negotiate agreement does not contain a sale price offer. Rather the price is to be a matter of negotiations once the potential buyer performs their due diligence investigations. A copy of that Due Diligence and Exclusive Right to Negotiate agreement may be found in the addenda

**Site Summary**

The subject property is a difficult property to develop, and a property the marketplace has not been beating down the doors for. The subject was created 35 years ago and has remained vacant through the Sunset Avenue Commercial District heyday into the current Sunset Avenue Commercial District market decline cycle.

The subject faces physical development challenges relating to access, exposure, shape, and site utility (gross to net useable land area ratio). Additionally, the subject faces the marketplace of an overbuilt Sunset Avenue Commercial District with vast amounts of vacancy and retail market rent levels far lower than necessary to support the cost of new retail development on the subject property.

## HIGHEST & BEST USE

Highest and best use is defined as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and results in the highest value."<sup>3</sup>

There are four essential steps in analyzing highest and best use. The use must be a possible use, or physically possible on the site. It must be a permissible use, or a use permissible by zoning and deed restrictions. It must be a feasible use, or the use which produces a net return to the owner of the property. The last test is it must be the highest and best use, which is the use that produces the highest net return, or highest present value.

**Appropriately Supported or Legally Permissible** Local zoning ordinances, private restrictions, and other legal restrictions limit the potential uses of a site. The subject property is currently zoned Mixed Use Commercial. This is a very liberal commercial zoning which allows a wide range of commercial uses well beyond retail uses.

The zoning is consistent with the General Plan land use element Mixed Use Commercial designation. The Mixed Use Commercial General Plan designation allows all of the uses allowed within the Mixed Use Commercial zoning. However, the Mixed Use Commercial General Plan designation also allows development of mixed commercial and residential uses. This mixed commercial/residential use is allowed in both vertical and horizontal mixed configurations.

A zoning change would be necessary in order to facilitate residential development upon all or a portion of the subject. A change in zoning to include medium or high density residential development appears to be relatively noncontroversial because the General Plan already designates higher density residential development in this district.

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<sup>3</sup> *The Appraisal of Real Estate*, 12th Edition, The Appraisal Institute

The CC&Rs through their various amendments appear to allow reasonable commercial development of the subject including non-retail commercial development. I believe but am not absolutely certain that residential development is not allowed in the CC&Rs. Likely an amendment to the CC&Rs is necessary to allow residential development on the subject.

In my opinion a change in the CC&Rs, to allow residential development on the subject, is reasonably likely to be granted. My opinion is in part due to the fact that apartment development upon the subject is of greater benefit to the retail tenants of the Sunset Center, than say self-storage, or various service commercial uses, that might otherwise occupy that space. Because apartments are likely to bring additional customers to the Sunset Center and not create additional competition for this already overbuilt market there are benefits to the existing owners within the broader Sunset Center development to allow apartment construction on the subject.

**Physically Possible** Potential uses of a site are related to its location, size, shape, and topography. While the subject has fairly level topography and its soils conditions readily support typical suburban development, the subject has several physical development challenges. These physical development challenges include:

- poor retail exposure characteristics
- only fair access characteristics for most development models
- a poor 85% to 87% net usable land area ratio

These physical constraints impair the subject property rank and appeal in comparison to most available competing commercial development sites in the market area.

**Financially Feasible** The subject property is part of the Sunset Avenue Commercial District. The dominant retail commercial factors in the marketplace include:

- The Sunset Avenue Commercial District is clearly significantly oversupplied with retail real estate products as evidenced by the significant vacancy factors within both the Sunset and the Heritage Park Shopping Centers.
- The \$1.50 ± per square foot asking rents indicates that rent levels in the Sunset Avenue Commercial District are not nearly adequate to support new retail development.

- The majority of the Sunset Center recently sold for just less than \$145 per square feet. Currently it appears the lender on the Heritage Park Shopping Center is trying to figure out what to do as an alternate to foreclosing on the Center at a \$170 ± per square foot debt level. The obvious reason the lender is avoiding taking the property back at this debt level is that they believe they cannot sell the property for near \$170 ± per square foot. Retail property values in the \$150 per square foot range within the Sunset Avenue Commercial District are less than half of the cost new to create such properties.
- Hall development was recently unable to gain marketplace traction for a retail development plan for the subject property.

The extraordinary high vacancy rate, the low rental rates, the low property values, and Hall's inability to attract retail tenants to the subject all indicate that the general rate of external, economic obsolescence in retail real estate product in the Sunset Avenue Commercial District is likely in the range of 25% to 40%. In simple English this means that new retail development in the Sunset Avenue Commercial District is likely to have a market value 25% to 40% less than the cost to develop that retail real estate product.

It is clear that retail development of the subject massively fails to meet the financial feasibility highest and best use test.

Office use in Solano County has been a weak market segment for at least eight years. Colliers International reports a current Solano County office vacancy rate of 18.2% and a Fairfield/Suisun vacancy rate of 22.9%. These vacancy rates peaked in the range of 33% in the 2012 time period and have been in decline since 2012. This office vacancy rate is still well above a healthy office market vacancy rate in the 5% to 10% range.

Recent sales of office buildings in Solano County have been at prices far below replacement cost indicating that there continues to be external, 'economic obsolescence' within office real estate product within Solano County

Much as with the Suisun regional retail market, weakness of not being close enough to the I-80 corridor to be competitive, the none waterfront Suisun City office market, is also too distant from I-80 to be competitive. Suisun City struggles with demand for office space. Suisun City is just too distant from I-80 to be competitive in the office marketplace.

As with retail, the subject is simply not an office development site.



So the highest and best use challenge is; what non-retail non-office commercial uses might be financially feasible on the subject?

- Likely automotive service uses works on the subject as evidences by the Les Schwab offer.
- Lower end to mid-market hotel use might work. As recently as a few years ago the subject property did not possess the exposure and access attribute necessary for this type of lodging product to be successful. However, during recent years the consumer end of the lodging marketplace has changed from an exposure and access driven marketplace to an internet-based price competitive marketplace. That internet price-based consumer spending is supported by GPS directions directing consumers to less visible sites in pursuit of lower lodging costs.
- Restaurant use might work on a portion of the subject. This might be in the form of fast food, or budget family sit-down restaurants. I don't think that high end diner-house, or even a national chain casual dining restaurants will choose this location. Further the potential available pad adjacent to the HWY 12 frontage is questionable if it possesses adequate traffic volume access to support a drive-through. The subject is certainly not a strong competitor for a fast food drive-through location. In addition to fast food the subject might feasibly host a lower end family restaurant in competition with the Black Bear Diner, or as an alternate a buffet style family restaurant might work.
- The obvious commercial use in the marketplace for which demand appears strong, and the use that is not as exposure and access sensitive as retail, is self-storage use. Self-storage appears to meet the financial feasibility test.
- Significant tax credit incentives created an apartment development boom in the early and mid 1980's. An end to those tax credits in the late 1980 brought a nearly three decade dearth of apartment development. However, during the past few years the marketplace indicates that financial feasibly has returned to the apartment development marketplace.

**Maximum Productivity** The maximally productive use of the subject property has been a challenge for its three-decade life. The subject is the vacant phase II portion of a shopping center in which the retail real estate market is massively overbuild. The only thing abundantly clear is the subject is not a retail development site. Also it is clear that the subject is not an office site in the marketplace. The subject faces the challenges of being within a Shopping Center CC&R jurisdiction, and is zoned for commercial use, but is not suitable for typical

shopping center retail uses.

In my opinion the highest and best use of the subject is a non-retail and non-office commercial mixed use project. Some of the uses which might work included hotel, restaurant, service uses including auto service, and other service uses such as religious facilities, event center, or training center uses, and of course self-storage. This mixed commercial project development could potentially include non-commercial use of apartments.

Many professionals within the appraisal industry including myself subscribe to the idea that frequently a Highest and Best Uses analysis is enhanced by identifying the profile of the most probable buyer of the subject property. Identifying the use of a property is critical to understanding value. However, continuing on to identifying the profile of the most probable buyer assists in putting a finer point on identifying what motivates a potential buyer to acquire the subject property. This then leads to understanding what factors have value influence to the buyer profile beyond simply identifying the use.

In my opinion a very important highest and best use factor is the subject property appears best suited for a mixed use development rather than a single use development. Inherent in mixed use development is that the development competes within multiple market segments. That fact then means that a buyer focused upon a single market segment is not a likely buyer of the subject. The subject is too complicated for that buyer profile.

For example a hotel developer operator may be interested in a portion of the subject. That might be one to three acres of the subject. However, seven net acre is far too much land for a hotel developer operator to deal with. Likewise while Les Schwab is interested in a portion of the subject they are not interested in seven net acres.

This then leads to the conclusion that the subject property simply does not appeal to an owner-user profile buyer. The buyer has to see the bigger picture of a mix of uses, not just a single owner-user use. The buyer profile in the marketplace then has to be one who understands the bigger mixed use picture. They have to understand the various demand and supply factors, and understand the real estate economics of these various land uses. The buyer profile who does that is a land developer.

This land developer does not necessarily build the structure product for any or all of the uses within the mixed use development. Rather the land developer buyer of the subject is motivated to do so by the prospects of making a profit from developing the land to support the appropriate mixed uses.

This land development profit is the incentive to induce a developer to deal with; project entitlements, potentially including some rezoning, arranging and financing the physical land development, and coordinating the end development of the various mixed uses, potentially including reselling finished pads to end users.

In my opinion the most probable buyer of the subject property is a land developer, who then is motivated to buy the subject for the prospects of making a profit on the land development.

## **VALUATION**

The highest and best use of the subject is a non-retail and non-office mixed commercial use development. This mixed commercial use development may or may not include a portion of the subject as residential apartment use.

The valuation section has been bifurcated into an Income Approach development model analysis plus an overall Sales Comparison analyses which are then reconciled to a final value conclusion.

## **INCOME APPROACH - DEVELOPMENT MODEL**

In this appraisal the Income Approach is the use of a simplified development approach. This approach analyzes the property from the prospective of a land developer buyer when considering the sale of sites as revenues, and development costs, and profit as expenses, in order to arrive at a residual land value.

This at least predominantly non-retail, non-office mixed commercial and possibly apartment highest and best use subject property needs to be analyzed in an economic model replicating the highest and best use.

There is an inherent weakness in the developmental approach which is this analysis requires many very subjective inputs to the analysis. These include, what is:

- the uses to which the individual pads will be put
- the size and shape of the individual pads
- the price the developer anticipates for the pads
- the cost of creating the pads
- the marketing and sales costs
- the profit motivation necessary to induce a developer to take the risk



This is a reasonable development plan. While there are nearly an infinite number of potential development plans, this plan is reasonable and in my opinion fairly representative of how the marketplace of buyers might view the subject property potentials.

The one area that causes me some concern is that I view the subject property to be questionable as to the feasibility of hosting a residential apartment complex. I am not saying that apartments are unfeasible, what I am saying is that I think apartments in fundamentally a shopping center are risky.

Therefore I am going to run two development approach models one with the use of the northeast portion of the subject as apartment use, and the other model with the northeast portion being put to a less risky and less profitable alternate lower use such as self-storage, religious facility or meeting/training venue use.

After the development approach model (land area, land uses, development costs) have been landed upon the next step is to survey the marketplace much as a developer would to decide upon appropriate land use and land sale price correlation. To do this I have surveyed the below referenced three land sale data sets.

- Retail & Hotel Pad Land Sale
- Multi-Family Residential Land Sales
- Additional Relevant Land Sales

These sales are analyzed below. More complete information regarding each sale within each data set is available in the addenda.

**Summary Table of the Retail & Hotel Pad Land Sales**

#	Location Comments	Sale Date Zoning	Acres SF	Sale Price	\$ /SF
1	1500 North First Street, Dixon	07/15 CS-MH-ML-PD Commercial	0.970 42,253	\$200,000	\$4.73
2	Cernon Street, Vacaville	02/15 GC, Comm	0.680 29,621	\$150,000	\$5.06
3	1445-1485 Market Lane, Dixon	09/15 CH-PAO-PD	5.63 245,243	\$1,216,000	\$4.96
4	2650 & 2700 Plaza Court, Dixon	06/15 CH	2.118 92,260	\$475,000	\$5.15
5	1001 State Highway 12, Rio Vista	12/14 Highway Commercial	0.830 36,155	\$350,000	\$9.68
6	Off Business Center Drive, Fairfield	07/15 CO	2.750 119,790	\$598,950	\$5.00
7	176 Grant - East, Winters	07/14 C-1	0.961 41,861	\$251,500	\$6.01
8	E. Grant & East Street -SE Corner, Winters	08/14 C-2	0.616 26,833	\$161,000	\$6.00

1. 1500 North First Street, Dixon, 0.970 Ac sold 07/15 for \$4.73/Sq Ft

This is the sale of a site in the newer North First Street lineal commercial strip in Dixon. It appears to have been purchased for an automotive service use.

2. Cernon Street, Vacaville 0.680 Ac sold 02/15 for \$5.06/Sq Ft

This is the sale of an owner-user office site, located a little north of downtown Vacaville. The buyer is considering a residential apartment of an office.

3. 1445-1485 Market Lane, Dixon, 5.63 Ac sold 09/15 for \$4.96/Sq Ft

This is a sale of a site in which the buyer is seeking a use within the spectrum of office, self-storage or budget hotel uses but did not have a specific use at time of purchase.

4. 2650 & 2700 Plaza Court, Dixon, 2.118 Ac sold 06/15 for \$5.15/Sq Ft

This is the sale of a vacant site within a strip retail project with filtered I-80 exposure. The existing buildings within the 10± year old center are about 50% vacant. The buyer purchased for a long term speculative hold. As an interim use a used car dealer has leased this site and a small portion of the adjacent building within the strip center.

5. 1001 State Highway 12, Rio Vista, 0.83 Ac sold 12/14 for \$9.68/Sq Ft

This is the sale of a site that has been developed as the Family Dollar store in Rio Vista. The site is on HWY 12 but has direct access to and from HWY 12.

6. Off Business Center Drive, Fairfield, 2.750 Ac sold 07/15 for \$5.00/Sq Ft

This is the sale from the City of Fairfield RDA successor agency to “The Falls Event Center.” This site has direct street access but limited visibility. The exposure character of this site supports only a destination use. The use is intended to be a commercial event center.

7. 176 Grant - East, Winters, 0.961 Ac sold 07/14 for \$6.0/Sq Ft

This is the sale of a site that has been developed to a Dollar General store in Winters. The site is on HWY 128.

8. E. Grant & East Street - SE Corner - East, Winters, 0.616 Ac sold 08/14 for \$6.00Sq Ft

This is the sale of a site that has been developed to a Yolo Federal Credit Union building in Winters. The site is on HWY 128.

My analysis of these sales in addition to my general knowledge of the market area leads to believe a developer is likely to anticipate land sale prices of those portions of the subject to be in the range of \$7.50 per square foot for the 1.79 acres of HWY 12 retail exposure land area, and \$6.00 per square foot for the 1.55 acres of hotel use land with less exposure.

**Summary Table of the Multi-Family Residential Land Sales**

#	Location Comments	Sale Date Zoning	Acres SF	Sale Price	\$/SF
1	Tabor Avenue, Fairfield	10/14 RH	1.53 66,647	\$132,500	\$1.99
2	3900 Business Center Drive, Fairfield	08/14 RH	13.640 594,158	\$6,000,000	\$10.10
3	4000 Business Center Drive, Fairfield	04/15 RH	3.210* 139,828	\$1,200,000	\$8.58

\* net of Dan Wilson Creek land area

The quality of the market data available for analyses within the multi-family land use spectrum is poor, because there is very limited pool of sales. In part, the limited number of sales, is because of the inherent risks associated with multi-family development. These risks are not necessarily very apparent to the lay person, but the risks have to do with the very high multi-family impact fee obligations of multi-family development, and how those impact fees challenge the financial feasibility of multi-family development. I have been able to find only three recent multi-family sales within the marketplace and none are very similar to the subject.

1. Tabor Avenue, Fairfield, 1.53 Ac sold 10/14 for \$1.99/Sq Ft

This is the sale of a remaining infill site within a neighborhood of small 30 to 40 year old multi-family developments. The neighborhood is known as a high crime neighborhood.

2. 3900 Business Center Drive, Fairfield, 13.64 Ac sold 08/14 for \$10.10/Sq Ft

This is Spano’s purchase of the 286 unit Verant at Green Valley project site. The purchase price included not just the site but also the development entitlements including a fully excused development agreement with the City.

3. 4000 Business Center Drive, Fairfield, 3.210 (net) Ac sold 04/15 for \$8.58/Sq Ft

Sale 3 is adjacent to Sale 2. The legal area of the site is 5.46 acres but because of Dan Wilson Creek only 3.21 acres are developable. The primary cause of the sale price difference between Sales 2 and 3 is that Sale 2 was a turnkey ready to build project, while Sale 3 still required development entitlements including a development agreement.



The marketplace reality is there are not good comparable sales for the multi-family use portion of the subject. My analysis of these sales in addition to my general knowledge of the market area leads to believe a developer is likely to anticipate land sale prices of multi-family portion of the subject to be in the range of \$7.50 per square foot.

### Summary Table of Additional Relevant Land Sales

#	Location Comments	Sale Date Zoning	Acres SF	Sale Price	\$/SF
1	613-615 East Street, Woodland	06/15 C3C, Comm	3.250 141,570	\$900,000	\$6.36
2	Off Business Center Drive, Fairfield	07/15 CO	2.750 119,790	\$598,950	\$5.00
3	1445-1485 Market Lane, Dixon	09/15 CH-PAO-PD	5.63 245,243	\$1,216,000	\$4.96
4	3630 Ritchie Road, Fairfield	01/15 CS	4.37* 190,357	\$1,142,000	\$6.00
5	East Monte Vista Avenue, Vacaville	06/15 IP	4.946 215,435	\$1,250,000	\$5.80

\* Usable acreage net of undevelopable designated wetlands

Analysis of this group of five sales is relevant to analysis of the 3.69 acre northeast portion of the subject on an alternate to multi-family use basis.

1. 613-615 East Street, Woodland, 3.250 Ac sold 06/15 for \$6.36/Sq Ft

This is the sale of a site purchased for development of a Mosque and Islamic Cultural Center. A religious faculty use of the northeast 3.69 acres is a reasonable use.

2. Off Business Center Drive, Fairfield, 2.750 Ac sold 07/15 for \$5.00/Sq Ft

Again disguised, this is the sale from the City of Fairfield RDA successor agency to “The Falls Event Center.” This site has direct street access but limited visibility. The exposure character of this site supports only a destination use. The use is intended to be a commercial event center. An event center use of the northeast 3.69 acres is a reasonable use.

3. 1445-1485 Market Lane, Dixon, 5.63 Ac sold 09/15 for \$4.96/Sq Ft

This is a sale of a site in which the buyer is seeking a use within the spectrum of office, self-storage or budget hotel uses. This is the sale of a commercial site that suffers from access and exposure limitations that leaves the buyer wandering the marketplace for a low end commercial user. This is somewhat the character of the northeast 3.69 acres is a reasonable use.

4. 3630 Ritchie Road, Fairfield, 4.370 (net) Ac sold 01/15 for \$6.00/Sq Ft

This is the sale of a site in which the buyer intends to develop a large regional construction supply company sales yard. This is a destination use that is not particularly exposure driven in their site selection process. A similar destination non-consumer supported quasi-retail use of the northeast 3.69 acres is a reasonable use.

5. East Monte Vista Avenue, Vacaville, 4.946 Ac sold 06/15 for \$5.80/Sq Ft

This is the sale of a site in which the buyer intends upon developing a self-storage facility. A self-storage faculty use of the northeast 3.69 acres is a reasonable use.

The northeast 3.69 acre portion of the subject is zoned commercial but has inadequate exposure and traffic circulation to support traditional consumer retail use. The use of the northeast 3.69 acre portion of the subject is limited to non-industrial destination commercial use. This is a mixed bag of land uses which have the cental theme that they are not consumer retail use sites. The uses of these site sales are various destination commercial uses. These sales have a value range generally from \$5.00 to \$6.50 per square foot. These sales are similar in that none have consumer retail viable exposure. However, all of the sales above the \$5.00 per square foot range are sites with exposure superior in comparison to the subject northeast 3.69 acres. There is still some use and value differentiation within the spectrum of commercial properties with less than viable consumer retail exposure. Being at the low end of the exposure spectrum suggests that the value is also at the low end of the spectrum.

My analysis of these sales in addition to my general knowledge of the market area leads to believe a developer is likely to anticipate a nonresidential land sale price for the northeast 3.69 acre portion of the subject to be in the range of \$5.00 per square foot.



## SALES COMPARISON APPROACH

The Sales Comparison Approach is a process in which comparable sales are analyzed and compared to the subject property. The sale price of the comparable sales is then adjusted to reflect the difference between the comparable sale and the subject property. The theory of this approach is with the adjustments for differences the comparable sale is essentially hypothesized as a surrogate for the subject property in the marketplace. This analysis is essentially a theory that works as; if property A sells for X, and we adjust for the differences we then theorize the property A would have sold for Y instead of X. This adjusted sale of a surrogate property then suggests that the subject is also likely to also sell for Y.

Commercial land is typically analyzed on a dollar per square foot basis rather than on a total property sale price basis. Through experience we can see that there is a much greater correlation of sale per square foot sale prices in comparison to total property sale prices. The Sales Comparison Approach will therefore be based upon a sale price per square foot basis.

The subject property is atypical in the marketplace because the shape and location of the site necessitates a significant portion of the site area be dedicated to utility extensions but more importantly must be dedicated to, traffic circulation use, to support the entire Sunset Center complex, and not simply traffic circulation to support the 8.29 acre subject as a stand-alone site. Essentially some of the functional and economic benefit of the subject site has already been transferred to the greater Sunset Shopping Center. Because of this atypical condition the sales will be compared to the subject on both a gross and net square foot basis.

Of course the gross size is 8.29 acres or 361,112 square feet. The more problematic issue is; what is the appropriate net square footage to utilize? My estimate of the subject property land area net of the recorded 45,738 ± square feet of shared traffic circulation easements is 7.24 acres or 315,474 ± square feet. However, it is arguable that the most valuable portion of the subject property is the 1.79 ± acres in the southeast corner of the subject with 358 feet of HWY 12 frontage. Additional common driveways are necessary in order to create commercially viable access to this 1.79 ± acres. With a dedicated access to this 1.79 ± acres portion of the subject, as previously reported Mr. Varozza has calculated the net usable area of the subject to be 7.03 acres or 306,227 square feet. In my opinion this 306,227 square feet estimate best represents how the marketplace views the net usable area of the subject property. I think marketplace expectations are closest to the 7.03 acres or 306,227 square feet as the net site area. Therefore I will utilize the 7.03 net acres or 306,227 net square feet for valuation on a usable land area. Again this is an atypically low usable area ratio of 84.8%.



**subject 8.29 acres**

Sale 1

Sale 2

Sale 4

505

113

12

121

29

Sale 2

Sale 5

37

128

84

Item 6  
Attachment 3

Google earth

Imagery Date: 3/16/2016 38°20'54.53" N 122°04'55.19" W elev. 1153 ft eye alt. 44.02 mi

Another largely traffic circulation value influencing factor is the \$910,000 “off-site” improvement costs. In this analysis I will be analyzing five comparable sales. These five sales range from upcoming Sale 3 requiring no off-site improvements to upcoming Sale 2 requiring off-site improvements roughly proportional to that necessary for the subject property. The cost of the comparable sale required off-site improvements are not known. Therefore it is not possible to make quantified off-site improvement cost adjustments. Those off-site improvement cost adjustments have to fall into the subjective, qualitative adjustment category. However, it is useful for the reader to understand that \$900,100 off-site improvement cost equates to \$2.52 per gross square foot, and \$2.97 per net square foot. These off-site improvement costs are a very significant value influencing considerations.

A search of the marketplace yielded five sales I consider to be relevant to valuing the subject property. Those five sales are summarized in the following table, and more complete information about the comparable sales may be found in the sale data sheets in the addenda. A map illustrating the location of the comparable sales is on the opposite page

**Summary Table of the Subject Property Comparable Sales**

#	Location Comments	Sale Date Zoning	Acres SF	Sale Price	\$ /SF
1	SE I-80 & W. Dorset Dr, Dixon Planned for 175K sq ft inline retail & 3 retail pads	03/15 CH-PAO- PD	16.64 724,838	\$2,150,000	\$2.97
2	5190 Mini Dr, Vallejo Planned mixed commercial and residential	11/14 CL, IU	13.96 608,098	\$1,800,000	\$2.96
3	1445-1485 Market Ln, Dixon possibly self storage - possible mixed commercial	09/15 CH-PAO- PD	5.63 245,243	\$1,216,000	\$4.96
4	East Grant Ave, Winters mixed commercial use anticipated	3/15 C-1	6.010 261,796	\$1,250,000	\$4.77
5	5170 Sonoma Blvd, Vallejo rear of Shopping Center location, access challenges	07/15 IU, Comm	3.010 131,116	\$499,100	\$3.81

1. SE I-80 & W. Dorset Drive, Dixon, 16.64 Ac sold 03/15 for \$2.97/Sq Ft

This is a site on the southeast side of I-80 in Dixon, adjacent to the west of the Cattlemen’s Restaurant. During the market boom, the Sale 1 property had been in a contract to sell to Home Depo. Home Depo was actually more interested in the Davis market area. However because of a “Big Box retail” prohibition in Davis, Home Depo was interested in this site as the closest to Davis site available with adequate backbone infrastructure in place. This backbone infrastructure means existing allocated water and sewer treatment plant capacity. At the peak of the market cycle reportedly the Sale 1 site was in a contract to Home Depo for \$13.00 per square foot. As the economy declined reportedly the sale price kept declining until it was in the range of \$8.00 per square foot. Then by 2010 or so it fell out of the contract. The lender foreclosed on the property after the Home Depo sale failed.

The buyer in this transaction is a developer planning approximately 175,000 square feet of inline retail development and three pads between one and two acres each. Signage to east bound I-80 is good and access is reasonable. However, access from east bound I-80 is circuitous. Signage to west bound I-80 is only visible a half mile past the west bound exit. The westbound access route is not only lacking in visual connection to the subject, but it is also very circuitous access, which is not an intuitive route.

Sale 1 requires significant off-site improvement costs but likely significantly less on a square foot cost basis than the subject. There are gross to net land area consideration to Sale, but Sale 1 is clearly superior to the subject in its net usable area ratio characteristics. The I-80 exposure is superior to the subject exposure. The Sale 1 access attributes are very different from the subject. However, they are generally of similar scale of being less than desirable access. Sale 1 is twice the size of the subject, warranting an upward size adjustment.

After considering all relevant factors the \$2.97/Sq Ft price of Sale 1 indicates a subject property value in the range of \$2.25 to \$2.75 per gross square foot and in the range of \$2.75 to \$3.25 per net square foot.

2. 5190 Mini Drive, Vallejo, 13.96 Ac sold 11/14 for \$2.96/Sq Ft

The Sale 2 property is located at the southeast corner of HWY 29 (Sonoma Blvd.) and Mini Drive in northern Vallejo. Mini Drive is a signalized intersection of HWY 29.

The Sale 2 property is a very long narrow triangular parcel between HWY 29 on its west and Broadway on its east. The north tip of the triangle is approximately 150 feet of frontage on Mini Dr and 547 ± feet on its southern property between HWY 29 and Broadway. The parcel is approximately 1,750 feet long. All of the street frontage curb gutter and sidewalk along Broadway are necessary. CalTrans has extinguished the abutter's rights of ingress and egress access along the HWY 29 frontage.

The zoning is IU or intensive use. This is essentially a commercial zoning. At the time of sale the buyer did not have a specific idea or plan for the property. However, the buyer express interest in a commercial use of the northern tip of the property and apartment use of the balance of the property. The buyer would like to develop a co-branded gas/mini-mart/fast-food at the northern tip. He is considering some additional strip retail next to the co-brand, and apartments for the majority of the site. The retail uses are allowed in the IU zoning. A change in zoning, and General Plan amendment are necessary for the apartment use.

A decade ago another developer was processing approvals for a generally similar mixed use project of commercial and apartment use. It appears that the General Plan amendment necessary was likely to be approved then. However, with a deteriorating economy and market the developer quit spending money on the entitlement process and eventually let his option-to-purchase expire. That prior sale 2 property entitlement activity suggests that this buyer is likely to be able to obtain the General Plan amendment necessary to allow for apartment use of the majority of the property.

Sale 2 requires significant off-site improvement costs likely similar on a square foot cost basis the subject offsite improvement costs. There are minimal gross to net land area consideration to Sale 2. Sale 2 is superior to the subject on a gross site area basis. The HWY 29 exposure and access are both far superior to the subject. On a net usable site are basis Sale 2 is twice the size of the subject, warranting an upward size adjustment.

After considering all relevant factors the \$2.96/Sq Ft price of Sale 2 indicates a subject property value in the range of \$2.25 to \$2.75 per gross square foot and in the range of \$3.25 per net square foot.



3. 1445-1485 Market Lane, Dixon, 5.63 Ac sold 09/15 for \$4.96/Sq Ft

The Sale 3 property is located at the southwest “L” corner of Market Lane, and Ary Lane in Dixon. Only the northeast corner of Sale 3 abuts the street, making Sale 3 have only one access point, and after buildout of the area fairly filtered exposure. The rear or west end of the site abuts I-80.

The Sale 3 property is a fully finished site requiring no off-site improvements, nor any gross to net usable land area loss.

The buyer is trying to find a self-storage, budget hotel, or owner-user office user.

Sale 3 requires downward adjustment for the in-place offsite improvements and because of the greater functional utility of the site.

After considering all relevant factors the \$4.96/Sq Ft price of Sale 3 indicates a subject property value, on a gross square foot basis is in the range of half of this \$4.96/Sq Ft price, and in the range of \$3.00 per net square foot.

4. East Grant Avenue, Winters, 6.010 Ac sold 03/15 for \$4.77/Sq Ft

The Sale 4 site is located on the south side of Grant Avenue. Grant Avenue is also known as HWY 128 in Winters. The site is located a half mile west of I-505 between the freeway and downtown Winters. The site extends from E. Main Street to Morgan Street and extends in depth to approximately 220 feet to E. Baker Street.

The E. Main Street, Morgan Street and E. Baker Street frontages of Sale 4 are complete, requiring not off-site improvement costs. The Grant Avenue frontage requires significant frontage improvement including under grounding an existing drainage ditch. All utilities are reported to be available to Sale 4 within E. Baker Street.

Sale 4 requires downward adjustment because of its vastly superior shape, configuration, exposure and its less onerous offsite improvement cost obligations.

After considering all relevant factors the \$4.77/Sq Ft price of Sale 4 indicates a subject property value on a gross square foot basis in the range of half of this \$4.77/Sq Ft price, and in the range of \$3.00 per net square foot.

5. 5170 Sonoma Boulevard, Vallejo, 3.010 Ac sold 07/15 for \$3.81/Sq Ft

In many ways Sale 5 is the ideal comparable sale for this appraisal. Sale 5 is an access impaired commercial site located on the back side of a shopping center sited along a four-lane divided State Highway.

Sale 5 is located on the east side of Sonoma Boulevard approximately 1,000 feet north of HWY 37. Sonoma Boulevard is HWY 29. In this area HWY 29 is a limited access divided State Highway with a somewhat landscaped center median.

Sale 5 is located at the rear of the Walmart Store which has been closed for several years. The Walmart building is the south end of the struggling Meadows Shopping Center

This site is located on the northbound side of HWY 29 one parcel north of HWY 37. HWY 29 is one of the main entries into Napa Valley. On the date of sale a prior CalTrans encroachment permit to access HWY 29 had expired.

The site was created through a two-parcel split that created a self storage site to the east along its Broadway frontage. In the parcel split a 381-foot access and utility easement was created from the northeast corner of the site to Broadway. At the time of the parcel split utilities were stubbed to the Northeast corner and the access easement to Broadway was paved.

The then developer of the site submitted its application to the City the spring of 2004 for a project named Vallejo Crossings. The Vallejo Crossings project was approved by the City in 2007, and was marketed as a retail development featuring roughly 20,000 SF of retail space. The project included a service station with a drive thru car wash, a roughly 4,600 SF freestanding retail building with a drive thru window, and two multi-tenant freestanding retail buildings roughly featuring 7,200 SF and 8,200 SF.

City approvals were contingent upon developer receipt of a CalTrans a right in, right out, driveway-encroachment-permit along the HWY 29 frontage. That encroachment permit was issued by CalTrans but had a five-year termination if not developed. If the project was not completed and opened within five years the Cal Trans permit was to expire.

The buyer had optioned the property and processed project approvals. They closed escrow at a price of \$3.3 million in October 2006 when they had confidence that the final project approvals were going to be awarded within a few months.

Final development approvals were issued in 2007. However by that time the economic downturn was well underway and tenants would not commit to leases. Without leases the construction financier would not finance construction. The CalTrans encroachment permit expired in 2011. and WestAmerica Bank foreclosed on the property shortly thereafter.

At the time of this 2013 sale all project approvals had expired. The City reported being generally favorable to a similar development project approval however, the entire entitlement process including the arduous to obtain CalTrans encroachment permit has to be obtained again.

Sale 5 requires downward adjustment because of the higher retail, fast food, gas uses potential in comparison to the mixed use potential of the subject. Further downward adjustment is needed because of the superior functional utility of Sale 5. The access issues are different in that Sale 5 requires expense, risk, and time delay to fix the access problem but then fixed the access of Sale 5 will be superior to the access problem of the subject which cannot be fixed. In my opinion the two access "issues" while different have similar amount of value diminution.

After considering all relevant factors the \$3.81/Sq Ft price of Sale 5 indicates a subject property value in the range of \$2.25 to \$2.75 per gross square foot and less than the \$3.81/Sq Ft price in the range of \$3.00 per net square foot.

**SUMMARY OF SALES COMPARISON ANALYSIS**

#	Location Comments	Sale Date Zoning	Acres SF	Sale Price \$ /SF	Indicated \$/gross sf	Indicated \$/gross sf
1	SE I-80 & W. Dorset Dr Dixon	03/15 CH-PAO-PD	16.64 724,838	\$2,150,000 \$2.97	\$2.25 - \$2.75	\$2.75 - \$3.25
2	5190 Mini Dr Vallejo	11/14 CL, IU	13.96 608,098	\$1,800,000 \$2.96	\$2.25 - \$2.75	\$2.75 - \$3.25
3	1445-1485 Market Ln Dixon	09/15 CH-PAO-PD	5.63 245,243	\$1,216,000 \$4.96	\$2.50±	\$3.00±
4	East Grant Ave Winters	3/15 C-1	6.010 261,796	\$1,250,000 \$4.77	\$2.50±	\$3.00±
5	5170 Sonoma Blvd Vallejo	07/15 IU, Comm	3.010 131,116	\$499,100 \$3.81	\$2.25 - \$2.75	\$3.00±

Sales 2 and 5 most nearly replicated the subject property development challenges. In weighing all of the factors Sales 2 and 5 are the best indicators of value. After all considerations the Sales Comparison Approach indicates the subject property value as:

$$361,112 \text{ gross sq ft} \times \$2.50/\text{gross sq ft} = \$902,781$$

$$306,227 \text{ net sq ft} \times \$2.50/\text{net sq ft} = \$918,680$$

After appropriate rounding so as to not suggest a degree of precision that does not exist, the Sales Comparison Approach indicates a subject property value of \$900,000.

**SALES COMPARISON APPROACH = \$900,000**

## RECONCILIATION

The subject property has been analyzed by use of the Income and Sales Comparison Approaches with the following value indications

**INCOME APPROACH = \$625,000 TO \$850,000**

**SALES COMPARISON APPROACH = \$900,000**

These two value indications do not correlate well. This lack of correlation between valuation approaches is common when appraising properties which are atypical assets within their property type category.

The subject is one of those properties which does not fit well within its commercial site property type. The impaired exposure, impaired access, gross to net usable area, and significant off-site improvement costs, makes the subject an odd duck within the universe of competitive commercial sites available.

Understanding that because the subject is an unusual property, it is difficult to appraise still does not answer the question of what is its value.

In my opinion, total property Sales 2 and 5 are in my opinion the best subject property surrogate available in the market area.

Sale 2 was purchased for development of a retail and apartment mixed use development. Sale 2 requires significant off-site improvements although not to the square foot weighted extent of the subject off-site improvement obligations. This property also faces severed state highway frontage access rights. Although, Sale 2 still possesses better access characteristics than the subject.

Sale 5 is a commercial site located on state highway frontage, with severed rights of access to the highway. It is also a commercial site generally located at the rear of behind a struggling shopping center.

Given the subject property appraisal challenges, I am fortunate and pleased to happen to have available for analysis, the sale of two properties which share many of the subject property quirky characteristics.

The somewhat analytically challenging fact is, the two sales of property best replicating the subject provide the greatest value indication. On the surface this may be bewildering. However, in my opinion this represents a notable common characteristic of the most probable buyer profile. Recalling back to the Highest and Best Use analysis, I concluded that the most probable buyer of the subject is a developer. Developers tend to share a few very common personality characteristics. They tend to be very optimistic people. They just tend to see positive future outcomes. Additionally developers tend to be fairly egotistic. This is not said with a derogatory inflection. What I am say is developers tend to think they can accomplish what others cannot accomplish.

In my opinion, in many ways what I think is that developmentally challenged properties tend to inspire the creative juices within developers, such that they tend to pay more than what a detached uninspired view of the property might indicate.

In weighing all of various factors, despite the preponderance of evidence of a lesser value, total property comparable Sales 2 and 5 are in my opinion the best indicators of the subject property value in the marketplace. After consideration of both approaches to value, all of the available market data and analysis with primary consideration given to the analysis of total property comparable Sales 2 and 5 in my opinion the market value of the subject property is \$900,000.

**MARKET VALUE AS OF MARCH 21, 2016 = \$900,000**

## EXPOSURE TIME

The Uniform Standards of Professional Appraisal Practice (USPAP) require that opinions of market value be expressed in relation to exposure time.

Exposure time<sup>4</sup> is defined as:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort.

Exposure time is different for various types of real estate and value ranges and under various market conditions. Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal.

There is no empirical evidence of how long the subject property would have needed to be exposed to the market under these conditions in order to result in a sale at market value on the date of value. Therefore based more on my experience in the marketplace than specific empirical evidence; given the limited numbers of buyers currently in the marketplace, our opinion is the subject property would have had to been offered for sale for approximately eighteen months prior to the date of value.

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<sup>4</sup> *Dictionary of Real Estate Appraisal*, 4<sup>th</sup> Edition, The Appraisal Institute

## CERTIFICATION

I certify that, to the best of our knowledge and belief

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standard of Professional Appraisal Practice.
8. I have made a personal inspection of the property that is the subject of this report, unless noted otherwise in the SCOPE OF WORK.
9. I have made a personal inspection of all of the comparable sales used in analysis.
10. No one provided significant professional assistance to the persons signing this report.



11. To the best of our knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Ronald G. Garland has completed the requirements of the continuing education program of the Appraisal Institute.
13. I have the necessary education and experience to competently perform this appraisal assignment.
14. I have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of the assignment.
15. Ronald G. Garland is currently certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).
16. This appraisal is intended to be in full compliance with the Uniform Standards of Professional Appraisal Practice.



Ronald G. Garland, MAI, SRA  
CA #AG001662



Date

# **Subject Property Photographs**

SUBJECT PROPERTY PHOTOGRAPHS



HWY 12 entrance. The central portion of the Subject is behind the two gas stations in the foreground and in front of the post office in the background.



View north of the west end of the Subject. The subject is on the right, the rear of the post office is in the right background, and the rear of the Sunset Shopping Center is on the left

SUBJECT PROPERTY PHOTOGRAPHS



View Northeast across the central portion of the Subject and the central east/west drive isle.



View southeast across the southeast portion of the subject towards HWY 12 in the background.

SUBJECT PROPERTY PHOTOGRAPHS



Front side of Sunset Shopping Center to the west of the Subject.



View of the two gas stations at the Subject property entrances,  
viewed from the south side of HWY 12.

**SUBJECT PROPERTY PHOTOGRAPHS**



View southeast of the subject from HWY 12 frontage, from the south side of HWY 12.

# **Excerpted Title Documents**

# PLACER TITLE COMPANY

## Preliminary Report

Order No. 501-16089  
UPDATE

### Issued By:

PLACER TITLE COMPANY  
1300 OLIVER RD.,  
SUITE #110  
FAIRFIELD, CA 94534  
Escrow Officer: Laura Vierra  
Phone: 707-429-2211  
Fax: 707-429-6199  
Escrow Officer Email: lvierra@placertitle.com  
Email Loan Docs To: 501edocs@placertitle.com

Customer Reference: 8.29 ACRE COMMERCIAL - ADJACENT TO HIGHWAY 12

Property Address: APN'S: 0173-390-160 AND 0173-390-180, SUISUN CITY, CA 94585

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In response to the above referenced application for a policy of title insurance, PLACER TITLE COMPANY hereby reports that it is prepared to issue, or cause to be issued, through one of its authorized underwriters, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in the attached. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in the attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

PLEASE READ THE EXCEPTIONS SHOWN OR REFERRED TO BELOW AND THE EXCEPTIONS AND EXCLUSIONS SET FORTH IN THE ATTACHED CAREFULLY. THE EXCEPTIONS AND EXCLUSIONS ARE MEANT TO PROVIDE YOU WITH NOTICE OF MATTERS WHICH ARE NOT COVERED UNDER THE TERMS OF TITLE INSURANCE POLICY AND SHOULD BE CAREFULLY CONSIDERED. IT IS IMPORTANT TO NOTE THAT THIS PRELIMINARY REPORT IS NOT A WRITTEN REPRESENTATION AS TO THE CONDITION OF TITLE AND MAY NOT LIST ALL LIENS, DEFECTS AND ENCUMBRANCES AFFECTING TITLE TO THE LAND.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of April 11, 2006 at 7:30 a.m.

Title Officer: Laura Vierra

CLTA Preliminary Report



Order No. 501-16089  
UPDATE

The form of policy of title insurance contemplated by this report is:

**CLTA Standard Coverage Policy**

The estate or interest in the land hereinafter described or referred to covered by this Report is:

**A FEE AS TO PARCEL ONE; AN EASEMENT AS TO PARCELS TWO AND THREE**

Title to said estate or interest at the date hereof is vested in:

**THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY, A PUBLIC BODY, CORPORATE  
AND POLITIC OF THE STATE OF CALIFORNIA**

The land referred to herein is described as follows:

SEE EXHIBIT "A" ATTACHED

Order No. 501-16089  
UPDATE

**EXHIBIT "A"  
LEGAL DESCRIPTION**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SOLANO, CITY OF SUISUN CITY, AND IS DESCRIBED AS FOLLOWS:

**PARCEL ONE:**

PARCELS 1 AND 3, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SOLANO COUNTY, STATE OF CALIFORNIA ON OCTOBER 3, 1996 IN BOOK 40 OF PARCEL MAPS, AT PAGE 21.

**PARCEL TWO:**

THE NON-EXCLUSIVE EASEMENTS FOR THE INGRESS AND EGRESS AND PASSAGE OF MOTOR VEHICLES AND PEDESTRIANS OVER AND ACROSS EASEMENTS, AS SET FORTH IN THAT CERTAIN "DECLARATION OF RESTRICTIONS AND GRANTS OF EASEMENTS", RECORDED NOVEMBER 1, 1979 IN BOOK 1979, PAGE 94395, INSTRUMENT NO. 56053.

**PARCEL THREE:**

THE NON EXCLUSIVE EASEMENTS FOR THE INGRESS AND EGRESS AND PASSAGE OF MOTOR VEHICLES AND PEDESTRIANS, OVER AND ACROSS EASEMENTS, AS SET FORTH IN THAT CERTAIN "SECOND AMENDMENT TO DECLARATION OF RESTRICTIONS AND GRANTS OF EASEMENTS," RECORDED MARCH 18, 1988 IN BOOK 1988, PAGE 28571, INSTRUMENT NO. 14752.

APN: 0173-390-160 AND 0173-390-180

Order No. 501-16089  
UPDATE

**EXCEPTIONS**

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5, (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE, OF THE STATE OF CALIFORNIA.
2. THE HEREIN DESCRIBED PROPERTY LIES WITHIN THE BOUNDS OF THE SOLANO IRRIGATION DISTRICT AND SUISUN RESOURCE CONSERVATION DISTRICT, AND IS THEREFORE SUBJECT TO ALL THEIR TAXES AND ASSESSMENTS THEREOF.
3. MUNICIPAL AND ANY UNPAID CHARGES FOR THE CITY OF SUISUN CITY, IF ANY. FOR AMOUNTS DUE, PLEASE CONTACT SOLANO GARBAGE AT (707) 439-2800.
4. AN EASEMENT OVER SAID LAND FOR SEWER TRUNK MAIN AND INCIDENTAL PURPOSES, IN FAVOR OF THE FAIRFIELD-SUISUN SEWER DISTRICT, A PUBLIC CORPORATION IN DEED RECORDED JUNE 13, 1966, BOOK 1402, PAGE 637, INSTRUMENT NO. 16339, OFFICIAL RECORDS.

AFFECTS: THE SOUTHERLY PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

5. AN EASEMENT OVER SAID LAND FOR WATER LINE AND INCIDENTAL PURPOSES, IN FAVOR OF THE CITY OF SUISUN CITY, RECORDED APRIL 22, 1976, BOOK 1976, PAGE 21443, INSTRUMENT NO. 13297, OFFICIAL RECORDS.

AFFECTS: THE SOUTHERLY PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

6. AN EASEMENT OVER SAID LAND FOR WATER MAINS AND INCIDENTAL PURPOSES, IN FAVOR OF THE CITY OF SUISUN CITY, RECORDED APRIL 22, 1976, IN BOOK 1976, PAGE 21448, INSTRUMENT NO. 13298, OFFICIAL RECORDS.

AFFECTS: THE SOUTHERLY PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

7. AN EASEMENT OVER SAID LAND FOR STORM DRAINS AND INCIDENTAL PURPOSES, IN FAVOR OF THE CITY OF SUISUN CITY, RECORDED JANUARY 28, 1977, IN BOOK 1977, PAGE 5653, INSTRUMENT NO. 3316, OFFICIAL RECORDS.

AFFECTS: THE SOUTHERLY PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

Order No. 501-16089  
UPDATE

**EXCEPTIONS**  
**(Continued)**

8. AN EASEMENT OVER SAID LAND FOR ACCESS, AND INCIDENTAL PURPOSES AS SET FORTH ON PARCEL MAP FILED OCTOBER 12, 1979, IN BOOK 19 OF PARCEL MAPS, PAGE 15.

AFFECTS: PORTIONS OF THE PROPERTY

9. TERMS, PROVISIONS, COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS, BUT OMITTING ANY COVENANT, CONDITION OR RESTRICTION, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN TO THE EXTENT THAT THE COVENANT, CONDITION OR RESTRICTION VIOLATE 42 U.S.C. 3604 (C) AS SET FORTH IN THE DOCUMENT RECORDED NOVEMBER 01, 1979, BOOK 1979, PAGE 94395, INSTRUMENT NO. 56053, OFFICIAL RECORDS.

SAID COVENANTS, CONDITIONS AND RESTRICTIONS PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT THE LIEN OF ANY MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE.

SAID COVENANTS, CONDITIONS AND RESTRICTIONS DO NOT PROVIDE FOR REVERSION OF TITLE IN THE EVENT OF A BREACH THEREOF.

SAID COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS WERE MODIFIED IN PART BY INSTRUMENT RECORDED MAY 11, 1984, IN BOOK 1984, PAGE 40102, INSTRUMENT NO. 20639, OFFICIAL RECORDS.

SAID COVENANTS, CONDITIONS RESTRICTIONS AND EASEMENTS WERE MODIFIED IN PART BY INSTRUMENT RECORDED MARCH 18, 1988, IN BOOK 1988, PAGE 28751, INSTRUMENT NO. 14752, OFFICIAL RECORDS.

10. AN EASEMENT OVER SAID LAND FOR UNDERGROUND COMMUNICATION FACILITIES AND INCIDENTAL PURPOSES, IN FAVOR OF PACIFIC TELEPHONE AND TELEGRAPH COMPANY, RECORDED DECEMBER 11, 1980, IN BOOK 1980, PAGE 90035, INSTRUMENT NO. 54958, OFFICIAL RECORDS.

AFFECTS: A PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

11. AN EASEMENT OVER SAID LAND FOR SANITARY SEWER PIPE LINES AND WATER PIPE LINES AND INCIDENTAL PURPOSES, IN FAVOR OF THE CITY OF SUISUN CITY, RECORDED MAY 13, 1981 BOOK 1981, PAGE 34236, INSTRUMENT NO. 19911, OFFICIAL RECORDS.

AFFECTS: A PORTION OF THE PROPERTY

Order No. 501-16089  
UPDATE

**EXCEPTIONS**  
**(Continued)**

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

12. AN EASEMENT OVER SAID LAND FOR ELECTRIC FACILITIES AND INCIDENTAL PURPOSES, IN FAVOR OF PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, RECORDED SEPTEMBER 3, 1981 IN BOOK 1981, PAGE 65076, INSTRUMENT NO. 37567 OFFICIAL RECORDS.

AFFECTS: A PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

13. AN EASEMENT OVER SAID LAND FOR UNDERGROUND PIPES AND INCIDENTAL PURPOSES, IN FAVOR OF PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, RECORDED SEPTEMBER 3, 1981 IN BOOK 1981, PAGE 65083, INSTRUMENT NO. 37568 OFFICIAL RECORDS.

AFFECTS: A PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

14. THE FACT THAT SAID LAND IS INCLUDED WITHIN A PROJECT AREA OF THE REDEVELOPMENT PLAN FOR THE SUISUN CITY REDEVELOPMENT PROJECT, AND THAT PROCEEDINGS FOR THE REDEVELOPMENT OF SAID PROJECT HAVE BEEN INSTITUTED UNDER THE REDEVELOPMENT LAW, SUCH REDEVELOPMENT TO PROCEED ONLY AFTER THE ADOPTION OF THE REDEVELOPMENT (PLAN) AS DISCLOSED BY A DOCUMENT RECORDED JULY 14, 1982, INSTRUMENT NUMBER 25626, BOOK 1982, PAGE 45007, OFFICIAL RECORDS.

AND AS MODIFIED BY AN INSTRUMENT RECORDED JULY 21, 1989 INSTRUMENT NO. 890047829.

15. THE TERMS, CONDITIONS AND PROVISIONS CONTAINED IN AN INSTRUMENT ENTITLED "AGREEMENT AND COVENANTS TO ENTER INTO ASSESSMENT DISTRICT", BY AND BETWEEN CAL LAND INVESTORS, AND SOLANO INVESTORS, RECORDED SEPTEMBER 30, 1986, IN BOOK 1986, PAGE 112571, INSTRUMENT NO. 54567, OFFICIAL RECORDS.

16. AN EASEMENT OVER SAID LAND FOR ACCESS AND INCIDENTAL PURPOSES AS SET FORTH ON PARCEL MAP FILED OCTOBER 03, 1996, IN BOOK 40, PAGE 21 OF PARCEL MAPS.

AFFECTS: A PORTION OF THE PROPERTY

17. AN EASEMENT OVER SAID LAND DISCLOSED AS AN UNRECORDED PACIFIC GAS AND

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UPDATE

**EXCEPTIONS**  
(Continued)

ELECTRIC EASEMENT, AS SET FORTH ON PARCEL MAP FILED OCTOBER 03, 1996,  
IN BOOK 40, PAGE 21 OF PARCEL MAPS.

AFFECTS: A PORTION OF THE PROPERTY

18. AN EASEMENT OVER SAID LAND FOR PUBLIC ACCESS AND PUBLIC UTILITIES, AND  
INCIDENTAL PURPOSES AS SET FORTH ON PARCEL MAP FILED OCTOBER 03, 1996,  
IN BOOK 40, PAGE 21 OF PARCEL MAPS.

AFFECTS: THE SOUTHERLY PORTION OF THE PROPERTY

19. AN EASEMENT OVER SAID LAND FOR INGRESS AND EGRESS, UTILITIES AND  
INCIDENTAL PURPOSES, IN FAVOR OF CAL-LAND INVESTORS, A CALIFORNIA  
LIMITED PARTNERSHIP, RECORDED OCTOBER 4, 1996, BOOK 1996, INSTRUMENT  
NO.1996-00067362, OFFICIAL RECORDS.

AFFECTS: A PORTION OF THE PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

SAID DOCUMENT WAS RE-RECORDED NOVEMBER 3, 1997, INSTRUMENT NO.  
1997-00074482.

20. ANY FACTS, RIGHTS, INTEREST OR CLAIMS WHICH ARE NOT SHOWN BY THE PUBLIC  
RECORDS, BUT WHICH COULD BE ASCERTAINED BY AN INSPECTION OF THE LAND OR  
WHICH MAY BE ASSERTED BY PERSONS IN POSSESSION THEREOF.
21. EASEMENTS, LIENS OR ENCUMBRANCES, OR CLAIMS THEREOF, WHICH ARE NOT SHOWN  
BY THE PUBLIC RECORDS.
22. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA,  
ENCROACHMENTS, OR ANY OTHER FACTORS WHICH A CORRECT SURVEY WOULD  
DISCLOSE, AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

\*\*\*\*\*

\*\*\* CHAIN OF TITLE REPORT:

ACCORDING TO THE PUBLIC RECORDS, NO DEEDS CONVEYING THE PROPERTY  
DESCRIBED IN THIS REPORT HAVE BEEN RECORDED WITHIN A PERIOD OF 2 YEARS  
PRIOR TO THE DATE OF THIS REPORT, EXCEPT AS SHOWN HEREIN:

NONE

NOTE: TAXES, SPECIAL AND GENERAL, ASSESSMENT DISTRICTS AND SERVICE

Order No. 501-16089  
UPDATE

**EXCEPTIONS**  
**(Continued)**

AREAS, FOR THE FISCAL YEAR 2005-2006:

1ST INSTALLMENT: \$0.00 CANCELLED

2ND INSTALLMENT: \$0.00 CANCELLED

ASSESSED VALUATIONS:

LAND: \$0.00

IMPROVEMENTS: \$0.00

EXEMPTION: \$0.00

PARCEL NO.: 0173-390-160 AND 0173-390-180 CODE AREA: 5005

\*\*\*\*\*

NOTE: ANY CONVEYANCE OF INTEREST (OR PARTIAL INTEREST) AFFECTING  
THE HEREIN DESCRIBED PROPERTY MAY REQUIRE DOCUMENTARY TRANSFER TAX.

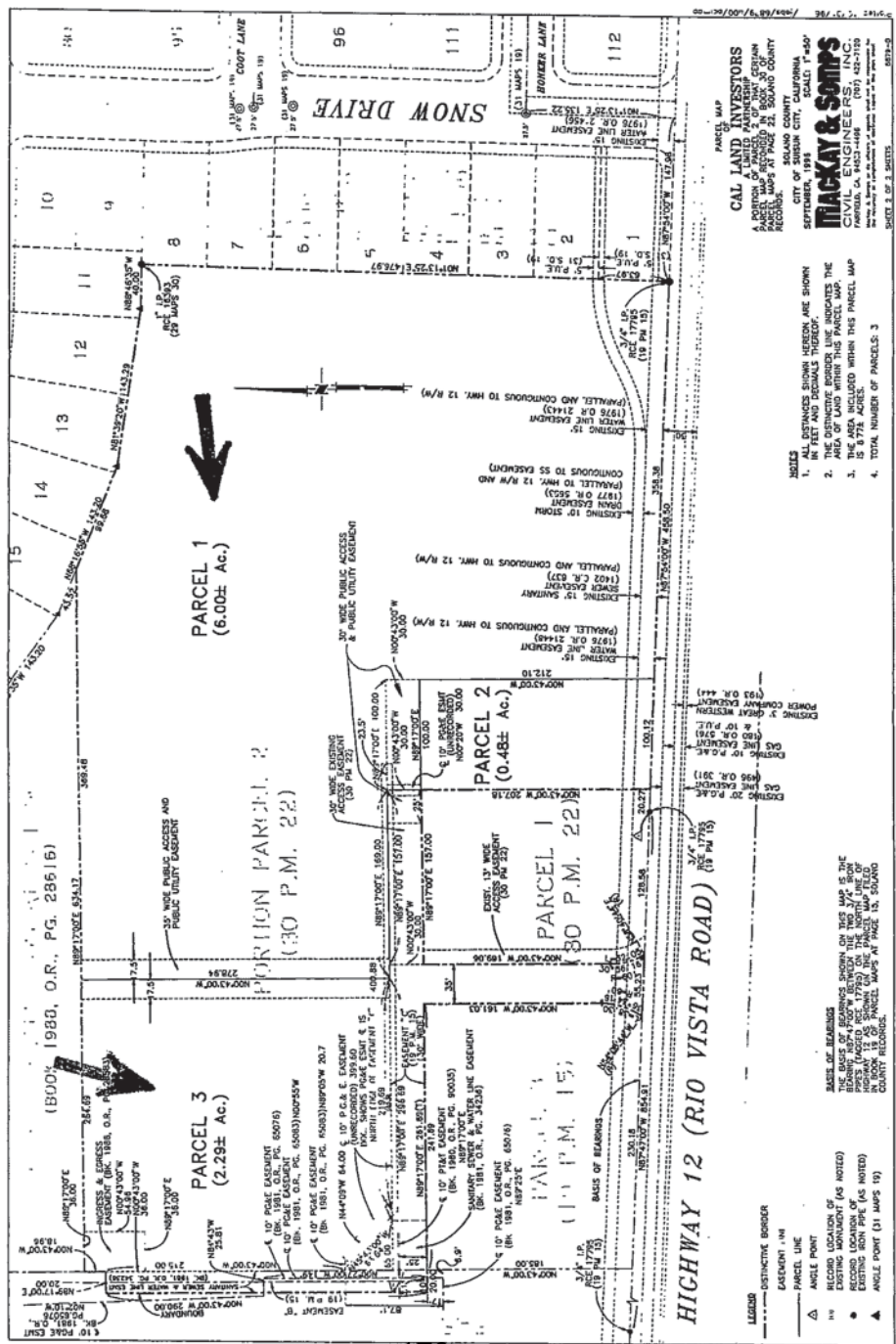
PLEASE CONTACT THE TITLE DEPARTMENT OR THE SOLANO COUNTY RECORDER'S  
OFFICE AT (707) 421-6290 PRIOR TO THE CLOSE OF ESCROW TO DETERMINE IF  
YOUR TRANSACTION WILL BE SUBJECT TO SUCH TRANSFER TAX.

\*\*\*\*\*

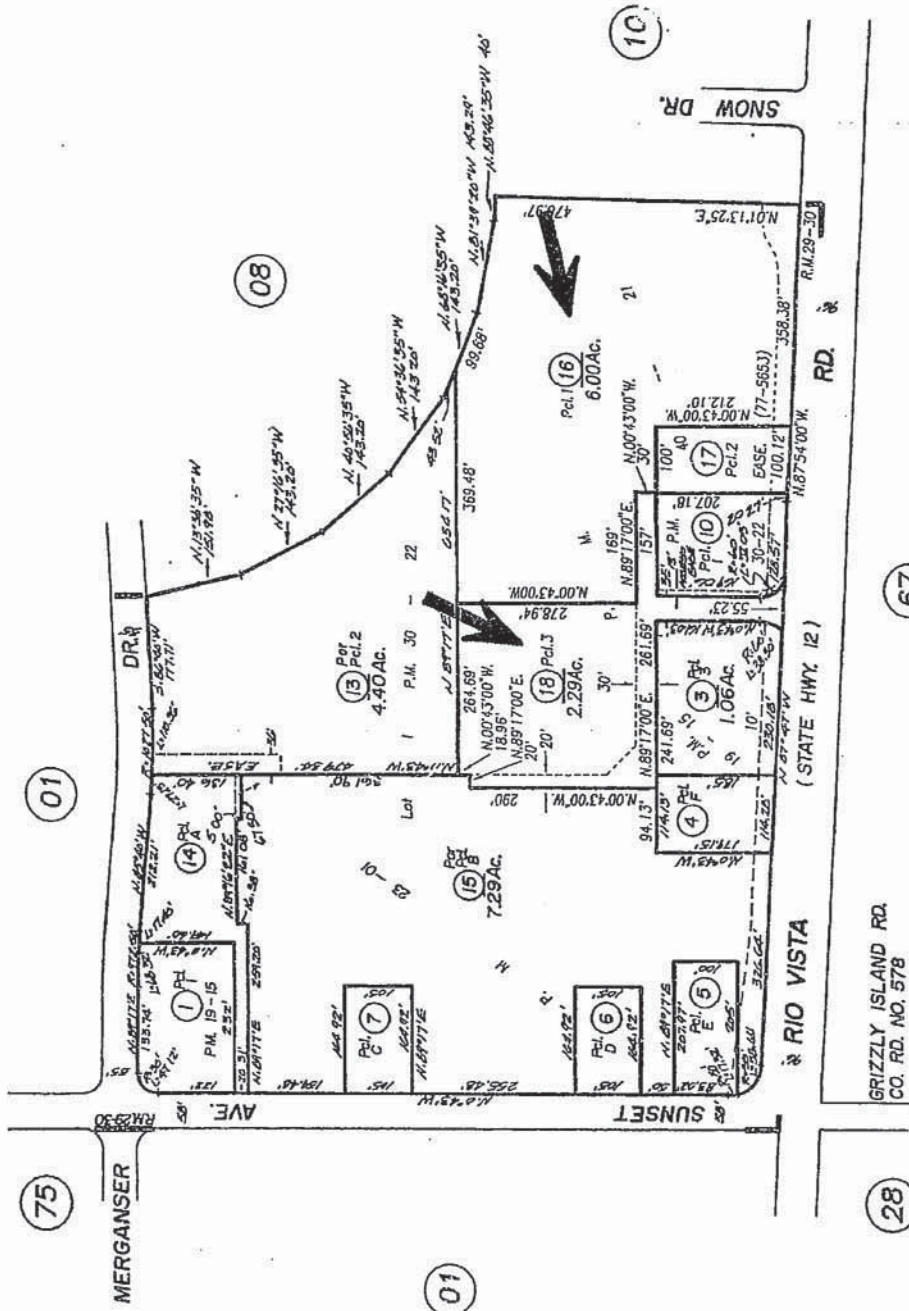
NOTE: THE CHARGE FOR A POLICY OF TITLE INSURANCE, IF ISSUED  
THROUGH THIS TITLE ORDER, WILL BE BASED ON THE BASIC INSURANCE RATE.

\*\*\*\*\*

NOTE: IT HAS BEEN DETERMINED THAT STEWART TITLE COMPANY WILL BE THE  
UNDERWRITER FOR THIS TRANSACTION.







JAN 2 8 1997

CITY OF SUISUN

Assessor's Map Bk. 173 Pg. 39  
County of Solano, Calif.

9798

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NOTE: This map is for assessment purposes only and is not for the intent of interpreting legal boundary rights, zoning regulations and/or legality of land division laws.

NOTE: Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles

REVISION	DATE	BY
380-16-18 P.M.	10-3-96 S.H.	
Adj. Pg. 75	7-30-92 FG	

Cold Spring Harbor Unit No. 1, R.M. Bk. 29 Pg. 30



# Item 6 Attachment 3

ALTA/ACSM LAND TITLE SURVEY

KISTER SAVO & BEL INC  
LAND SURVEYORS - CIVIL ENGINEERS  
3090 BROADWAY, JUPITER, FLORIDA 33411  
PHONE (407) 882-4000 FAX (407) 882-3378  
WWW.KSBEL.COM E-MAIL: SURVEY@KSBEL.COM

APN: 173-390-160  
173-390-180

DATE: 08-27-07  
SHEET 2 OF 2

REVISIONS

REFERENCES

DESCRIPTION

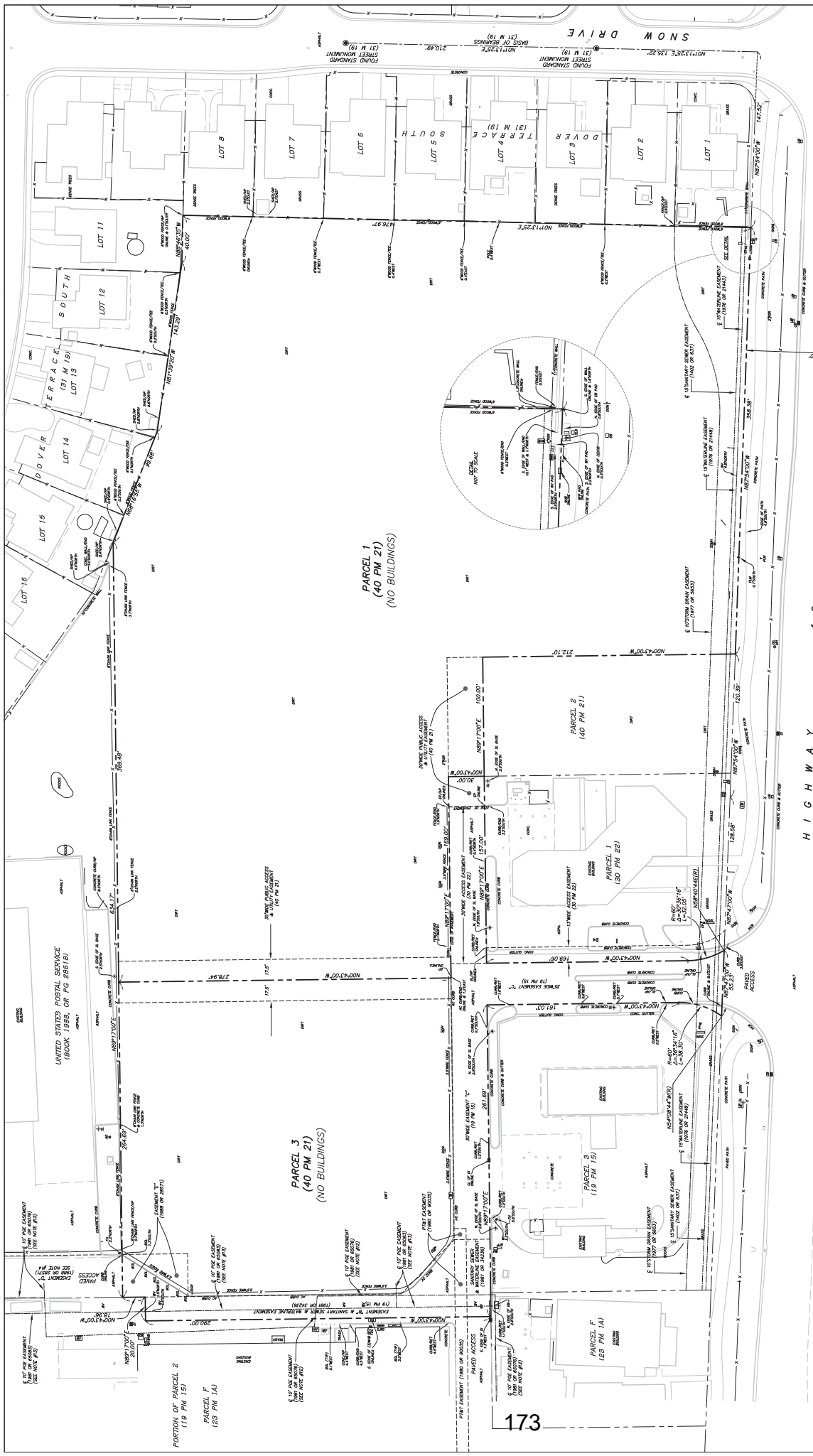
APN: 173-390-160  
173-390-180

DATE: 08-27-07  
SHEET 2 OF 2

REVISIONS

REFERENCES

DESCRIPTION



PARCEL 1  
(40 PM 21)  
(NO BUILDINGS)

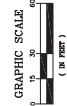
PARCEL 3  
(40 PM 21)  
(NO BUILDINGS)

PORTION OF PARCEL 2  
(19 PM 15)  
PARCEL F  
(23 PM 1A)

173

HIGHWAY 12

- LEGEND**
- 1 - 1" = 100' (APPROX. 1" = 100' (RIGHT))
  - 2 - 1" = 100' (APPROX. 1" = 100' (LEFT))
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APN: 173-390-160  
173-390-180  
DATE: 08-27-07  
SHEET 2 OF 2  
KISTER SAVO & BEL INC  
LAND SURVEYORS - CIVIL ENGINEERS  
3090 BROADWAY, JUPITER, FLORIDA 33411  
PHONE (407) 882-4000 FAX (407) 882-3378  
WWW.KSBEL.COM E-MAIL: SURVEY@KSBEL.COM

# **Subject Development Proposals**

Retail 24/7.

# SUNSET CENTER - PHASE II NEC HIGHWAY 12 & SUNSET AVE

SUISUN CITY :: CALIFORNIA 94585

ANCHOR, PAD & SHOP  
SPACE AVAILABLE

NOW  
LEASING



SUNSET  
CENTER



**SITE**

**PHASE II**

12

(35,000 ADT)

Hwy 12

Hwy 12

To Interstate 80

12

Anchor A	Anchor B	Anchor C	Anchor D	Major A	Major B
12,000 SF	12,000 SF	12,000 SF	12,000 SF	12,000 SF	12,000 SF

FOR MORE INFORMATION PLEASE CONTACT:

**Rick Martinez**  
Lic. 00991459  
+1 916 446 8233  
rick.martinez@cbre.com

**Josh Schmidt**  
Lic. 01328601  
+1 916 446 8776  
josh.schmidt@cbre.com

Owned & Managed by:



**CBRE**

Item 6  
Attachment 3

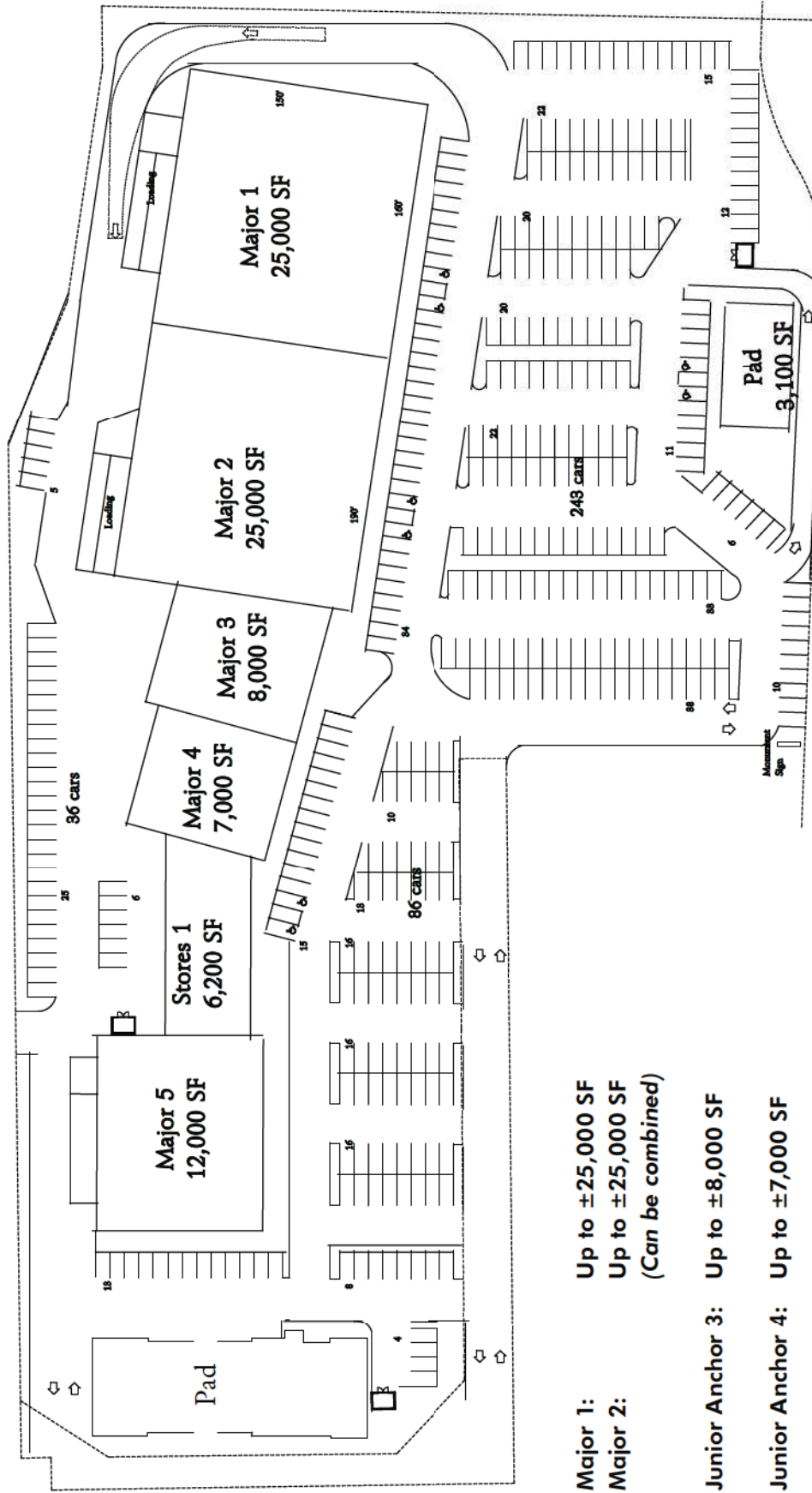
# SUNSET CENTER - PHASE II

## NEC HIGHWAY 12 & SUNSET AVE

SUISUN CITY :: CALIFORNIA 94585



Retail 24/7.



NOT TO SCALE—ALL DIMENSIONS ARE APPROXIMATE.

- Major 1: Up to ±25,000 SF
- Major 2: Up to ±25,000 SF  
(Can be combined)
- Junior Anchor 3: Up to ±8,000 SF
- Junior Anchor 4: Up to ±7,000 SF
- Shops 1: ±6,200 SF  
(Divisible to ±1,200 SF)
- Major 5: Up to ±12,000 SF
- Pad 1: Up to ±3,100 SF  
(Drive-thru ok)

### SITE PLAN

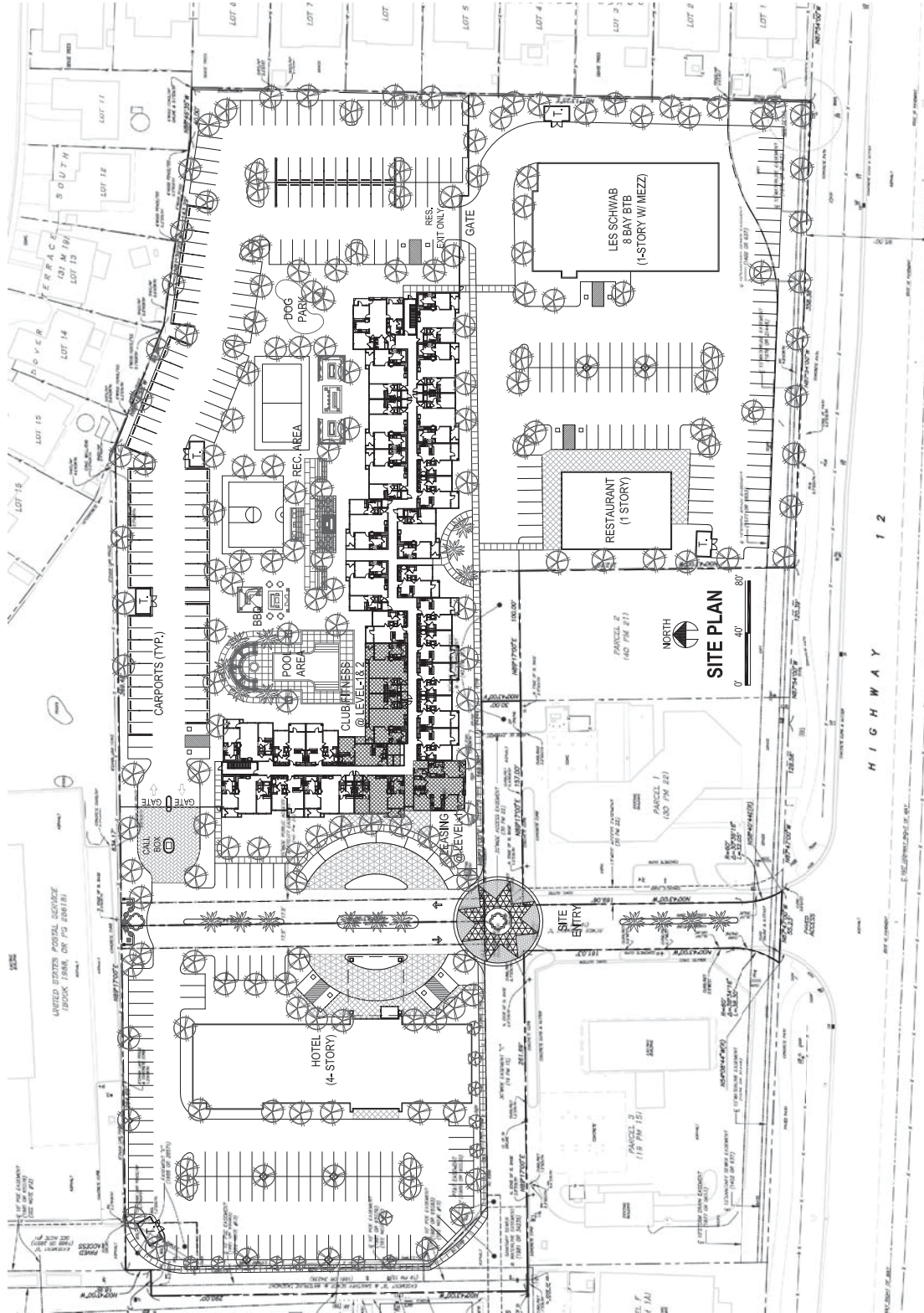
FOR MORE INFORMATION PLEASE CONTACT

**Rick Martinez**  
Lic. 00991459  
+1 916 446 8233  
rick.martinez@cbre.com

**Josh Schmidt**  
Lic. 01328601  
+1 916 446 8776  
josh.schmidt@cbre.com



<b>SITE SUMMARY:</b>	
GROSS SITE AREA:	8.29 (+/- AC)
HOTEL:	54,233 GFA
RESTAURANT:	5,000 GFA
LES SCHWAB:	14,348 GFA
RESIDENTIAL:	80 UNITS
(3-STORY)	
<b>PARKING SUMMARY:</b>	
HOTEL:	102 SPACES
RESTAURANT:	50 SPACES
LES SCHWAB:	39 SPACES
RESIDENTIAL:	160 SPACES
TOTAL ON SITE:	351 SPACES
<b>RESIDENTIAL SUMMARY:</b>	
(3-STORY BUILDING)	
TOTAL RES. UNITS:	80 UNITS
LEASING:	2,800 SF
CLUB/FITNESS:	4,500 SF
1-BEDROOM:	31 UNITS 39%
2-BEDROOM:	44 UNITS 55%
3-BEDROOM:	5 UNITS 6%
TOTAL	80 UNITS
<b>PARKING REQ:</b>	
1BR/2BR @ 1.5:	113 SPACES
3BR @ 2:	10 SPACES
GUEST @ 0.25:	20 SPACES
TOTAL REQ.:	143 SPACES
<b>PARKING PROV.:</b>	
CARPETS:	80 SPACES
SURFACE:	80 SPACES
TOTAL PROV.:	160 SPACES
<b>OPEN SPACE REQUIRED:</b>	
1BR @ 600 S.F.:	18,600 S.F.
2BR @ 700 S.F.:	30,800 S.F.
3BR @ 800 S.F.:	4,000 S.F.
TOTAL REQ.:	53,400 S.F.
<b>OPEN SPACE PROVIDED:</b>	
OUTDOOR:	48,900 S.F.
(REC. AREA & AREA ALONG MAIN STREET, IN FRONT OF LEASING)	
CLUB/FITNESS:	4,500 S.F.
TOTAL PROV.:	53,400 S.F.



HWY 12 & SNOW ROAD

HARBOR PARK, LLC

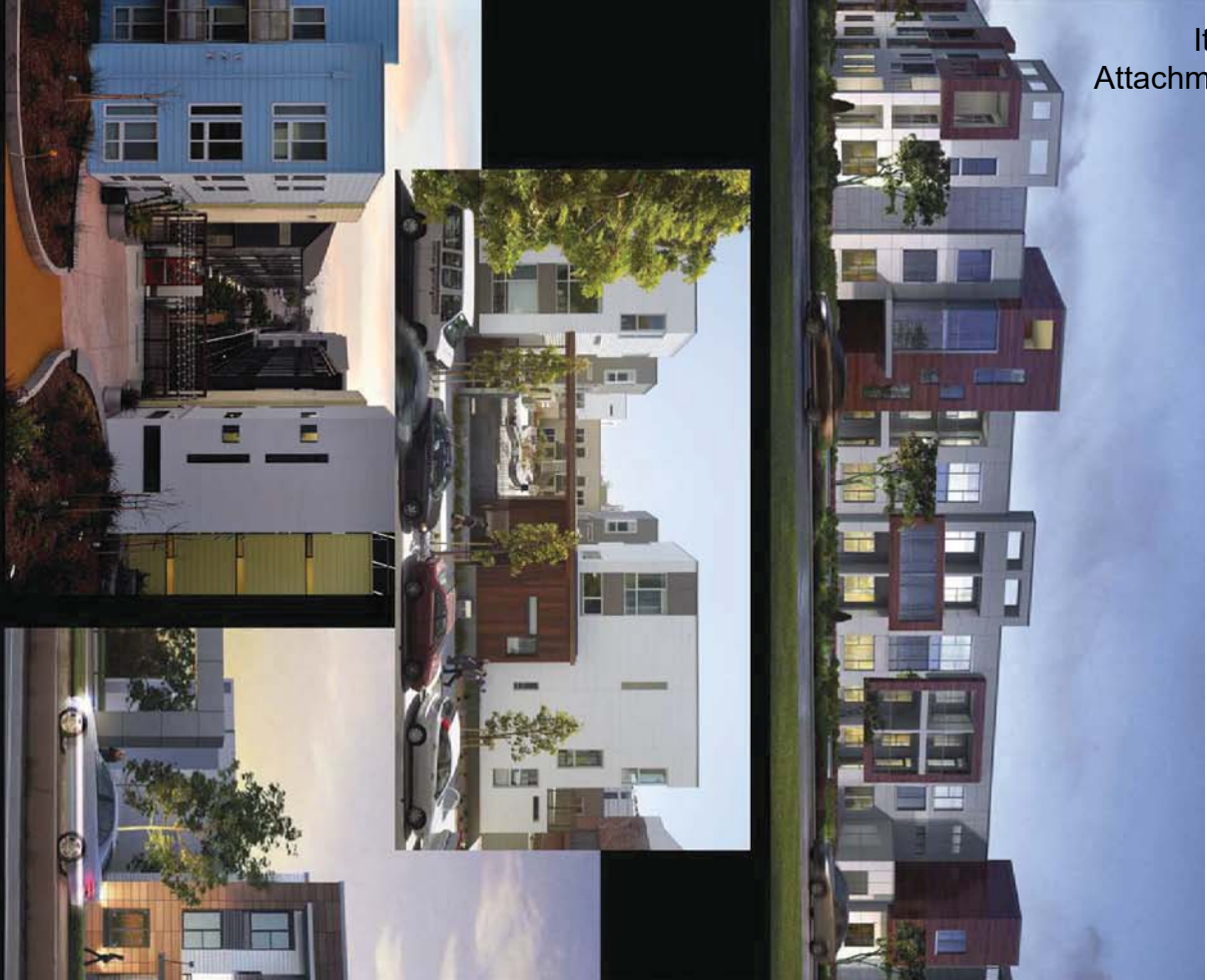
01/28/2016 SUISUN, CA HPA# 16035

HUMPHREYS & PARTNERS ARCHITECTS, L.P.



5339 JILLIAM ROAD, SUITE 500, DALLAS, TEXAS 75246 (972) 763-8830 (972) 489-8744 FAX  
DALLAS • CHICAGO • NEW ORLEANS • NEW YORK • NEWPORT BEACH • OAKLAND  
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HWY 12 & SNOW ROAD  
 HARBOR PARK, LLC  
 SUISUN, CA HPA# 16035



**HUMPHREYS & PARTNERS ARCHITECTS, L.P.**

5589 HUNTERS CIRCLE SUITE 200 FORT WORTH, TEXAS 76107 TEL: 817.339.8744  
 5200 W. WOODLAND AVENUE SUITE 1000 FORT WORTH, TEXAS 76102 TEL: 817.339.8744  
 5000 W. WOODLAND AVENUE SUITE 1000 FORT WORTH, TEXAS 76102 TEL: 817.339.8744  
 SAN RAMON, SCOTTSDALE, EMERSON, DENVER, AUSTIN, HOUSTON

www.humphreys.com

INSPIRATIONAL IMAGERY





Exterior  
Rendering





180

LES SCHWAB TIRE CENTERS

8 - BAY BACK TO BACK W/ OPT. CANOPY

Prototype

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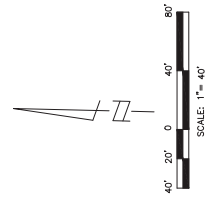
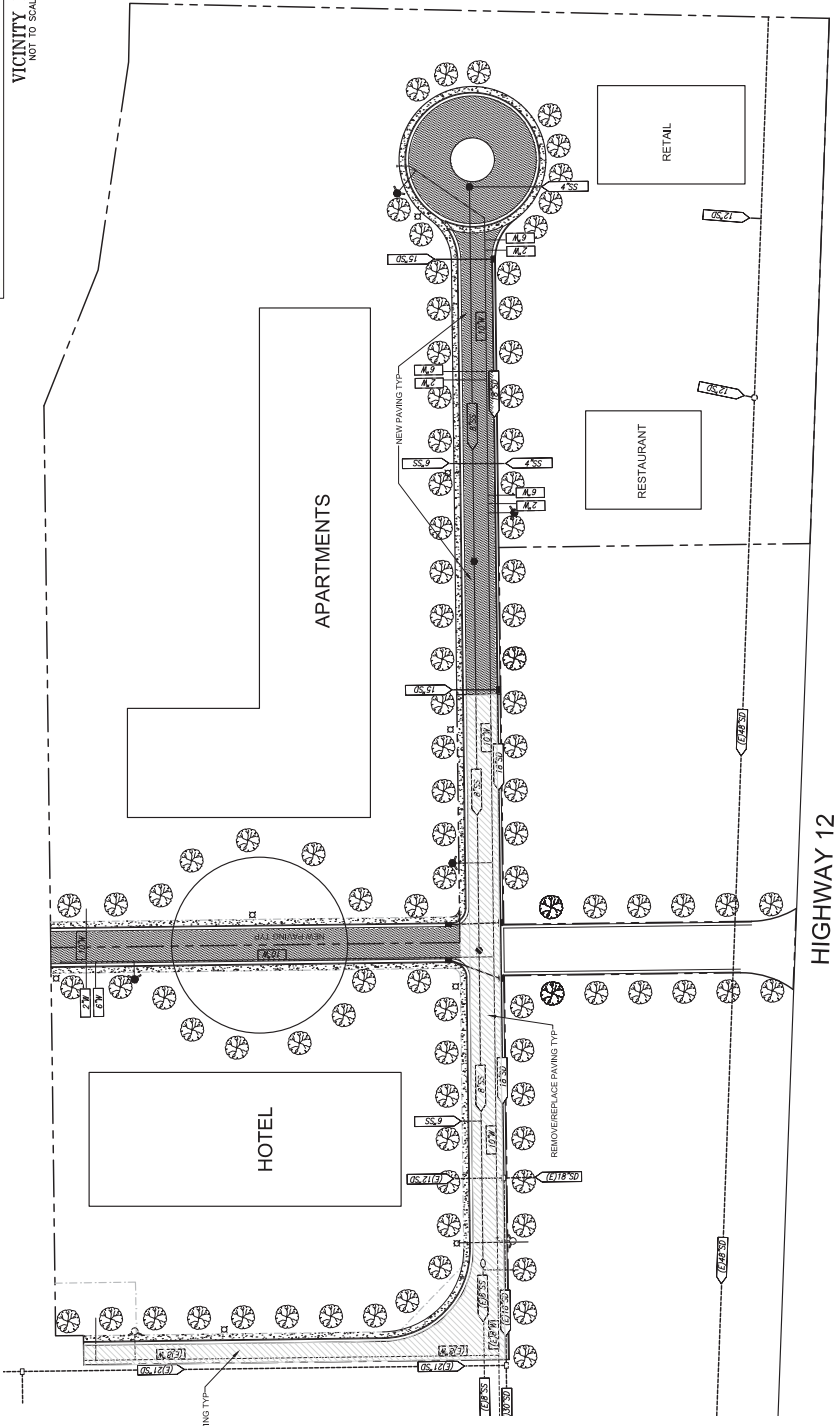
**Galbreath & Company**  
Planning. Architecture. Engineering.



11.03.2014

# SUISUN HIGHWAY 12 & SNOW ROAD

SUISUN CITY, CALIFORNIA



- LEGEND:**
- EX GAS LINE
  - OVERHEAD WIRES
  - EASEMENT LINE
  - EX TREE
  - EX FIRE HYDRANT
  - EX WATER VALVE
  - EX WATER VALVE
  - EX TREE CANOPY
  - BOUNDARY
  - EXIST POWER/TELEPHONE POLE
  - EXIST SEWER MAIN
  - EXIST STORM DRAIN
  - PROPOSED SEWER
  - PROPOSED STORM DRAIN
  - PROPOSED WATER
  - EXIST STREET LIGHT
  - EXISTING CONTOUR
  - EXISTING SOUND WALL
  - EXISTING RETAINING WALL
  - EXISTING WOOD FENCE
  - EXISTING WIRE FENCE
  - EXISTING EDGE OF PAVEMENT
  - RIGHT OF WAY
  - ROAD, CURB & GUTTER

## PROPOSED LAYOUT

SCALE: 1/4" = 1'-0"

Peabody Engineering  
1700 Alhambra Blvd., Suite 102  
Suisun, CA 94588  
(916) 714-8888 ext. 1000 (916) 714-8888 fax

Camran McLoonmi  
1200 ANDERSON DRIVE  
SUISUN, CA 94588

DATE 3-3-2016

SHEET 1

**Suisun Highway 12  
Suisun City, CA  
PRELIMINARY OFFSITE COST ESTIMATE**

ITEM NO	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b><u>SITE PREPARATION</u></b>					
1.	Traffic Control	1	LS	\$15,000.00	\$15,000
2.	Mobilization	1	LS	\$10,000.00	\$10,000
<b>SITE PREP SUBTOTAL</b>					<b>\$25,000</b>
<b><u>ROADWAY</u></b>					
1.	New Roadway Paving	18,740	SF	\$3.50	\$65,590
2.	Grind & Replace Roadway Paving	13,680	SF	\$2.50	\$34,200
3.	4" PCC Sidewalk	7,240	SF	\$10.00	\$72,400
4.	Vertical Curb and Gutter	2,880	LF	\$14.50	\$41,760
<b>ROADWAY SUBTOTAL</b>					<b>\$213,950</b>
<b><u>SEWER</u></b>					
1.	8" Sewer Main	730	LF	\$75.00	\$54,750
2.	6" Commerical Sewer Service	2	EA	\$2,500.00	\$5,000
3.	4" Commerical Sewer Service	2	EA	\$1,850.00	\$3,700
4.	48" Manhole	3	EA	\$4,200.00	\$12,600
<b>SEWER SUBTOTAL</b>					<b>\$76,050</b>
<b><u>WATER</u></b>					
1.	10" Water Line	1,105	LF	\$85.00	\$93,925
2.	Irrigation Service	4	EA	\$1,000.00	\$4,000
3.	3" Domestic Service	2	EA	\$1,850.00	\$3,700
4.	2" Domestic Service	2	EA	\$1,500.00	\$3,000
5.	Fire Hydrants	4	EA	\$3,200.00	\$12,800
6.	6" Fire Service	4	EA	\$2,250.00	\$9,000
<b>WATER SUBTOTAL</b>					<b>\$126,425</b>
<b><u>DRAINAGE</u></b>					
1.	18" Storm Drain	625	LF	\$100.00	\$62,500
2.	15" Storm Drain	60	LF	\$80.00	\$4,800
3.	Drain Inlet	6	EA	\$3,800.00	\$22,800
<b>DRAINAGE SUBTOTAL</b>					<b>\$90,100</b>
<b><u>MISC</u></b>					
1.	Landscape Trees	94	EA	\$125.00	\$11,750
2.	Irrigation System	1	LS	\$20,000.00	\$20,000
3.	Street Lights	8	EA	\$3,750.00	\$30,000
4.	Dry Utilities	1,500	LF	\$150.00	\$225,000
<b>MISC SUBTOTAL</b>					<b>\$286,750</b>
<b>TOTAL CONSTRUCTION SUBTOTAL</b>					<b>\$818,275</b>
10% Contingency					\$81,828
<b>TOTAL CONSTRUCTION ESTIMATE</b>					<b>\$900,100</b>

## **DUE DILIGENCE AND EXCLUSIVE NEGOTIATION AGREEMENT**

**THIS DUE DILIGENCE AND EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement")** is entered into this **10<sup>th</sup>** day of December, 2015 ("**Effective Date**") by and between the HOUSING AUTHORITY OF SUISUN CITY, a public body, corporate and politic ("**Authority**") and HARBOR PARK, LLC, a limited liability company ("**Developer**").

### **RECITALS**

- A.** Authority owns that certain unimproved real property consisting of approximately 361,112 square feet of land, and identified as Solano County Assessor's Parcel Numbers 0173-390-160 and 0173-390-180 as depicted on attached Exhibit A ("**Property**").
- B.** The Property is adjacent to that certain shopping center known as Sunset Shopping Center, two (2) gas stations, a US Postal facility and a single family residential development.
- C.** Authority desires to sell the Property for the maximum value through a high quality commercial or mixed-use development that will complement the existing surrounding uses and take full advantage of the Property's characteristics.
- D.** In accordance with the terms of this Agreement, Authority and Developer desire to enter into a period to permit Developer to conduct due diligence which, under certain circumstances, may be followed by a period of exclusive negotiations for the sale of the Property to Developer.

**NOW, THEREFORE,** Authority and Developer agree as follows:

**1. DUE DILIGENCE PERIOD.** During the period commencing on Effective Date through June 30, 2016, ("**Due Diligence Period**"), Developer shall conduct reasonable due diligence with respect to the Property at its own cost and expense. Such due diligence perform and perform all studies and other research required to determine the feasibility of development of the Property including, but not limited to, appraisal, soil examination, marketing investigations, financial analysis, and comprehensive information to determine the appropriate land use for the Property. During the Due Diligence Period, Developer shall have the right to enter the Property in accordance with Section 3 below. Prior to expiration of the Due Diligence Period, Developer may exercise the option to enter into the Exclusive Negotiation Period in accordance with Section 2 below. Within five (5) business days of the Effective Date, Authority shall provide Developer with appropriate information and documents in its possession relevant to the Property.

The Developer shall actively market the property to prospective tenants or end-users during the Due Diligence Period; and not later than the 15<sup>th</sup> of each month shall provide written updates of its marketing efforts and results which summary shall be shared with Authority. Authority shall treat information regarding prospects in a confidential manner.

During the term of this Agreement, Developer may place signage on the Property for purposes of marketing the Property for possible development. All signage is subject to approval of the Executive Director or her designee, and shall comply with Section 3 below and the standard requirements of

City of Suisun City (“City”). Upon termination of this Agreement, any signage shall be promptly removed by Developer at its sole cost and expense.

## 2. EXCLUSIVE NEGOTIATION PERIOD.

**2.1. Exercise of Exclusive Negotiation Option.** Developer has the option to enter the Exclusive Negotiation Period (as defined in Section 2.2) (“**Exclusive Negotiation Option**”) which Developer may exercise (a) provided Developer is not in default under this Agreement; and (b) prior to expiration of the Due Diligence Period, Developer delivers written notice of exercise to Authority together with (i) the sum of Twenty Five Thousand Dollars (\$25,000) in good funds<sup>1</sup> (“**Deposit**”), (ii) a proposed development plan together with supporting information, (iii) copies of all Reports (as defined in Section 3), (iii) enhanced conceptual drawings showing a refined preliminary property plan and conceptual architecture with respect to the project proposed for the development, (iv) copies of all findings, determinations, studies, reports and other work conducted during the Due Diligence Period related to the feasibility of the development, and (v) a development budget, financing plans, schedule of performance and a pro forma operating statement. If Developer fails to exercise of Exclusive Negotiation Option in the time and manner specified, this Agreement including the Exclusive Negotiation Option shall automatically terminate and, except for Section 3, the parties shall have no further obligations under this Agreement. Except for the Reports, all other Developer submissions shall remain the property of Developer except as otherwise provided in Section 6.

**2.2. Exclusive Negotiation Period.** If Developer exercises the Exclusive Negotiation Option as specified in Section 2.1, then for a period of seventy-five (75) days following expiration of the Due Diligence Period (“**Exclusive Negotiation Period**”), the parties agree to negotiate diligently and in good faith to negotiate terms and conditions of a sale transaction to be reflected in a disposition and development agreement (“**DDA**”) for a high quality commercial development in accordance with a development plan that will complement the existing surrounding uses and maximizing the Property’s characteristics. If, upon expiration of the Negotiation Period, Developer and Authority staff have not negotiated a mutually satisfactory DDA, to the point where Authority staff is prepared to submit same for Authority Board consideration, then this Agreement shall automatically terminate at the end of the Exclusive Negotiation Period, unless mutually extended in writing executed by both parties. The Executive Director shall have discretion to extend the Negotiation Period on behalf of Authority. If a mutually satisfactory DDA has been successfully negotiated by Developer and Authority staff within the Negotiation Period, to the point where Authority staff is prepared to submit same for Authority Board consideration, this Agreement shall terminate upon either (1) execution of the DDA by Developer and the approval and execution of the DDA by the Authority Board, or (2) disapproval of the submitted DDA by the Authority Board in its policy discretion as more fully provided for in Section 2.3 below.

**2.3. Limitations.** Developer understands that Authority’s execution of this Agreement does not commit it (i) to sell or transfer the Property to Developer or (ii) to take any other acts or activities requiring the independent exercise of discretion by Authority, the City, or any

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<sup>1</sup>“Good funds” is defined to mean a wire transfer of funds, cashier’s or certified check drawn on or issued by the offices of a financial institution located in the State of California.

Authority or department therefor. Any DDA resulting from the negotiations under this Agreement shall be effective only after the DDA has been considered and approved by Authority and the City Council, in their policy discretion, at a public hearing called for such purpose in accordance with applicable law. This Agreement does not constitute a disposition of property or exercise of control over the Property by Authority or the City and does not require a public hearing. Execution of this Agreement by Authority is merely an agreement to enter into a period to negotiate according to the terms hereof, reserving final discretion and approval by Authority and the City as to any DDA in accordance with applicable law and all proceedings and decisions in connections therewith. The purchase price and/or other consideration to be paid by the Developer for the Property or portion thereof under the DDA will be based on fair market value as established by an MAI appraisal. Mere failure by the parties to agree to the economic terms of the DDA shall not constitute negotiating in bad faith by either party hereunder.

**3. RIGHT TO ENTER THE PROPERTY.** During the Due Diligence Period, Authority grants Developer, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, reports, investigations and tests shall be done at Developer's sole cost and expense.

Prior to entry onto the Property, Developer shall (i) notify Authority the date and purpose of each intended entry together with the names and affiliations of the persons entering the Property; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) allow an employee of Authority to be present at Authority's election; (v) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this provision; (vi) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Property in the amounts required by the State of California; and (vii) provide to Authority prior to initial entry a certificate of insurance evidencing that Developer has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000) which insurance names Authority as additional insured.

Further, Developer shall; (i) return the Property to substantially its original condition following Developer's entry; (ii) provide Authority copies of all studies, surveys, reports, investigations and other tests derived from any inspection but with the right of Authority to use the report without further consent from the issuer ("**Reports**"); and (iii) if the parties enter into a DDA, to take the Property at closing subject to any title exceptions caused by Developer exercising this right to enter.

Developer agrees to indemnify, and hold Authority free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) which Authority may suffer or incur as a consequence of Developer's exercise of the license granted pursuant to this Section or any act or omission by Developer, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Developer (except Authority and its agents) with respect to the Property, excepting any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs


and legal or other expenses (including reasonable attorneys' fees) arising from the mere discovery by Developer of any hazardous materials or conditions and excepting to the extent such claims arise out of the negligence or misconduct of Authority. Developer's obligations under this Section 3 shall survive termination of this Agreement for any reason.

4. **DEPOSIT.** The Deposit shall be delivered to the Authority to ensure that (i) Developer will proceed diligently and in good faith to negotiate, and (ii) perform all of Developer's obligations under this Agreement. Authority shall place the Deposit in an interest bearing account earning interest at not less than the average interest rate earned by Authority on similar funds held for investment, taking into account the size of the Deposit and the length of time held for investment. Any interest shall be allocated for tax purposes to Developer but shall be added to the Deposit held by Authority. Except as otherwise provided in Section 5 below, if this Agreement expires at the end of the Negotiation Period without the parties reaching agreement on a DDA despite their mutual good faith efforts, or if the parties enter into the DDA, the Deposit shall be returned to Developer.

5. **DEVELOPER DEFAULT.** If Developer fails to negotiate in good faith and/or otherwise fails to comply with the terms of this Agreement, Authority shall give written notice to Developer specifying in reasonable detail the alleged violation and specifying a date (which shall not be sooner than ten (10) business days from the date of the notice) by which time Developer must recommence negotiating in good faith or otherwise comply with the terms of this Agreement ("**Default Notice**"). If Developer fails to cure the alleged default within the time period specified in the Default Note, Authority may, in its sole discretion, terminate this Agreement and retain the Deposit by delivery of notice of such termination to Developer.

IF DEVELOPER BREACHES THIS AGREEMENT BY FAILING TO NEGOTIATE IN GOOD FAITH AND/OR FAILING OTHERWISE TO COMPLY WITH THE TERMS OF THIS AGREEMENT, THEN THE DEPOSIT SHALL BE PAID TO AUTHORITY AS LIQUIDATED DAMAGES FOR SUCH DEFAULT, IT BEING AGREED THAT SUCH PAYMENT SHALL BE AUTHORITY'S SOLE REMEDY IN THE EVENT OF SUCH DEFAULT AND THAT SUCH ACTUAL DAMAGES THAT WOULD RESULT FROM SUCH A DEFAULT ARE UNCERTAIN AND WOULD BE EXTREMELY DIFFICULT TO FIX AT THIS TIME AND WOULD BE DIFFICULT TO PROVE. THE PARTIES AGREE THAT THEY WOULD HAVE NEGOTIATED THE AMOUNT OF SUCH DEPOSIT AS BEING THEIR BEST ESTIMATE AT THE DATE HEREOF OF AUTHORITY'S LOSS IN THE EVENT OF A DEFAULT BY DEVELOPER. NOTWITHSTANDING THE FOREGOING, THIS LIMITATION SHALL NOT APPLY TO DEVELOPER'S OBLIGATIONS IN SECTION 3.

  
\_\_\_\_\_  
Developer's Initials

  
\_\_\_\_\_  
Authority (Initials)

6. **AUTHORITY DEFAULT.** In the event Authority fails to negotiate diligently in good faith during the Exclusive Negotiation Period and/or otherwise fails to comply with the terms of this Agreement, Developer shall give written notice to Authority specifying in reasonable detail the alleged violation and specifying a date (which shall not be sooner than ten (10) business days from the date of the notice) by which time Authority must recommence negotiating in good faith or must otherwise comply with the terms of this Agreement ("**Default Notice**"). If Authority fails to cure the alleged default in the time specified in the Default Notice, Developer may terminate this Agreement by delivery of termination notice to Authority ("**Termination Notice**"). Upon receipt of the Termination Notice, Authority shall return the Deposit, and Developer may seek compensation from Authority in an amount not to exceed Fifty Thousand Dollars (\$50,000), to offset actual documented expenses, incurred by Developer to prepare reports, plans and/or specifications required by this Agreement.



Upon payment of any Demand, all such plans, reports and other specifications shall become the sole property of Authority. Developer understands and agrees that Developer shall not have any right to seek specific performance or any other equitable remedies and shall not have any right to the Property.

IF AUTHORITY BREACHES THIS AGREEMENT BY FAILING TO NEGOTIATE IN GOOD FAITH AND/OR FAILING OTHERWISE TO COMPLY WITH THE TERMS OF THIS AGREEMENT, THEN DEVELOPER MAY SEEK RECOVERY OF THE INVESTIGATION COSTS TO THE MAXIMUM SET FORTH ABOVE. FURTHERMORE, DEVELOPER SPECIFICALLY AGREES THAT DEVELOPER SHALL NOT HAVE ANY RIGHT TO SEEK SPECIFIC PERFORMANCE OR ANY OTHER EQUITABLE REMEDIES OR OTHERWISE CLAIM ANY RIGHT OR INTEREST IN THE PROPERTY.

  
\_\_\_\_\_  
Developer's Initials

  
\_\_\_\_\_  
Authority (Initials)

7. **FULL DISCLOSURE AND APPROVAL.** Developer shall make full disclosure to Authority of its principals, offices, stockholders, partners, joint venturers, employees, other associates and all other pertinent information concerning Developer and its associates. Developer shall also make full disclosure to Authority of the methods of financing to be used in purchasing and developing the Property. Developer's negotiators, development manager, consultants, professionals and directly-involved employees in the proposed redevelopment project are subject to the reasonable approval of Authority.

8. **NO COLLUSION.** No official, officer, or employee of Authority has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of Authority participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Developer warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, Authority or any of its officials, officers, or employees, any money, consideration, or other thing of value as a result or consequence of obtaining this Agreement. Developer further warrants and represents that it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of Authority, as a result or consequence of obtaining this Agreement. Developer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

9. **COMMISSIONS.** Authority has not engaged a broker, agent or finder in connection with this transaction, and Developer agrees to hold Authority harmless from any claim form commission by any broker, agent or finder retained by Developer.

10. **MISCELLANEOUS.**

**10.1 Assignment.** Neither party may assign this Agreement or any of its rights or obligations hereunder (including, without limitation, its rights and duties of performance) to any third party or entity without the prior written consent of the other party which shall not be unreasonably withheld, conditioned or delayed. Agreement will be binding upon and inure to the benefit of each of the parties hereto and, except as otherwise provided herein, their respective legal successors and permitted assigns.

**10.2 Notices.** Any notices, demands or communications under this Agreement between the parties shall be in writing, and may be given either by (i) personal service, (ii) overnight delivery, or (iii) mailing via United States mail, certified mail, postage prepaid, return receipt requested ("**US Mail**"), addressed to each party as set forth below or such other address as may be furnished in writing by a party, and such notice or communication shall, if properly addressed, be deemed to have been given as of the date so delivered, or three (3) business days after deposit into the U.S. Mail.

**To Developer:** Harbor Park, LLC  
8850 Bella Terra Place  
Granite Bay, 95746  
Attn: Mr. Camran Nojoomi

**To Authority:** Housing Authority of Suisun City  
701 Civic Center Blvd.  
Suisun City, CA 94585  
Attention: Executive Director

**With Copy to:** Aleshire & Wynder, LLP  
18881 Von Karman Ave.  
Suite 1700  
Irvine, CA 92612  
Attention: Anthony Taylor

**10.3 Severability.** If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

**10.4 Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. If any legal action is necessary to enforce the terms and conditions of this Agreement, the parties agree that a court of competent jurisdiction in Solano County shall be the sole venue and jurisdiction for the bringing of such action.

**10.5 Legal Fees and Costs.** In the event of any litigation or other legal proceeding including, but not limited to, arbitration or mediation between the parties arising from this Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses (including attorney's fees) incurred in the proceeding.

**10.6 Final Agreement.** This Agreement supersedes all prior agreements and under-

standings between the parties with respect to such subject matter.

- 10.7 Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.
- 10.8 Qualification; Authority.** Each individual executing this Agreement on behalf of Developer represents, warrants and covenants to the Authority that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Developer in accordance with authority granted under the organizational documents of such entity, and (b) Developer is bound under the terms of this Agreement.
- 10.9 Modifications in Writing.** Any modification or amendment of any provision of this Agreement must be in writing and executed by both parties.
- 10.10 Arbitration of Disputes.** Any controversy or claim arising out of or relating to this Agreement or any breach or default hereof (including, without limitation, any claims relating to the arbitration, retention, or return of the Deposit pursuant to Section 4 above) shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. An arbitration may be initiated by either party providing a written demand for arbitration in accordance with the above referenced Rules, which demand and ensuing arbitration shall take place precedence over any other pending court action or proceeding. The arbitration shall be conducted in Solano County, California. Any action, which is brought to enforce the arbitration provisions hereof or to enforce an arbitration award, may be brought in the Superior Court of Solano County and each party hereto agrees to submit to the jurisdiction of such court and expressly waives any claim of forum non-conviens. The arbitration will take place before an arbitrator who is licensed to practice law with experience in public agency and real property law. The arbitrator shall determine the rights and obligations of the parties according to the substantive law of the State of California. The arbitrator shall award to the prevailing party that party's reasonable attorney's fees and other legal costs as set forth in Section 10.5.
- 10.11 No Waiver.** The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.
- 10.12 No Third Party Beneficiaries.** This Agreement is only between the parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.
- 10.13 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the

same instrument, and a facsimile copy of such execution shall be deemed an original.

**10.14 Exhibit.** Exhibit A attached hereto is incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date set forth above.

**REMINDER:** Both parties must also initial Sections 5 & 6.

**DEVELOPER:**

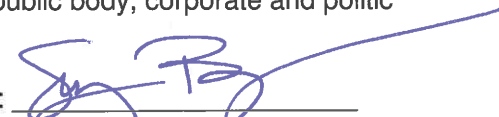
**Harbor Park, LLC,**  
a limited liability company

By: Camran Nojoomi

Its: 

**AUTHORITY:**

**HOUSING AUTHORITY OF SUISUN CITY,**  
A public body, corporate and politic

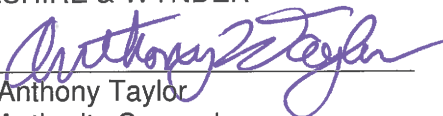
By:   
Suzanne Bragdon,  
Executive Director

**ATTEST:**

By:   
Authority Secretary - DEPUTY

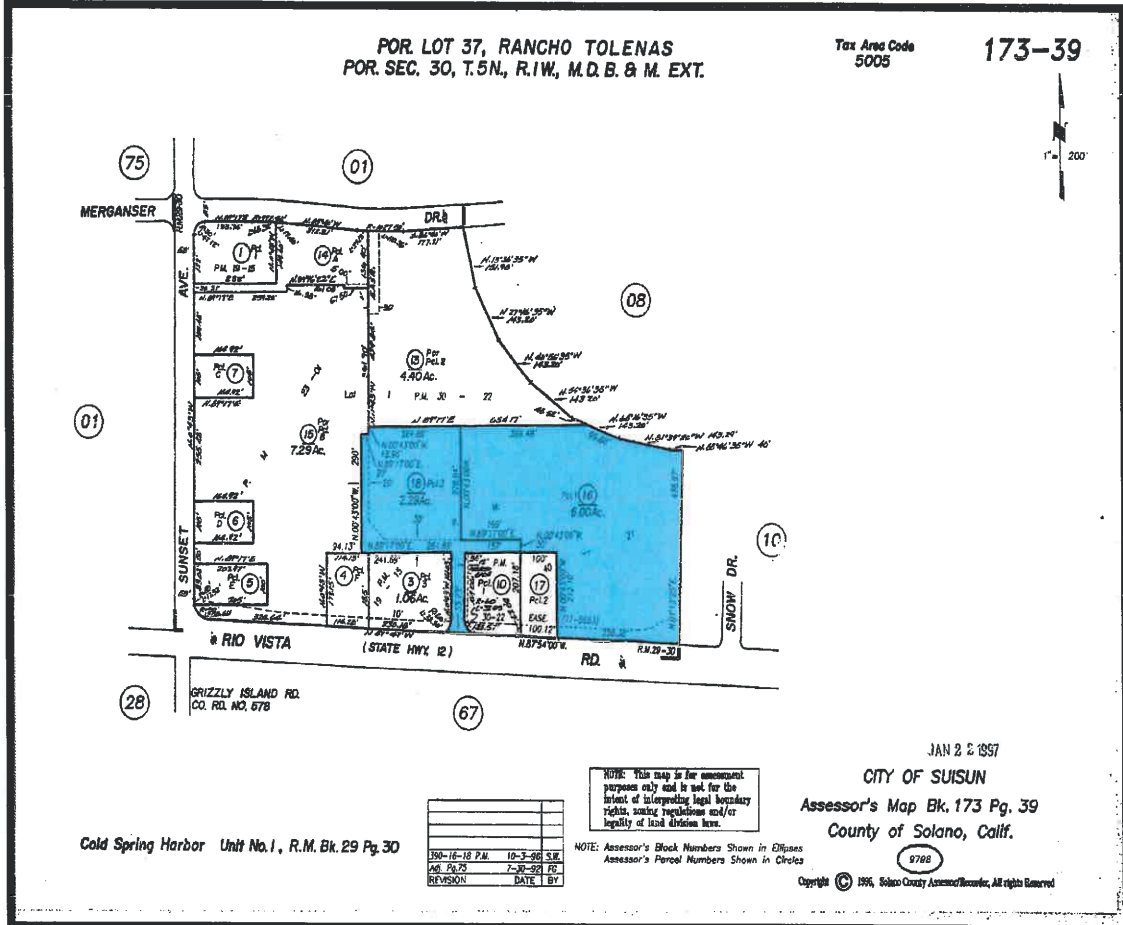
**APPROVED AS TO FORM:**

**ALESHIRE & WYNDER**

By:   
Anthony Taylor  
Authority Counsel

Exclusive Negotiation Agreement  
8.29 Acre Property  
Harbor Park, LLC

**EXHIBIT A  
DEPICTION OF PROPERTY**



## **Retail - Hotel Land Sale Data Sheets**

**Retail - Hotel Land Sale No. 1**

**Property Identification**

**Record ID** 1329  
**Property Type** Commercial, Service Commercial  
**Address** 1500 North First Street, Dixon, Solano County, California 95620  
**Tax ID** 0111-090-900

**Sale Data**

**Grantor** Kim Hillebrants  
**Grantee** Ralph & Nicole Perkins  
**Sale Date** July 27, 2015  
**Conditions of Sale** Arm's length  
**Financing** Seller financing of \$120,000  
**Sale History** Sold \$45,000 on 10/15/13  
**Verification** Other sources: Deed, prior appraisal, Confirmed by Ronald Garland

**Sale Price** \$200,000  
**Cash Equivalent** \$200,000

**Land Data**

**Zoning** CS-MH-ML-PD, Commercial  
**Topography** Level  
**Utilities** All to site  
**Dimensions** 176 X 243  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 0.970 Acres or 42,253 SF  
**Front Footage** 200 ft North First Street

**Indicators**

**Sale Price/Gross Acre** \$206,186  
**Sale Price/Gross SF** \$4.73

**Remarks**

All off- site were improvements in place at time of sale. The buyers own Import Master Auto Service in Vacaville, and are believed to be interested in developing a similar Dixon business location on this site.

**Retail - Hotel Land Sale No. 2**

**Property Identification**

**Record ID** 1170  
**Property Type** Commercial, Service Commercial  
**Address** Cernon Street, Vacaville, Solano County, California 95688  
**Tax ID** 0125-272-110, -120

**Sale Data**

**Grantor** Martindale Properties LLC  
**Grantee** Rahmati Nasrullah  
**Sale Date** February 11, 2015  
**Deed Book/Page** 11053  
**Property Rights** Fee simple  
**Marketing Time** 48 Months  
**Conditions of Sale** Arms length  
**Verification** Elizabeth Fry; August 06, 2015; Other sources: MLS, Realist, CoStar, Confirmed by Steve Salmon

**Sale Price** \$150,000  
**Cash Equivalent** \$150,000

**Land Data**

**Zoning** General Commercial, Commercial  
**Topography** Generally level  
**Utilities** All available  
**Dimensions** Roughly 165' x 180'  
**Shape** Rectangular  
**Utilities** All available  
**Off-site improvements** Complete

**Land Size Information**

**Gross Land Size** 0.680 Acres or 29,621 SF  
**Front Footage** 175 ft Cernon Street

**Indicators**

**Sale Price/Gross Acre** \$220,588  
**Sale Price/Gross SF** \$5.06



**Retail - Hotel Land Sale No. 2** continued

**Remarks**

This is the sale of 0.68 acres of general commercial zoned land on Cernon Street, on the fringe of the downtown core of the City of Vacaville. The site consists of two parcels, and was reported to have previously been approved for a roughly 8,000 SF single story office building. The dominant land use in the immediate market area are professional offices.

The property has been on and off the market for the last seven years, with limited market response. The property was initially marketed for an asking price of \$221,000 prior to a price reduction to \$175,000 in October of 2012.

The site has access to all urban services, and offsite improvements are complete. The site does not have a trafficked location on Cernon street, has no notable exposure potentials, and is ranked as a secondary professional office location.

The listing broker stated that the property is impacted by native oak trees on the property, which require permits to be removed. It was intoned that this may make development of the site more difficult to navigate, or worst case scenario may limit building placement onsite and allowed building density.

**Retail - Hotel Land Sale No. 3**

**Property Identification**

**Record ID** 1283  
**Property Type** Commercial/Office  
**Address** 1445 - 1485 Market Lane, Dixon, Solano County, California  
**Tax ID** 0113-440-170,-310 & -320

**Sale Data**

**Grantor** Dixon Properties - Wu  
**Grantee** Sommer, et.al.  
**Sale Date** September 01, 2015  
**Deed Book/Page** 15-79483  
**Property Rights** Fee simple  
**Verification** Larry Santella - broker; (707) 480-8548, September 21, 2015; Other sources: Deed, Confirmed by John Zazrivy

**Sale Price** \$1,216,000 List @ \$1.2-mil.  
**Cash Equivalent** \$1,216,000

**Land Data**

**Zoning** CH-PAO-PD  
**Topography** Level

**Land Size Information**

**Gross Land Size** 5.630 Acres or 245,243 SF

**Indicators**

**Sale Price/Gross Acre** \$215,986  
**Sale Price/Gross SF** \$4.96

**Remarks**

This property has only a limited frontage on Market Avenue, which is an at this time secondary commercial corridor with portions, including this property, having I-80 frontage (primarily eastbound) exposure. The area now has an adjacent (to this property) Motel 6, a multi-tenant commercial/office building and a former (now "shuttered") Chevy's restaurant that was converted into a credit union branch. This site has improved frontage on Market Lane with a long and narrow run westward to a limited (reportedly under 500-ft.) western boundary frontage on I-80. Apparently, there is at least partial approval for a self-storage project on the site. However, the broker advises that the buyer may/may not build that project, and likely is looking to assemble more property in the immediate area. The property was on the market for roughly 5-months prior to this sale, and essentially sold at the asking price.

**Retail - Hotel Land Sale No. 4**

**Property Identification**

**Record ID** 1278  
**Property Type** Commercial  
**Address** 2650 & 2700 Plaza Court Dixon, Dixon, Solano County, California  
95620  
**Tax ID** 0113-490-030, -150

**Sale Data**

**Grantor** Ghasem Tousinezhad  
**Grantee** Mash Petroleum, Inc.  
**Sale Date** June 26, 2015  
**Deed Book/Page** 57247  
**Property Rights** Fee simple  
**Marketing Time** 2+ Years  
**Conditions of Sale** Arms length  
**Sale History** See remarks  
**Verification** Chuck Krouse; 707-678-0500, August 11, 2015; Other sources:  
Offering, Loopnet, Realist, Deed, Confirmed by Steve Salmon

**Sale Price** \$475,000  
**Cash Equivalent** \$475,000

**Land Data**

**Zoning** CH - Highway Commercial  
**Topography** Generally level  
**Utilities** All available  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 2.118 Acres or 92,260 SF

**Indicators**

**Sale Price/Gross Acre** \$224,268  
**Sale Price/Gross SF** \$5.15

**Retail - Hotel Land Sale No. 4** continued

**Remarks**

This is the sale of a 2.12 acre site located at 2650 & 2700 Plaza Court, in the City of Dixon. The site is clustered near the developing highway commercial node on the east side of the Interstate 80 and West A Street intersection.

The site has filtered exposure attributes to eastbound Interstate 80 due to it being north of the West A Street freeway overpass, and has average exposure attributes to westbound I-80. In addition, the site is host to the Dixon Gateways freeway pylon sign, and transferred with rights to two slots on the developed sign.

Plaza Court is a non-trafficked roadway, and access to these sites from the freeway interchange is a bit circuitous. While the prime, trafficked highway commercial sites in this developing highway commercial node have been developed to high intensity commercial uses, (Chevron, Carls Jr.) there is a significant standing inventory of commercial land in the immediate market area that have less desirable, low traffic locations.

Adjacent is a developed strip retail mall that was roughly 50% vacant upon inspection (08/15) and suffers from low credit tenancy. This suggests that this location, despite desirable I-80 exposure, may not be suitable for more intensive commercial retail uses at this time, due to its non-trafficked location and circuitous access attributes.

The property features two separate sites that were assembled in 2008. Both sites are fully served with all urban utilities, road frontage improvements to Plaza Court are complete, and are in a development ready condition. It was reported the property sold with a small road frontage improvement assessment bond load that was set to pay off in a year or two. The selling broker stated this was likely less than \$0.25/SF and was not a value consideration of the buyer.

The site was marketed for over two years with an asking price of \$725,000 (\$7.86/SF) prior to this sale at \$475,000 (\$5.17/SF). Demand for the site was reported as weak, and the site sold to a speculative investor who has acquired other distressed highway commercial projects along the I-80 corridor between Vacaville and Dixon.

The site was assembled by the seller in this transaction in January of 2008 for a combined purchase price of \$1,269,500. This subsequent resale indicates a loss of 62.5% for the seller over the period of 01/08 to 06/15.

**Retail - Hotel Land Sale No. 5**

**Property Identification**

**Record ID** 1276  
**Property Type** Commercial, Retail  
**Property Name** Rio Vista Family Dollar site  
**Address** 1001 State HWY 12, Rio Vista, Solano County, California  
**Tax ID** portion of 0049-131-090

**Sale Data**

**Grantor** D & L Ventures (Bill Dutra & Jim Lira)  
**Grantee** Boos-Rio Vista  
**Sale Date** December 22, 2014  
**Deed Book/Page** 98375  
**Property Rights** fee simple  
**Conditions of Sale** Arms length but was not on the market for sale at time of sale  
**Financing** Cash to seller  
**Verification** Other sources: Deed, Purchase & Sale agreement, parcel map, Confirmed by Ronald Garland

**Sale Price** \$350,000  
**Cash Equivalent** \$350,000

**Land Data**

**Zoning** Highway Commercial, Commercial  
**Topography** Generally level  
**Utilities** Available in street  
**Shape** Nearly square  
**Off-Site Improvements** Required street frontage improvements

**Land Size Information**

**Gross Land Size** 0.830 Acres or 36,155 SF  
**Front Footage** 170 ft HWY 12

**Indicators**

**Sale Price/Gross Acre** \$421,687  
**Sale Price/Gross SF** \$9.68

**Remarks**

The site was not being actively marketed at the time of sale. The buyer had Family Dollar lined up as a tenant/user prior to making an unsolicited offer to purchase.

**Pending Retail - Hotel Land Sale No. 6**

**Property Identification**

**Record ID** 1240  
**Property Type** Industrial Bus. Park  
**Address** Off Business Center Drive, Fairfield, Solano County, California 94534  
**Tax ID** Portion of 0148-280-490

**Sale Data**

**Grantor** City of Fairfield  
**Grantee** The Falls Event Center  
**Closing Date** July 01, 2015  
**Property Rights** Fee simple  
**Verification** Ken Cantrell; February 19, 2015; Other sources: City Minutes, Realist, Appraisal, Confirmed by Steve Salmon

**Contract Price** \$598,950  
**Cash Equivalent** \$598,950

**Land Data**

**Zoning** CO  
**Topography** Generally level  
**Utilities** All available  
**Shape** Generally rectangular

**Land Size Information**

**Gross Land Size** 2.750 Acres or 119,790 SF

**Indicators**

**Sale Price/Gross Acre** \$217,800  
**Sale Price/Gross SF** \$5.00

**Pending Retail - Hotel Land Sale No. 6** continued

**Remarks**

This is the sale of a 2.75 acre portion of a larger 15.19 acre property (APN 0148-280-490). The larger parcel is proposed to be subdivided into three lots: Parcel A, an 11.69 acre property the City of Fairfield has approved for sale to Lewis Land Developers, a regional residential land development company, Parcel B a 0.75 acre site fronting to Business Center Drive, and Parcel C, the 2.75 acre portion of the property that City of Fairfield has agreed to sell on February 17, 2015.

The sale was negotiated in the fall of 2014, and the City of Fairfield successor agency signed a letter of event with the buyer, The Falls Event Center, in December of 2014. It is anticipated after the board's approval on February 17, 2015, the property will enter into escrow in roughly 6 weeks, due to required approvals from the CA state dept of finance. The contract calls for a 60 day escrow and due diligence period, and the sale is anticipated to close by July 1, 2015.

The site zoned for Commercial office, but due to limited demand for office use the City has decided to allow a rezone of Parcel A for residential use, and Parcel C to be utilized for an events center. The buyer intends to develop a 14,000 SF event center complex on the site.

The sale price was based on an appraisal of the larger 12.19 acre property, with a reported range of \$5 to \$7 per SF. The \$598,500 sale price was based on the negotiated price of \$5 per SF.

The parcel has no trafficked exposure attributes, and is located on a cul-de-sac bulb, located off the north side of the Business Center Drive. All road frontage improvements are complete, the site is fully served with urban utilities, and is in a development ready condition.

**Retail - Hotel Land Sale No. 7**

**Property Identification**

**Record ID** 1281  
**Property Type** Commercial  
**Property Name** Site - Dollar General Store - Winters  
**Address** 176 Grant - East, Winters, Yolo County, California  
**Tax ID** 003-370-042

**Sale Data**

**Grantor** City of Winters  
**Grantee** Cross Development  
**Sale Date** July 21, 2014  
**Deed Book/Page** 14-15919  
**Property Rights** Fee simple  
**Financing** Cash  
**Verification** City of Winters - documents; Other sources: Deed, contract, Confirmed by John Zazrivy

**Sale Price** \$251,500 @ \$6/sf  
**Cash Equivalent** \$251,500

**Land Data**

**Zoning** C-1

**Land Size Information**

**Gross Land Size** 0.961 Acres or 41,861 SF

**Indicators**

**Sale Price/Gross Acre** \$261,707  
**Sale Price/Gross SF** \$6.01

**Remarks**

This is the sale from the City of Winters for construction of a Dollar General Store, which occurred in 2015. There were only limited frontage improvements on the East Grant frontage. It appears that some fill was required for development of this site. According to City documents there was an estimated \$2.20 per square foot (total site area) for City right-of-way improvements plus inspection fees. There were numerous easement adjustments, and it is unknown whether the buyer or seller perfected those adjustments. It appears that those easements included an access easement across the parcel to the east, which is a small multi-tenant commercial center constructed some years earlier. The property is not in a flood zone requiring insurance.



**Retail - Hotel Land Sale No. 8**

**Property Identification**

**Record ID** 1282  
**Property Type** Commercial  
**Property Name** Yolo Fed. Credit Union site  
**Address** E. Grant & East St. - SE Corner, Winters, Yolo County, California  
**Tax ID** 003-370-044

**Sale Data**

**Grantor** City of Winters  
**Grantee** Yolo Fed. Credit Union  
**Sale Date** August 22, 2014  
**Deed Book/Page** 14-19049  
**Financing** Cash  
**Verification** City of Winters - documents; Other sources: Deed, contract, Confirmed by John Zazrivy

**Sale Price** \$161,000  
**Cash Equivalent** \$161,000

**Land Data**

**Zoning** C-2  
**Topography** Generally level  
**Utilities** All available

**Land Size Information**

**Gross Land Size** 0.616 Acres or 26,833 SF

**Indicators**

**Sale Price/Gross Acre** \$261,364  
**Sale Price/Gross SF** \$6.00

**Remarks**

This is the sale from the City of Winters to the Yolo Federal Credit Union for a future owner-user facility. There are only limited frontage improvements on the East Grant frontage and no improvements on East Street. It appears that some fill will be required for development of this site. The property is not in a flood zone requiring insurance.

# Multi-Family Land Sale Data Sheets

**Multi-Family Land Sale No. 1**

**Property Identification**

**Record ID** 350  
**Property Type** Residential  
**Address** Tabor Ave. eastside west of N. Texas north of Peach Tree, Fairfield, Solano County, California  
**Tax ID** 0034-122-100

**Sale Data**

**Grantor** Paul Maguire  
**Grantee** NOI Investments  
**Sale Date** October 30, 2014  
**Deed Book/Page** 83751  
**Property Rights** Fee simple  
**Conditions of Sale** Distressed - See remarks  
**Sale History** Sold 03/05 for \$650,000  
**Verification** Randy Dawson - broker; May 22, 2014; Confirmed by John Zazrivy

**Sale Price** \$132,500

**Land Data**

**Zoning** RH  
**Topography** Level  
**Utilities** Street  
**Shape** Rectangle  
**Off-site improvements** Frontage complete

**Land Size Information**

**Gross Land Size** 1.530 Acres or 66,647 SF  
**Front Footage** 215 ft Tabor Avenue

**Indicators**

**Sale Price/Gross Acre** \$86,601  
**Sale Price/Gross SF** \$1.99

**Remarks**

This site has been listed as for-sale for some time and is located in a primarily multi-family residential area, and backs to the improved commercial uses along the North Texas Street commercial corridor. The zoning has a range of potentially between 15 and 22-units per acre.

There are no entitlements and likely no impact fee credits. It is likely this property will be required to annex into CFD 2012-2, with single-family homes facing a maximum annual tax at \$737, or an apartment tax of \$503/unit.

The property was marketed extensively for a price of \$295,000 with minimal interest. The property owner acquired the site 03/05 for \$650,000. The owner was at risk of losing the property due to delinquent property taxes, and sold the property to an investment group who intend to hold the property.

**Multi-Family Land Sale No. 2**

**Property Identification**

**Record ID** 359  
**Property Type** Multi-family  
**Property Name** Spanos Green Valley Apartments  
**Address** 3900 Business Center Drive, Fairfield, Solano County, California  
**Location** Next to Catholic Church future site  
**Tax ID** 0027-350-030 & -040

**Sale Data**

**Grantor** Fairfield Residential Commons (Denova Hms.)  
**Grantee** The Spanos Corp.  
**Sale Date** August 04, 2014  
**Deed Book/Page** 14-58013  
**Property Rights** Fee simple  
**Verification** Seller; Other sources: DTT, Confirmed by John Zazrivy

**Sale Price** \$6,000,000  
**Cash Equivalent** \$6,000,000

**Land Data**

**Zoning** RH  
**Topography** Level  
**Utilities** To site  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 13.640 Acres or 594,158 SF

**Indicators**

**Sale Price/Gross Acre** \$439,883  
**Sale Price/Gross SF** \$10.10

**Remarks**

This is the sale is to The Spanos Corporation for the construction of the 286-unit Green Valley Apartments project. The site is a super-pad adjacent to Dan Wilson Creek, which separates this project from the Campus for Solano Community College. There will be eleven 3-story buildings (21 to 32-units each - 1, 2 & 3-bedrooms) with each building having 8-garages each with access to an interior hall. Both open and covered parking will be provided. The project will have a clubhouse, pool, spa and cabanà. A pedestrian bridge will access the College campus, crossing the Creek. All street frontage improvements have been completed and there are various community facility fees (CFD's) including CFD 2012-12, which has caused some area developers to re-evaluate some projects because of this CFD's new (2013) existence. The buyer bought essentially a turnkey project and assumed an existing development agreement.

**Multi-Family Land Sale No. 3**

**Property Identification**

**Record ID** 378  
**Property Type** Multi-family  
**Address** 4000 Business Center Dr., Fairfield, Solano County, California  
**Location** N.side Business Ctr. next to Spanos  
**Tax ID** 0027-350-120

**Sale Data**

**Grantor** Garaventa  
**Grantee** Meadow Creek Grp. (DeNova/Sanson)  
**Sale Date** April 15, 2015  
**Deed Book/Page** 15-30117  
**Property Rights** Fee simple  
**Verification** Other sources: Deed

**Sale Price** \$1,200,000

**Land Data**

**Zoning** RH  
**Topography** Generally level  
**Shape** Very irregular  
**Off-Sites Required** Curb & gutter only

**Land Size Information**

**Gross Land Size** 5.640 Acres or 245,678 SF  
**Net Land Size** 3.210 Acres or 139,828 SF , 56.91%  
**Number of units** 63

**Indicators**

**Sale Price/Gross Acre** \$212,766  
**Sale Price/Gross SF** \$4.88  
**Sale Price/Net Acre** \$373,832  
**Sale Price/Net SF** \$8.58  
**Sale Price/ Unit** \$19,048

**Remarks**

This site is very irregular, with only 57% of the site area buildable. This is next to the Spanos Green Valley Apartments site. A long frontage lies along Suisun Creek and there is bridge access to Solano College. The buyer purchased the property with full entitlements which the buyer processed. 63 apartment units are planned in four buildings. The property is encumbered by CFD 2012-2 and its assessments, as well as appearing to have Corporate Commons infrastructure bonds.

## **Additional Land Sale Data Sheets**

**Additional Land Sale No. 1**

**Property Identification**

**Record ID** 1337  
**Property Type** Commercial, Service Commercial  
**Property Name** Woodland Mosque & Islamic Center  
**Address** 613 - 615 East Street, Woodland, Yolo County, California  
**Location** NEC East & Oak Streets  
**Tax ID** 066-021-025, 026, 027. & 028

**Sale Data**

**Grantor** Myrtle Street Flats LLC  
**Grantee** Woodland Mosque & Islamic Center  
**Sale Date** June 12, 2015  
**Deed Book/Page** 16321  
**Property Rights** Fee  
**Marketing Time** 12 years  
**Conditions of Sale** Arm's length  
**Financing** All cash to seller  
**Verification** Other sources: deed, prior listing, costar, Confirmed by Ronald Garland

**Sale Price** \$900,000  
**Cash Equivalent** \$900,000

**Land Data**

**Zoning** C3C, Commercial  
**Topography** Level  
**Utilities** All on site  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 3.250 Acres or 141,570 SF  
**Front Footage** 213 ft East St.;504 ft Oak St

**Indicators**

**Sale Price/Gross Acre** \$276,923  
**Sale Price/Gross SF** \$6.36

**Remarks**

The property had previously been developed to a low intensity light industrial use, but had been vacant for many years. The seller had attempted to lease the property. However interested tenants were interested in at least some open storage yard use that the City of Woodland would not allow. The seller reportedly felt the City resisted light industrial and industrial service tenancy because the City wanted this property to be redeveloped to a higher use. The property had been on and off the market for a dozen years with an asking price of \$1,099,000.

The buyer reportedly plans to demolish all of the preexisting buildings and develop a Mosque and Islamic Cultural Center. East Street is a major north/south corridor through Woodland, and the property is three blocks south of Main Street. All off-site improvements were complete but the burbs and sidewalks likely need replacement.

**Pending Additional Land Sale No. 2**

**Property Identification**

**Record ID** 1240  
**Property Type** Industrial Bus. Park  
**Address** Off Business Center Drive, Fairfield, Solano County, California 94534  
**Tax ID** Portion of 0148-280-490

**Sale Data**

**Grantor** City of Fairfield  
**Grantee** The Falls Event Center  
**Closing Date** July 01, 2015  
**Property Rights** Fee simple  
**Verification** Ken Cantrell; February 19, 2015; Other sources: City Minutes, Realist, Appraisal, Confirmed by Steve Salmon

**Contract Price** \$598,950  
**Cash Equivalent** \$598,950

**Land Data**

**Zoning** CO  
**Topography** Generally level  
**Utilities** All available  
**Shape** Generally rectangular

**Land Size Information**

**Gross Land Size** 2.750 Acres or 119,790 SF

**Indicators**

**Sale Price/Gross Acre** \$217,800  
**Sale Price/Gross SF** \$5.00



**Pending Additional Land Sale No. 2** continued

**Remarks**

This is the sale of a 2.75 acre portion of a larger 15.19 acre property (APN 0148-280-490). The larger parcel is proposed to be subdivided into three lots: Parcel A, an 11.69 acre property the City of Fairfield has approved for sale to Lewis Land Developers, a regional residential land development company, Parcel B a 0.75 acre site fronting to Business Center Drive, and Parcel C, the 2.75 acre portion of the property that City of Fairfield has agreed to sell on February 17, 2015.

The sale was negotiated in the fall of 2014, and the City of Fairfield successor agency signed a letter of event with the buyer, The Falls Event Center, in December of 2014. It is anticipated after the board's approval on February 17, 2015, the property will enter into escrow in roughly 6 weeks, due to required approvals from the CA state dept of finance. The contract calls for a 60 day escrow and due diligence period, and the sale is anticipated to close by July 1, 2015.

The site zoned for Commercial office, but due to limited demand for office use the City has decided to allow a rezone of Parcel A for residential use, and Parcel C to be utilized for an events center. The buyer intends to develop a 14,000 SF event center complex on the site.

The sale price was based on an appraisal of the larger 12.19 acre property, with a reported range of \$5 to \$7 per SF. The \$598,500 sale price was based on the negotiated price of \$5 per SF.

The parcel has no trafficked exposure attributes, and is located on a cul-de-sac bulb, located off the north side of the Business Center Drive. All road frontage improvements are complete; the site is fully served with urban utilities, and is in a development ready condition.

**Additional Land Sale No. 3**

**Property Identification**

**Record ID** 1283  
**Property Type** Commercial/Office  
**Address** 1445 - 1485 Market Lane, Dixon, Solano County, California  
**Tax ID** 0113-440-170,-310 & -320

**Sale Data**

**Grantor** Dixon Properties - Wu  
**Grantee** Sommer, et.al.  
**Sale Date** September 01, 2015  
**Deed Book/Page** 15-79483  
**Property Rights** Fee simple  
**Verification** Larry Santella - broker; (707) 480-8548, September 21, 2015; Other sources: Deed, Confirmed by John Zazrivy

**Sale Price** \$1,216,000 List @ \$1.2-mil.  
**Cash Equivalent** \$1,216,000

**Land Data**

**Zoning** CH-PAO-PD  
**Topography** Level

**Land Size Information**

**Gross Land Size** 5.630 Acres or 245,243 SF

**Indicators**

**Sale Price/Gross Acre** \$215,986  
**Sale Price/Gross SF** \$4.96

**Remarks**

This property has only a limited frontage on Market Avenue, which is an at this time secondary commercial corridor with portions, including this property, having I-80 frontage (primarily eastbound) exposure. The area now has an adjacent (to this property) Motel 6, a multi-tenant commercial/office building and a former (now “shuttered”) Chevy’s restaurant that was converted into a credit union branch. This site has improved frontage on Market Lane with a long and narrow run westward to a limited (reportedly under 500-ft.) western boundary frontage on I-80. Apparently, there is at least partial approval for a self-storage project on the site. However, the broker advises that the buyer may/may not build that project, and likely is looking to assemble more property in the immediate area. The property was on the market for roughly 5-months prior to this sale, and essentially sold at the asking price.

**Additional Land Sale No. 4**

**Property Identification**

**Record ID** 1238  
**Property Type** Commercial Service  
**Address** 3630 Ritchie Road, Fairfield, Solano County, California  
**Tax ID** Portion of APN 0044-080-007

**Sale Data**

**Grantor** Solano Transportation Authority (STA)  
**Grantee** Basalite Concrete Products LLC (Pacific Supply)  
**Sale Date** January 21, 2015 Contract 12/02/14  
**Deed Book/Page** 4660  
**Property Rights** Fee simple  
**Conditions of Sale** Public auction  
**Verification** Lucy Owens; February 20, 2015; Other sources: Offering, Realist, Appraisal, Confirmed by Steve Salmon

**Sale Price** \$1,142,000  
**Cash Equivalent** \$1,142,000

**Land Data**

**Zoning** CS  
**Topography** Generally level  
**Utilities** All available  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 6.370 Acres or 277,477 SF  
**Useable Land Size** 4.370 Acres or 190,357 SF , 68.60%  
**Wetlands Land Size** 2.000 Acres or 87,120 SF , 31.40%

**Indicators**

**Sale Price/Gross Acre** \$179,278  
**Sale Price/Gross SF** \$4.12  
**Sale Price/Useable Acre** \$261,327  
**Sale Price/Useable SF** \$6.00

**Additional Land Sale No. 4** continued

**Remarks**

This is the sale of a 6.37 gross acre portion of a larger 7.69 acre parcel (APN 0044-080-070). The property sold at public auction on December 2, 2014, with escrow closing on January 21, 2015.

The property was acquired by the STA from the City of Fairfield to help facilitate a major PG&E gas line Project. The Project was accommodated on a 1.32 acre portion of the larger parcel, and this sale is the liquidation of the remaining 6.37 gross acres not needed for the Project.

The property sold at auction, with only one bidder, and sold for the minimum bid price of \$1,142,000. The buyer is subsidiary of Pacific Coast Supply, which are a large regional construction supply company.

The minimum bid price was established by an appraisal ordered by STA. The appraisal was dated 09/14, and established the minimum bid price based on a market value of \$6/SF of net useable site area; reported to be 4.37 acres.

The property has roughly 2 acres of high priority wetlands on the property, towards the rear, which are not developable. The property also has a significant area of low priority wetlands, in the center of the parcel. This area was assumed to be useable, as STA utilized portions of this area to store materials during construction of PG&E gas line project. However, the buyer assumed all wetlands risk.

The property was zoned Public Facilities, due to its former public use, and the sale was contingent upon the City of Fairfield re-zoning the property to Commercial Service, consistent with the surrounding land uses.

The site is in a raw land condition, and is reported to be perimeter fenced. The site has no road frontage improvements, and it is likely the buyer will have to construct road frontage improvements as a condition of development; including curbs, gutters and sidewalks, consistent with the improved uses occurring in the immediate market area. The site was reported to be fully served with urban utilities and is in a development ready condition.

**Additional Land Sale No. 5**

**Property Identification**

**Record ID** 1293  
**Property Type** Light Industrial  
**Address** East Monte Vista Avenue, Vacaville, Solano County, California 95688  
**Tax ID** 0133-380-020, -030, -040, -050

**Sale Data**

**Grantor** Bartig Trust  
**Grantee** NLD Vacaville LLC  
**Sale Date** June 02, 2015  
**Deed Book/Page** 47769  
**Property Rights** Fee simple  
**Verification** Tom Evancie; 916-403-7622, Other sources: CoStar, Realist, Deed, Confirmed by Steve Salmon

**Sale Price** \$1,250,000  
**Cash Equivalent** \$1,250,000

**Land Data**

**Zoning** IP  
**Topography** Generally level  
**Utilities** All available  
**Shape** Generally Rectangular

**Land Size Information**

**Gross Land Size** 4.946 Acres or 215,435 SF  
**Front Footage** East Monte Vista Avenue

**Indicators**

**Sale Price/Gross Acre** \$252,745  
**Sale Price/Gross SF** \$5.80

**Remarks**

This is the sale of a 4.95 gross acre site located on East Monte Vista Avenue within the Vacaville Industrial Park. The site is located south of the Vaca Valley Parkway and Highway 505 Interchange, and fronts to the Vaca Valley Parkway Highway 505 southbound on ramp. The site is desirable as it has good linkage and trafficked exposure attributes to the highway.

The size is zoned IP, and sold for \$1,250,000 to a buyer who intends to develop the site to a self-storage use. All urban utilities are stubbed to the site, and the site has completed curbs, gutters, and streetlights, but will require development of sidewalks at the buyer's expense upon development. On the date of inspection the site was being prepped for development, and had been staked in preparation of onsite infrastructure necessary to support the buyer's intended self-storage use.

# Total Property Land Sale Data Sheets

**Total Property Land Sale No. 1**

**Property Identification**

**Record ID** 1324  
**Property Type** Commercial, Highway commercial  
**Address** SE I-80 & W Dorset, Dixon, Solano County, California 95620  
**Location** I-80 next to Cattlmen's restaurant  
**Tax ID** 0108-100-240

**Sale Data**

**Grantor** Hydrox Properties XVI LLC/Clint Chew  
**Grantee** Dixon West LLC/Albery Y. Wang  
**Sale Date** March 27, 2015  
**Deed Book/Page** 2015-023912  
**Conditions of Sale** REO Sale  
**Financing** Conventional  
**Verification** Other sources: Costar

**Sale Price** \$2,150,000  
**Cash Equivalent** \$2,150,000

**Land Data**

**Zoning** CH-PAO-PD, Commercial  
**Topography** Level  
**Utilities** Available near by  
**Dimensions** Irregular  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 16.640 Acres or 724,838 SF  
**Front Footage** 1344 ft I-80

**Indicators**

**Sale Price/Gross Acre** \$129,207  
**Sale Price/Gross SF** \$2.97

**Remarks**

The buyer is a developer who is planning approximately 175,000 square feet of inline retail development and three pads between one and two acres each. Signage to east bound I-80 is excellent. However, access from east bound I-80 is circuitous. Signage to west bound I-80 is only visible a half mile past the exit, and the route is very circuitous.

**Total Property Land Sale No. 2**

**Property Identification**

**Record ID** 1285  
**Property Type** Commercial  
**Address** 5190 Mini Drive, Vallejo, Solano County, California  
**Location** Mini & Broadway - frontage on Hwy.-29  
**Tax ID** 0067-140-060, -070

**Sale Data**

**Grantor** Jer/Mp Sonoma LLC  
**Grantee** Sonoma Gateway, LLC  
**Sale Date** November 06, 2014  
**Deed Book/Page** 14-85879  
**Property Rights** Fee simple  
**Marketing Time** 2+ years  
**Verification** Mike Zylstra - broker; October 01, 2015; Other sources: Deed, listing, Confirmed by John Zazrivy

**Sale Price** \$1,800,000

**Land Data**

**Zoning** CL, IU  
**Topography** Generally level  
**Utilities** All available  
**Shape** Triangular

**Land Size Information**

**Gross Land Size** 13.960 Acres or 608,098 SF  
**Front Footage** 1700 ft 1700 ft

**Indicators**

**Sale Price/Gross Acre** \$128,940  
**Sale Price/Gross SF** \$2.96



**Total Property Land Sale No. 2 continued**

**Remarks**

This is a sale of a 13.96-acre commercially zoned site located in Northern Vallejo, north of the intersection of Sonoma Boulevard (Hwy 29) and Highway 37. The site is long and narrow, running between Sonoma Boulevard and Broadway Road, and is bound at its northern end by Mini Drive. The northern tip of the site is at the southeast corner of the signalized intersection of Sonoma and Mini. The site has a trafficked location along Sonoma and is zoned both Linear Commercial and Intensive Use. The northern tip of the site is a separate 0.82-acres (zoned CL) that has completed frontage improvements. The southern remainder at 13.14-acres is raw land without frontage improvements. This seller acquired the property in 2005 for \$6.3-million and a preliminary proposal just prior to the 2005 recording, which was not formally accepted as a development application by the City, had 264 apartment units at 24.2-units/acre, as well as 18,000 square feet of commercial development on the corner site. The 2005 seller advised at the time that the price was contracted approximately 15-months prior to the close. Also, there was a "loose" closing contingency of residential development approvals by the City, however the buyer closed without the concessions being met. By the time of the 2005 closing there were offers above \$7-million to buy the property. In Fall-2005 the City staff advised that there was a preliminary proposal forthcoming (possibly involving K&B Homes) for an all-residential development on the entire site. K&B is known as a single-family developer, and does not develop apartments. Subsequent to the K&B inquiry in 2006 Pulte Homes submitted plans to the City for an all-residential project. After the Pulte project proposal was accepted for submission by the City, purportedly the community development and redevelopment directors rejected an all-residential project. Effectively, this property had no residential development entitlements whatsoever, and a General Plan amendment would be required for an all-residential project. Prior to this sale the site had been on the market off and on over numerous years with limited interest. Market interest appeared to be centered on the smaller northern parcel, suitable for a quick-serve restaurant use at the southeast corner of Mini Drive and Sonoma Boulevard. There has been less interest for the site as a whole. According to the broker this sale's buyer had in mind some commercial development with the vast bulk being re-zoned (+ General Plan amendment) for apartments or higher-density for-sale residential. Also, the broker stated that one of the development issues has been access and the lack of providing desirable curb-cuts.

**Total Property Land Sale No. 3**

**Property Identification**

**Record ID** 1283  
**Property Type** Commercial/Office  
**Address** 1445 - 1485 Market Lane, Dixon, Solano County, California  
**Tax ID** 0113-440-170,-310 & -320

**Sale Data**

**Grantor** Dixon Properties - Wu  
**Grantee** Sommer, et.al.  
**Sale Date** September 01, 2015  
**Deed Book/Page** 15-79483  
**Property Rights** Fee simple  
**Verification** Larry Santella - broker; (707) 480-8548, September 21, 2015;  
 Other sources: Deed, Confirmed by John Zazrivy

**Sale Price** \$1,216,000 List @ \$1.2-mil.  
**Cash Equivalent** \$1,216,000

**Land Data**

**Zoning** CH-PAO-PD  
**Topography** Level

**Land Size Information**

**Gross Land Size** 5.630 Acres or 245,243 SF

**Indicators**

**Sale Price/Gross Acre** \$215,986  
**Sale Price/Gross SF** \$4.96

**Remarks**

This property has only a limited frontage on Market Avenue, which is an at this time secondary commercial corridor with portions, including this property, having I-80 frontage (primarily eastbound) exposure. The area now has an adjacent (to this property) Motel 6, a multi-tenant commercial/office building and a former (now “shuttered”) Chevy’s restaurant that was converted into a credit union branch. This site has improved frontage on Market Lane with a long and narrow run westward to a limited (reportedly under 500-ft.) western boundary frontage on I-80. Apparently, there is at least partial approval for a self-storage project on the site. However, the broker advises that the buyer may/may not build that project, and likely is looking to assemble more property in the immediate area. The property was on the market for roughly 5-months prior to this sale, and essentially sold at the asking price.

**Total Property Land Sale No. 4**

**Property Identification**

**Record ID** 1200  
**Property Type** Commercial  
**Address** East Grant Ave., southside, Winters, Yolo County, California  
**Location** Between E. Main & Morgan Streets  
**Tax ID** 038-190-035-000

**Sale Data**

**Grantor** Christie et.al.  
**Grantee** Thiara, et.al.  
**Sale Date** March 31, 2015  
**Deed Book/Page** 15-8039  
**Property Rights** Fee simple  
**Verification** Glenn Demuth - broker; September 17, 2015; Confirmed by John Zazrivy

**Sale Price** \$1,250,000  
**Cash Equivalent** \$1,250,000

**Land Data**

**Zoning** C-1  
**Topography** Level  
**Shape** Somewhat rectangular  
**Flood Info** Zone A

**Land Size Information**

**Gross Land Size** 6.010 Acres or 261,796 SF

**Indicators**

**Sale Price/Gross Acre** \$207,987  
**Sale Price/Gross SF** \$4.77

**Total Property Land Sale No. 4 continued**

**Remarks**

This site is located on the southside of Grant Avenue, west of I-505 between that freeway and arterial (to downtown) Railroad Avenue. The site has a generally rectangular shape and contains per the Assessor 6.01-acres (261,796 sq.ft.). No road improvements (curb, gutters & sidewalks) are present along the total (Assessor) approximately 1,100-feet of primary East Grant frontage. The site is generally level and Google shows the approximate property elevation above sea level approximately between 120 and 130-feet. The property is covered with cut dry native vegetation. A drainage swale runs along nearly the entire East Grant primary commercial frontage. New developments along the southside of E. Grant appear to have undergrounded that drainage feature. In addition, for a new project just to the west along E. Grant, it appears that the primary frontage improvements have been setback from the highway right-of-way suggesting that a future widening (to 4-lanes) for that arterial is contemplated. A recent (last few years) traffic study alludes to potential widening. It appears possible that the utilities are undergrounded along E. Main's southside, but it is unknown as to whether they in fact pass along the subject's frontage. Curbs, gutters and sidewalks, as well as apparent utility undergrounding and street lights, are along the Morgan Street and East Main frontage, with curb-and-gutter plus street lights on the East Baker frontage. The longer street frontages are along East Grant and East Baker with the secondary frontages on Morgan and East Main. All frontage streets are 2-lane bi-directional at this time. A future traffic signal may be required at the East Grant/East Main intersection, but it is believed that this property will contribute no more than its fair-share, and will not likely be responsible for its installation. The property is almost entirely within a flood Zone A.

**Total Property Land Sale No. 5**

**Property Identification**

**Record ID** 1336  
**Property Type** Commercial, Highway commercial  
**Address** 5170 Sonoma Blvd, Vallejo, Solano County, California  
**Location** North bound HWY 29 one parcel N of HWY 37  
**Tax ID** 0067-150-320

**Sale Data**

**Grantor** Westamerica Bank  
**Grantee** 5170 Jim & Shellie LLC  
**Sale Date** July 29, 2015  
**Deed Book/Page** 99606  
**Property Rights** Fee  
**Conditions of Sale** Arms length  
**Financing** Cash to seller  
**Sale History** \$3,300,000 10/31/2006, with near full project approvals  
**Verification** Other sources: Seller, deed, prior appraisal, title report, Confirmed by Ronald Garland

**Sale Price** \$499,100  
**Cash Equivalent** \$499,100

**Land Data**

**Zoning** IU (intensive use), Commercial  
**Topography** Level  
**Utilities** Extended from Broadway to east edge of property  
**Shape** Irregular

**Land Size Information**

**Gross Land Size** 3.010 Acres or 131,116 SF  
**Front Footage** 400 ft HWY 29 aka Sonoma Blvd

**Indicators**

**Sale Price/Gross Acre** \$165,814  
**Sale Price/Gross SF** \$3.81

**Total Property Land Sale No. 5 continued**

**Remarks**

This site is located on the northbound side of HWY 29 one parcel north of HWY 37. This is one of the main entries into Napa Valley. On the date of sale a prior CalTrans encroachment permit to access HWY 29 had expired. The site was created through a two parcel split that created a self storage site to the east along its Broadway frontage. In the parcel split a 381 foot access and utility easement was created from the northeast corner of the site to Broadway. At the time of the parcel split utilities were stubbed to the Northeast corner and the access easement was paved.

The then developer of the site submitted its application to the City for Vallejo Crossings in the spring of 2004, and the project was approved by the City in 2007. Vallejo Crossings was approved by the City in 2007, and was marketed as a retail development featuring roughly 20,000 SF of retail space. The project included a service station with a drive thru car wash, a roughly 4,600 SF freestanding retail building with a drive thru window, and two multi-tenant freestanding retail buildings roughly featuring 7,200 SF and 8,200 SF. City approvals were contingent upon developer receipt of a CalTrans a right in, right out, driveway encroachment permit along the HWY 29 frontage. That encroachment permit was issued by CalTrans but the permit had a five year termination if the project was not completed and opened within five years.

Copeland Creek Apartments LLC had optioned the property and processed project approvals. They closed escrow at a price of \$3.3 million in October 2006 when they had a high level of confidence that the final project approvals were going to be awarded within a few months.

Final development approvals were issued in 2007. However by that time the economic downturn was well underway and tenants would not commit to leases. Without leases the construction financier would not finance construction. The CalTrans encroachment permit expired in 2011 and WestAmerica Bank foreclosed on the property shortly thereafter.

At the time of this 2013 sale all project approvals had expired. The City reported being generally favorable to a similar development project approval however, the entire entitlement process including the arduous to obtain CalTrans encroachment permit had to be obtained again.

**GARLAND &  
ASSOCIATES**  
REAL PROPERTY ECONOMICS ANALYSTS & APPRAISERS

May 16, 2017

Jason Garben  
Development Services Director  
City of Suisun City  
701 Civic Center Boulevard  
Suisun City, CA 94585

Subject: 8.29 Acres; APNs 0173-390-160 & 180  
Appraisal Update

Dear Mr. Garben:

The following restricted use appraisal report of a 8.29 acre site located adjacent to Highway 12 Suisun City, California, has been prepared in response to your request. The purpose of this appraisal is to form an opinion of the market value of the fee simple interest in the subject property. I have utilized The Appraisal Institute *Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Edition, definition of Market Value.

I previously appraised this property for you. That appraisal had a March 21, 2016 date of value, and an August 25, 2016 report date. The subject property, competitive market area, and market conditions have not materially changed since that appraisal.

In this appraisal update assignment I have performed the same scope of work identified in my August 25, 2016 report excepting creation of a detailed report document. In this assignment I am communicating the results of my appraisal in a restricted use report format in conformance with the Uniform Standards of Professional Standards of Professional Appraisal Practice (USPAP) Standard 2-2 (b). As such the new research and analysis remain in my work file and are not presented within this restricted use appraisal report.

You are the sole intended user of this report. The sole intended use is for your recommendations to City Council regarding the potential sale of the subject property. I inspected the subject property May 10, 2017, which is the date of value of this appraisal.

### **Ownership & Sale History**

The April 26, 2006 Placer Title Company preliminary title report order # 501-16068 indicates the subject property was owned by *The Redevelopment Agency of the City of Suisun City*. I believe that through the grant deed document 20698 recorded March 9, 2011 title was transferred to the *City of Suisun City Housing Authority*. This was not an arm's length sale and does not provide an indication of market value.

During 2015 Hall Equities had some type of an exclusive right to negotiate agreement with the Housing Authority to acquire the subject property. I am not aware of a sale price being associated with this exclusive right to negotiate agreement. Hall Equities is the owner of the major portion of the developed Sunset Shopping Center.

Through CBRE; Hall Equities marketed the leasing of 80,000 + square feet of mid-size and small box retail space and a small amount of in-line strip retail space Hall was proposing on the subject property. That development project failed to attract sufficient tenant interest to get the development project off of the ground. The exclusive right to negotiate agreement terminated without a sale.

In a December 15, 2015 agreement, the Housing Authority entered into a Due Diligence and Exclusive Right to Negotiate (ERN) with Harbor Park LLC (Camran Nojoomi). This ERN contained a 75-day exclusive negotiation period, with a stated intent of negotiating a sale price and a disposition and development agreement while Harbor Park LLC performed their due diligence investigation.

SFP-E, LLC, an Oregon limited liability company (Les Schwab) issued a January 12, 2016 Letter of Intent to Purchase (LOI) to Camran Nojoomi. This non-binding agreement offered Mr. Nojoomi \$336,000± for a 48,000± square foot site located in the south east portion of the subject. The LOI then states the price is to be \$7.00 per square foot of land area not for public roadways or exclusively by third parties. The LOI explicitly addresses that the seller, Mr Nojoomi, is responsible for recording a parcel map making the Les Schwab site a legal parcel. While not explicitly stated in the LOI it appears Les Schwab's intent is that Mr Nojoomi would sell a finished site with access to the site and utility extensions to the site developed and paid for by Mr Nojoomi.



During the middle of 2016 Mr. Nojoomi, and the City of Suisun City Housing Authority entered into a Purchase and Sale agreement with a sale price of \$900,000. Ultimately during late 2016, after his due diligence investigation, Mr. Nojoomi elected to not purchase the subject property.

During the spring of 2017 Jack Anthony and the *City of Suisun City Housing Authority* entered into a Purchase and Sale agreement that has not yet been executed by Mr. Anthony or City Council.

At this point this is not a binding agreement; further the buyer is allowed a due diligence investigation period during which he may terminate the agreement at his choice. The sale price is to be established by an appraisal. Mr. Anthony has the option to terminate the agreement if the appraised value exceeds \$900,000.

### **Recent Development Proposals**

During 2015 Hall Equities marketed leasing of 80,000 + square feet of mid-size and small box retail space, with a small amount of in-line strip retail space proposed on the subject. This space was actively marketed by CBRE.

This proposal included 50,000 square feet that could host a single 50,000 square foot retail tenant or could be divided in various configurations. Additionally, the plan included three small box spaces ranging from 7,000 to 12,000 square feet. An additional 6,200 feet of in-line strip space, and an undefined building pad was included in the plan. Ultimately Hall Equities decided not to pursue this development, or buy the subject property

In December 2015 Harbor Park LLC (Camran Nojoomi) entered into a Due Diligence and Exclusive Right to Negotiate (ERN) agreement for the subject property. Mr. Nojoomi proposed a mixed use development of the subject. Mr Nojoomi's proposed project was summarized as:

Use	Size
Holiday Inn Express Hotel	54,233 sf
Restaurant	5,000 sf
Les Schwab (Tire Store)	14,348 sf
Residential Apartments	80 units

Mr. Nojoomi also elected to not pursue his development plan.

Mr. Anthony is reported to be contemplating a commercial mixed use development of the subject property. His development plan is generally 5.34 ± acres of self-storage use in the north or rear portion of the site, and 2.1 ± acres of retail/quick serve restaurant use in the south part of the site next to the Highway 12 frontage. I understand Mr. Anthony is pursuing a possible acquisition of the approximately half acre site located between the subject property and the 7-11/Unocal property. Further, I understand Mr. Anthony's intentions to be to develop a carwash on the intervening property. However, if acquisition of that intervening property is not possible he is contemplating development of a carwash on a portion of the 2.1 ± acres of retail land.

### **Analysis**

Mr. Garbin, as you are personally aware, and as I detailed in my March 21, 2016 appraisal, valuation of the subject property is a complex analysis. Some of the valuation complexities related to usable versus unusable land area, various access challenges including circuitous routes of access, large infrastructure costs, zones of value and use elements of the subject property, and the local overbuilt retail marketplace.

All of these analytical valuation complexities remain fundamentally unchanged since my 2016 appraisal. I have analyzed the subject property valuation in a similar manor as in my 2016 appraisal. However, I have made some subtle changes in some of the zones of value and some of the developmental approach inputs. I considered all of the comparable sales utilized in my 2016 appraisal. I have identified nine new sales since my 2016 appraisal that I consider relevant to some aspect of the valuation process. The additional sales I have analyzed and considered in this appraisal are summarized in the table on the following page.

**Additional Sales Analyzed in this Appraisal**

#	Location Comments	Sale Date	Acres SF	Sale Price	\$ /SF
A	Dorset Ct., Dixon	03/17	0.80 35,022	\$353,500	\$10.09
B	Next to 1221 E. Monte Vista Avenue, Vacaville	3/17	0.83 36,020	\$180,000	\$5.00
C	1241 Anderson Dr.,m Suisun City	08/16	0.51 22,216	\$210,000	\$9.45
D	4335 Central Pl., Fairfield	07/16	2.46 107,158	\$750,000	7.00
E	1650 N 1 <sup>st</sup> St., Dixon	04/16	1.18 51,401	\$249,000	\$4.84
F	80 Orange Dr., Vacaville	10/16	1.79 77,972	\$500,000	\$6.43
G	1959 Peabody Rd., Vacaville	03/17	1.83 79,715	\$285,000	\$3.58
H	4335 Central Pl., Fairfield	07/16	2.46 107,158	\$750,000	7.00
I	211 Valle Vista, Vallejo	03/16	6.88 299,692	\$650,000	\$2.17

In the final analysis the additional comparable sales add strength to my final value conclusion but do not indicate a change in value. This conclusion is consistent with my perception of the marketplace for development challenged land. In my opinion as of May 10, 2017 the market value of the subject property was \$900,000.

**MARKET VALUE AS OF MAY 10, 2016 = \$900,000**

As with my prior appraisal, my opinion of the necessary exposure time to have resulted in a sale of the subject property on the date of value would have been in the range of 18 months.

## ASSUMPTIONS AND LIMITING CONDITIONS

The Uniform Standards of Professional Appraisal Practice defines a Hypothetical Condition as:

An assumption which is contrary to what is firmly known to exist, but is supposed or assumed for the purpose of discussion or analysis. In compliance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), we are informing readers and users of this appraisal that the use of a Hypothetical Condition was utilized in our analysis and impacts the assignment analysis, conclusions and opinions.

This appraisal is subject to the following *SPECIFIC* assumptions and limiting conditions:

1. The Client is Jason Garbin representing the City of Suisun City. The intended user is the Client. The intended use of the appraisal is to serve as a valuation guide for decisions relating to the potential sale of the property. Any other parties choosing to utilize this appraisal do so at their own risk, and without our consent.
2. A recent Title Report was not provided as part of this assignment. It is a specific assumption of this appraisal that there are no title issues or encumbrances that would have a negative impact on value.
3. A hypothetical condition is assumed for this appraisal. The hypothetical condition assumed is access through the Sunset Shopping Center to the west is legally perfected.

## ASSUMPTIONS AND LIMITING CONDITIONS (continued)

This appraisal is subject to the following **GENERAL** assumptions and limiting conditions:

1. Reliance upon this report by any intended user is implied concurrence that the Scope of Work of the appraisal assignment is appropriate for the intended use of that user.
2. It is the responsibility of the Client to read this report and to inform the appraisers of any errors or omissions of which he/she is aware of before using this report or making it available to a third party.
3. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on the property, was not called to our attention nor did we become aware of such during the inspection. We have no knowledge of the existence of such substances on or in the property unless otherwise stated and we are not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion reported herein is predicated on the assumption that no such hazardous substances exist in or on the property, or in such proximity that would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.
4. Unless specifically stated in this report, nothing contained herein shall be construed to represent any direct or indirect recommendation to buy, sell, hold, or construct the property appraised at the appraised value. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
5. No liability is assumed for matters legal in character.
6. I assume that there are no defects of title and that the property is free and clear of all liens or encumbrances.
7. No right or obligation to expert testimony or attendance in court by reason of this appraisal, with reference to this property, is included, unless arrangements have been previously made.

**ASSUMPTIONS AND LIMITING CONDITIONS (continued)**

8. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purposes by any but the principal to whom it is addressed without said principal's previous written consent, and in any event, only with the proper qualifications.
9. The information furnished by others, as identified in this report, is believed to be accurate and reliable, but no guarantee is made as to the correctness thereof.
10. Any sketches in this report are included to assist the reader in visualizing the property. Land dimensions were taken from available public information and we assume no responsibility for these dimensions.
11. The projections of costs, income, and expenses for the subject property are not predictions of the future. These projections are our best estimates of the current market thinking about what future income and expenses will be. We make no warranty or representation that these projections will materialize. The real estate market is constantly fluctuating and changing and it is not our task to estimate the conditions of a future real estate market. We can only reflect what the investment community envisions for the future in terms of rental rates, expenses, supply and demand.
12. Neither all nor any parts of the content of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute, or to the MAI or SRA designations) shall be disseminated to the public through any media or to any other parties without prior written consent and approval.
13. Ronald G. Garland is certified by the State of California as General Real Estate Appraisers. However, I am not licensed or certified in the fields of building inspection or civil, soils, structural, or environmental engineering. I believe that the subject property is not adversely impacted by hidden or unapparent conditions relative to these fields, unless otherwise stated within this report.
14. I assume that there are no hidden or unapparent conditions which would influence the value of the subject property.

## SCOPE OF APPRAISAL

1. Discussed with the Client the nature of the assignment, including an agreement of the purpose and intended use of the report, date of valuation and report, property rights and interest appraised, extraordinary assumptions, values to be reported, and any other appropriate restrictions or limitations to be placed on the scope of the assignment.
2. Ronald Garland inspected the subject property on May 10, 2017.
3. Investigated the current ownership and recent history of the subject property.
4. Investigated the city, area, and immediate location in relation to the impact of these locales on the subject property.
5. Interviewed John Kerns Associate Planner with the City of Suisun City Planning Department regarding current and reasonable future land uses, land use policies, and development requirements that may impact the subject property.
6. Formed an opinion of the highest and best use of the subject property.
7. Researched comparable sales, including public records, other appraisers, active and knowledgeable brokers, and publications providing comparable sale data.
8. Inspected all of the comparable sales used in analysis.
9. Confirmed comparable data to the extent necessary, preferably with parties immediate to each transaction.
10. Developed an opinion of the value of the subject property by use of appropriate appraisal techniques.
11. Prepared the written restricted use appraisal report document.

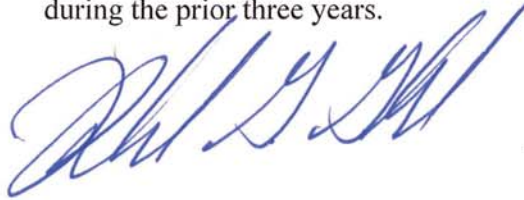
## CERTIFICATION

I certify that, to the best of my knowledge and belief

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standard of Professional Appraisal Practice.
8. I have personally inspected the property that is the subject of this report.
9. No person provided significant real property appraisal assistance to the persons signing this report.
10. To the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.



11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Ronald G. Garland has completed the continuing education program of the Appraisal Institute.
13. I have the necessary education and experience to competently perform this appraisal assignment.
14. Ronald G. Garland is currently certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).
15. This appraisal is intended to be in compliance with the Uniform Standards of Professional Appraisal Practice.
16. I previously appraised the subject property with a March 21, 2016 date of value, and a report date of August 25, 2016. I have not performed any other service on this property during the prior three years.



Ronald G. Garland, MAI, SRA  
CA #AG001662

5/16/17

Date

## PROFESSIONAL QUALIFICATIONS of RONALD G. GARLAND, MAI, SRA

Ronald G. Garland, MAI, SRA is a real property analyst and appraiser, experienced in the appraisal of single and multi-family residential, subdivision, office, retail, light industrial, speculative land, development land, and agricultural land. In addition to appraisal, Mr. Garland is experienced in the analysis and valuation of various complex and special purpose properties, along with development valuation, analysis, and feasibility studies. Specialized studies include absorption analysis, financial feasibility analysis, development cash flow analysis, conservation easements, and complex or specialized property highest and best use analysis. Mr. Garland has testified as an expert witness in the Solano, Napa, Contra Costa and Sacramento County Superior Courts and the United States Bankruptcy Court - Eastern District of California relating to various real estate valuation topics. Mr. Garland has taught seminars on the appraisal of conservation easements for both the Northern California and Sierra Nevada Chapters of the Appraisal Institute and for the California Council of Land Trust. Mr. Garland has been published in the California Land Use Law & Policy Reporter.

Mr. Garland holds both the MAI and SRA designations of the Appraisal Institute and has been recertified under the voluntary program of continuing education for the designated members of the Institute. Mr. Garland served an elected term as a member of the National Board of Directors of the Appraisal Institute from 1996 through 1999 and served as the 1995 President of the San Francisco Bay Area Chapter of the Appraisal Institute. Mr. Garland is also certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).

### EMPLOYMENT

July, 1983	Owner/Operator, Garland and Associates
July, 1979	District Appraisal Officer, Bank of America
December, 1976	Appraiser, Merced County Assessor's Office

### EDUCATION

University	University of California at Davis, Bachelor of Science in Agricultural Science and Management (1976)
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Appraisal Courses	<b>Appraisal Institute:</b> Litigation Appraising: Specialized Topics and Applications (2013) The Appraiser as an Expert Witness: Preparation & Testimony (2013) Condemnation Appraising: Principles and Applications (2013) Business Practice and Ethics (2007) (2013) Valuation of Conservation Easements (2008) Effective Appraisal Writing (2004) Uniform Appraisal Standards for Federal Land Acquisitions - (Yellow Book)(2002)
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**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA** (continued)

Appraisal Courses

**Appraisal Institute:** (cont.)

Advanced Income Capitalization (1998)  
Advanced Sales Comparison and Cost Approaches (1996)  
Highest & Best Use and Market Analysis (1995)  
Capitalization Theory & Techniques, Part B (AIREA, 1986)  
Valuation and Report Writing (AIREA, 1985) Case Studies (AIREA, 1985)  
Electronic Spreadsheet in the Appraisal Office (AIREA, 1985)  
Residential Valuation (AIREA, 1984)  
Subdivision Analysis (AIREA, 1982)  
Introduction to Appraisal (SREA, 1978)  
Income Property Appraisal (SREA, 1978)

**RECENT CONTINUING EDUCATION**

Seminars/Workshops

**Appraisal Institute:**

Appraisal Litigation Conference (2013) (2012) (2011) (2009)  
Appraising the Appraisal (2012)  
The Death of Redevelopment in California (2012)  
Wind Projects and Land Value (2012)  
Diminution of Value and Severance Damages (2011)  
Annual Summer Conference (2011)  
IRS Valuation Summit II (2011)  
Qualitative Analysis (2011)  
Wetlands, Waterways & Unusual Valuation Issues (2011)  
Economic Forecast (2010 & 2011)  
Partial Interests/GIS/Ad Valorem Tax/Managing Trainees (2006)  
California Conservation Easements (2005)  
Water Rights Symposium sponsored by ASFMRA (2005)  
Market Analysis and A Site to Do Business (2005)  
Eminent Domain California Update (2005)  
Estimating Loss in Value (2004)  
Appraisal Litigation Practice and Courtroom Management (2003)  
Case Studies in Limited Partnership and Common Tenancy (2003)  
Entitlement, Land Subdivision and Valuation (2001)  
Communications Corridors, Tower Sites, and Property Rights (2001)  
Federal Land Exchanges and Acquisitions: Appraisal Issues Applications (2000)  
Public Interest Value vs. Market Value Seminar (1999)  
The Condemnation Process (1998)  
Wetlands Valuation (1998)  
Valuation of Detrimental Conditions (1998)

**International Right of Way Association**

Transportation Corridors (1999)  
Taking "Special" out of Benefits (1997)  
Condemnation Appraising and Mock Trial (1997)  
Contaminated Properties (1993)

**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA** (continued)

**AFFILIATIONS**

Northern California Chapter, Appraisal Institute  
Sacramento Sierra Chapter, Appraisal Institute

**RECENT PROFESSIONAL ACTIVITIES**

**Appraisal Institute:**

Sacramento Sierra Chapter Annual Tahoe Conference, What the Heck is  
Usufructuary Rights (2016)  
Chair of 2014 and 2015 Annual Spring Litigation Conferences (2014-2015)  
Spring Litigation Conference Committee (2011) (2012) (2013)  
California State Legislative Subcommittee (2013-2014)  
Member of the National Nominations Committee (2000)  
Member of the National Board of Directors (1997-1999)  
Region I Vice Chair (1997-1998)  
National Finance Committee (1998-1999)  
San Francisco Bay Area Chapter President (1995)  
San Francisco Bay Area Chapter Vice President (1994)  
San Francisco Bay Area Chapter Treasurer (1993)  
Northern California Chapter Secretary (1992)  
Northern California Chapter Board of Directors (1989-92)  
Sierra-Nevada Chapter Board of Directors (1989-91)  
Northern California Chapter Long Range Planning Committee (1989)  
Northern California Chapter Admissions Committee (1986-90)  
Professional Standards Review and Counseling Committee (1984-91)

**Other:**

Committee Work and Seminar Presentations - California  
Council of Land Trusts (2012 - 2014)

**COMMUNITY ACTIVITIES**

Cordelia Rotary, Charter Member and 2001-2002 President



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**RESOLUTION NO. PC19-13**

**A RESOLUTION OF THE CITY OF SUISUN CITY PLANNING COMMISSION  
MAKING A FINDING OF GENERAL PLAN CONFORMITY FOR THE PROPOSED  
FUTURE SALE OF HOUSING AUTHORITY-OWNED REAL PROPERTY  
LOCATED NORTH OF HIGHWAY 12 AND EAST OF SUNSET AVENUE (APN'S  
0173-390-160 AND 180)**

**WHEREAS**, Government Code Section 65402 provides that prior to the sale of real property, the City Planning Commission must make a finding that the property is in conformance with the General Plan; and

**WHEREAS**, the property located at North of Highway 12 and East of Sunset Avenue is designated as "Commercial Mixed Use" on the City's General Plan Map; and

**WHEREAS**, the proposed use of the real property subsequent to the sale is consistent with the "Commercial Mixed Use" designation of the General Plan; and

**WHEREAS**, any development or use of the real property subsequent to the sale will be required to be consistent with the designation of the "Commercial Mixed Use" designation of the General Plan; and

**WHEREAS**, on November 19, 2019, the Planning Commission reviewed the staff report and materials, considered all testimony and arguments, if any, of all persons desiring to be heard, and considered all the facts relating to the subject application at a Planning Commission meeting; and

**WHEREAS**, the Planning Commission desires to make a finding of General Plan conformance based upon substantial evidence.

**NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF SUISUN CITY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:**

**Section 1.** *Incorporation of Recitals.* That the above recitations are true and correct.

**Section 2.** *Finding.* The Housing Authority's proposed future sale of real property North of Highway 12 and East of Sunset Avenue is consistent with the City's General Plan and its designation of the subject site as "Commercial Mixed Use".

**Section 3.** The Housing Authority's proposed future sale of the subject real property is consistent with the City's General Plan and Zoning Map; both of which designate the property as "Commercial Mixed Use".

**Section 4.** *Environmental Clearance.* The Planning Commission finds that the proposed sale of real property is categorically exempt from the California Environmental Quality Act (CEQA), under Section 15061(b)(3) because it does not have the potential to have a significant effect on the environment. If and when a development project is brought forward on these parcels adequate environmental review will be completed.

**Section 5.** *Certification.* The Secretary of the Planning Commission shall certify to the adoption of this Resolution.

The foregoing motion was made by Commissioner Holzwarth and seconded by Commissioner Borja and carried by the following vote:

AYES: Commissioners: Borja, Clemente, Holzwarth, Ramos  
NOES: Commissioners: None  
ABSENT: Commissioners: Pal, Rowe, Thomas  
ABSTAIN: Commissioners: None

**WITNESS** my hand and the seal of said City this 19<sup>th</sup> day of November 2019.

  
\_\_\_\_\_  
Joann Martinez  
Commission Secretary



# MINUTES

## SPECIAL MEETING OF THE SUISUN CITY COUNCIL

AND

## HOUSING AUTHORITY

TUESDAY, OCTOBER 22, 2019

5:30 P.M.

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SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

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### **NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following City Council/Housing Authority meeting includes teleconference participation by Council/Board member Jane Day from: 301 Morgan Street, Suisun City, CA 94585.*

### **ROLL CALL**

Mayor Wilson called the meeting to order at 5:30 PM with the following Council / Board Members present: Adams, Day, Segala, Williams, Wilson.

### **PUBLIC COMMENT - None**

*(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)*

### **CONFLICT OF INTEREST NOTIFICATION - None**

*(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*

### **CLOSED SESSION**

Pursuant to California Government Code Section 54950 the Suisun City Council and Housing Authority will hold a Closed Session for the purpose of:

#### Housing Authority

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8 Real Property Identified by APN's, 0173-390-160 and 0173-390-180, North Side of Highway 12, East of Sunset.

Negotiating Party: City Manager

Subject: Price and Terms of Payment

Parties Negotiating With: Hilbers, Inc.

#### City Council

2. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Discussion of potential exposure to litigation pursuant to Government Code Section 54956.9(d)(2) – (1 potential case).

**5:31 PM – Mayor Wilson recessed the meeting to Closed Session.**

**CONVENE OPEN SESSION**

Announcement of Actions Taken, if any, in Closed Session.

**6:26 PM – Mayor Wilson reconvened the meeting and stated no action was taken in Closed Session.**

**ADJOURNMENT**

There being no further business, Mayor Wilson adjourned the meeting at 6:26 PM.

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Linda Hobson, CMC  
City Clerk

## M I N U T E S

### REGULAR MEETING OF THE SUISUN CITY COUNCIL

**SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,**

**AND HOUSING AUTHORITY**

**TUESDAY, OCTOBER 22, 2019**

**6:30 P.M.**

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**SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA**

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#### **NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following Council/Successor Agency/Housing Authority meeting includes teleconference participation by:  
Council/Board Member Jane Day from: 301 Morgan Street, Suisun City, CA 94585.*

#### **ROLL CALL**

Mayor Wilson called the meeting to order at 6:38 PM with the following Council / Board Members present: Adams, Day, Segala, Williams, Wilson.

Pledge of Allegiance was led by Jillian Brooke Sossaman.

Invocation was given by City Manager Folsom.

#### **PUBLIC COMMENT**

*(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)*

Alma Hernandez, President of the Hispanic Chamber of Commerce, expressed concern about improving language barriers.

George Guynn expressed concern about Mayor's comments at Strategic Planning Committee regarding Suisun City being a diverse community. Mayor Wilson stated she celebrates our diverse community.

Robert Windham complimented the way the City maintains the City parks near Charleston, however, stated there was no speed limit posted and drivers were speeding. Consensus of the Council was to refer this issue to the Traffic Committee.

#### **CONFLICT OF INTEREST NOTIFICATION**

*(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*

**Council Member Adams stated a conflict of interest with Item 7 on Consent.**

**REPORTS: (Informational items only.)****PRESENTATIONS/APPOINTMENTS**

*(Presentations, Awards, Proclamations, Appointments).*

**City Council**

1. Committee Appointments - (Wilson / [lwilson@suisun.com](mailto:lwilson@suisun.com)).
  - a. Lighting and Landscaping District Citizen Advisory Committee. – (Wilson: [lwilson@suisun.com](mailto:lwilson@suisun.com).)
  - b. Public Safety and Emergency Management Advisory Committee. – (Wilson/Adams: [lwilson@suisun.com](mailto:lwilson@suisun.com) / [aadams@suisun.com](mailto:aadams@suisun.com)).

**Mayor Wilson stated there were no appointment to be made tonight.**

2. Proclamation: Not Presented
  - a. Presentation of Proclamation Proclaiming October 22-28, 2019 as “Free Speech Week.”

**Mayor Wilson read part of the proclamation.**

3. Presentation of Mayoral Recognition to Medic Ambulance – (Vincent: [jvincent@suisun.com](mailto:jvincent@suisun.com)).

Fire Chief Vincent invited Jimmy and Sandy Pearson, owner of Medic Ambulance, to come up and commended him for his service and partnership with Suisun City. Mayor Wilson read and Fire Chief Vincent presented a Certificate of Appreciation to Jimmy and Sandy Pearson.
4. Presentation to Retiring Suisun City Fire Department Volunteer Fire Fighter Matthew Knopp, in recognition of 10 Years of Service with Suisun City – (Vincent: [jvincent@suisun.com](mailto:jvincent@suisun.com)).

Fire Fighter Knopp was currently deployed for the red flag warning and was not in attendance, sChief Vincent thanked him for his service.
5. Presentation to Retiring Suisun City Fire Department Volunteer Captain Jose Colin, in recognition of 20 Years of Service with Suisun City – (Vincent: [jvincent@suisun.com](mailto:jvincent@suisun.com)).

Fire Chief Vincent thanked Captain Colin for his leadership and service; Mayor Wilson and Council Members presented him with a plaque. Captain Colin rang the fire bell three times to commemorate his retirement. Captain Colin commended the City Council and staff for their decision to change and improve the business model of the fire department.

**7:14 PM – Mayor Wilson recessed the meeting.**

**7:20 PM - Mayor Wilson reconvened the meeting.**

**CONSENT CALENDAR**

*Consent calendar items requiring little or no discussion may be acted upon with one motion.*

**City Council**

6. Council Adoption of Resolution No. 2019-103: Authorizing the Application and Receipt of Funds for the Senate Bill (SB) 2, the Building Jobs and Homes Act, Planning Grants Program from the State of California Housing and Community Development Department to Amend the

Waterfront District Specific Plan and Suisun City Zoning Ordinance – (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com) / Kearns: [jkearns@suisun.com](mailto:jkearns@suisun.com)).

7. Council Adoption of Resolution No. 2019-104: Authorizing the City Manager to Execute a Program Supplement Agreement with the California Department of Transportation for the Rectangular Rapid Flashing Beacons Project, Federal Project Number HSIPL-5032(033) – (Medill: [mmedill@suisun.com](mailto:mmedill@suisun.com)).
8. Receive and File Report and Tentative Timeline for Adoption of Resolution Approving Purchase and Sale Agreement for two Parcels Owned by the City (APNs 0173-010-210 and 0173-010-220) for \$550,000 and Take Any and All Other Actions Necessary for the Completion of this Agreement – (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com)).
9. Council Adoption of Resolution No. 2019-105: Accepting Fire Alarm Panel Replacement at Suisun City Hall and Police Department and Authorizing the City Manager to Record the Notice of Completion for the Project- (Medill: [mmedill@suisun.com](mailto:mmedill@suisun.com)).
10. Council Adoption of Resolution No. 2019-106: Amending the Salary Schedule Adopted by Resolution No. 2019-93 to Update Salary Ranges for Non-Exempt Fire Department Classifications – (Dingman: [jdingman@suisun.com](mailto:jdingman@suisun.com)).

George Guynn expressed concern about the City forgiving the overpayment.

Joint City Council / Suisun City Council Acting as Successor Agency/Housing Authority

11. Council/Agency/Authority Approval of the Minutes of the Regular and/or Special Meetings of the Suisun City Council, Suisun City Council Acting as Successor Agency, and Housing Authority held on October 1, 2019 and October 3, 2019 – (Hobson: [Clerk@suisun.com](mailto:Clerk@suisun.com)).

Joint City Council / Suisun City Council Acting as Successor Agency

12. Council/Agency Approval of the September 2019 Payroll Warrants in the Amount of \$448,541.71. Council/Agency Approval of the September 2019 Accounts Payable Warrants in the Amount of \$1,712,631.95 – (Finance).

**Council Member Segala asked to pull Items 7 and 8 and Council Member Day asked to pull Item 6.**

**Motioned by Council Member Day and seconded by Council Member Williams to approve Consent Calendar Items 9-12. Motion carried unanimously by the following roll call vote:**

**AYES: Council Members: Adams, Day, Segala, Williams, Wilson**

**Item 6**

**Motioned by Council Member Williams and seconded by Mayor Wilson to adopt Resolution No. 2019-103. Motion carried unanimously by the following roll call vote:**

**AYES: Council Members Adams, Day, Segala, Williams, Wilson**

**Item 7**

**There was a consensus of Council to have traffic committee review a stop sign on Hammond by the park in Lawler Ranch.**

**Motioned by Council Member Segala and seconded by Council Member Williams to amend fourth whereas in resolution by eliminating the words million dollars and to adopt Resolution No. 2019-104. Motion carried unanimously by the following roll call vote:**

**AYES: Council Members Day, Segala, Williams, Wilson**

**ABSTAINED: Council Member Adams (Due to conflict of interest)**

#### **Item 8**

**Motioned by Council Member Segala and seconded by Council Member Williams to adopt Resolution No. 2019-105. Motion carried unanimously by the following roll call vote:**

**AYES: Council Members Adams, Day, Segala, Williams, Wilson**

### **PUBLIC HEARINGS**

#### **GENERAL BUSINESS**

##### City Council

#### 13. Hearing - (Continued from October 15, 2019)

Council Adoption of Resolution No. 2019-107: Placing Liens for Unpaid Waste Collection Service Charges on Certain Lands Situated in the City of Suisun City, County of Solano, State of California – (Dingman: [jdingman@suisun.com](mailto:jdingman@suisun.com)).

**Mayor Wilson opened the public hearing. Hearing no comments, Mayor Wilson closed the public hearing.**

**Motioned by Council Member Day and seconded by Council Member Segala to adopt Resolution No. 2019-107. Motion carried unanimously by the following roll call vote:**

**AYES: Council Members Adams, Day, Segala, Williams, Wilson**

#### 14. Council Adoption of Resolution No. 2019-108: Adopting the Suisun City Strategic Plan – (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com)).

Steve Olry stated this document has a lot of idealism, but his main concern is where does the City get the money to improve streets, police department and bring in new money.

George Guynn suggested emphasis should be on code enforcement to prevent catastrophic events.

Alma Hernandez commented on data driven budgeting and to aspire to the mission and vision statements.

**The following shows amendments to the Plan:**

#### **Our Mission**

**Suisun City's mission is to provide a safe, healthy, inclusive community resulting in an exceptional quality of life where our residents and businesses ~~may thrive~~ prosper and visitors feel welcomed.**

#### **Our Vision**

**Suisun City is an active, inclusive, sustainable and ~~thriving~~ flourishing community committed to maintaining harmony between its urban and rural areas, supporting its history, arts and natural environment and its thriving waterfront district, fostering opportunities for current and future generations.**

### **Our Values**

**Integrity  
Transparency  
Innovation  
Inclusivity  
Diversity  
Service  
Sustainability  
Community**

### **Plan A and Plan B**

Steve Olry stated before you can spend money on the rest of the City, you must make money, with higher level homes and tax revenue coming in.

Jim Wise suggested the council spend more money on the rest of the City rather than just on the Downtown.

Nancy Lee Liebscher stated when people drive into town, they see the downtown not the other streets such as Pintail; and the changes to downtown would migrate to other parts of the city and the Plan would give everyone hope.

**Council consensus was to go with Plan A; but change the first item to Revitalize Downtown Waterfront District.**

**Motioned by Council Member Segala and seconded by Mayor Wilson to adopt Resolution No. 2019-108 with the above amendments to the Strategic Plan. Motion carried unanimously by the following roll call vote:**

**AYES: Council Members Adams, Segala, Williams, Wilson**

**NOES: Council Member Day**

### **REPORTS: (Informational items only.)**

#### 15. a. Council/Boardmembers

Council Member Adams reported there would be a Team Clean this Saturday at 8:00 AM meeting at Bella Vista and Walters and reported attending League of California Cities Conference.

Council Member Williams reported participating in International Walk Day and attending League of California Cities Conference where she was the voting delegate.

Council Member Segala reported TAFB has a volunteer Commander Program if anyone is interested in serving; announced Virgil's Fishing Derby was this coming weekend and attended the Alzheimer's Walk last weekend.

b. Mayor/Chair

Mayor Wilson reported

- Meeting with Senator Dodd at the Senior Center;
- Meeting with Assemblyman Frazier and would be scheduling him to attend a Council meeting;
- Participating as Principal for a day at Crystal Middle School;
- Attending Hispanic Chamber Awards Gala where Los Altos was Business of the Year;
- Meeting with Elizabeth Hoffman committee regarding rebuilding Solano County and added some possible Suisun City projects; and
- Attending Fairfield-Suisun City Sewer District Executive Board where it was voted to have districts which would change the composition of the Board with seven members from Fairfield and five from Suisun city.

16. City Manager/Executive Director/Staff

City Manager Folsom reported attending the League Conference and the Cannabis ad hoc meeting.

**PUBLIC COMMENT - None**

*(Additional time for request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda limited to no more than 3 minutes.)*

**ADJOURNMENT**

There being no further business, Mayor Wilson adjourned the meeting at 9:43 PM.

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Linda Hobson, CMC  
City Clerk



# MINUTES

## SPECIAL MEETING OF THE SUISUN CITY COUNCIL

TUESDAY, OCTOBER 29, 2019

6:00 P.M.

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**SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA**

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### **NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following City Council meeting includes teleconference participation by Council/Board member Jane Day from: 301 Morgan Street, Suisun City, CA 94585 and Council/Board member Wanda Williams from: 504 Gadwell Drive, Suisun City, CA 94585..*

### **ROLL CALL**

Mayor Wilson called the meeting to order at \_\_\_ PM with the following Council / Board Members present: Adams, Day, Segala, Williams, Wilson.

### **PUBLIC COMMENT - None**

*(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)*

### **CONFLICT OF INTEREST NOTIFICATION - None**

*(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*

### **CLOSED SESSION**

Pursuant to California Government Code Section 54950 the Suisun City Council will hold a Closed Session for the purpose of:

#### City Council

1. CONFERENCE WITH LABOR NEGOTIATOR  
Agency negotiator: City Manager and Administrative Services Director  
Employee organization: Unrepresented Employees
2. CONFERENCE WITH LABOR NEGOTIATOR  
Agency negotiator: City Manager and Administrative Services Director  
Employee organization: SCEA (Suisun City Employees' Association)
3. CONFERENCE WITH LABOR NEGOTIATOR  
Agency negotiator: City Manager and Administrative Services Director  
Employee organization: SCMPEA (Suisun City Management and Professional Employees' Association)
4. CONFERENCE WITH LABOR NEGOTIATOR  
Agency negotiator: City Manager and Administrative Services Director  
Employee organization: SCPOA (Suisun City Police Officers' Association).

**8:45 PM – Mayor Wilson recessed the meeting to Closed Session.**

**CONVENE OPEN SESSION**

Announcement of Actions Taken, if any, in Closed Session.

**8:45 PM – Mayor Wilson reconvened the meeting and stated no action was taken in Closed Session.**

**ADJOURNMENT**

There being no further business, Mayor Wilson adjourned the meeting at 8:45 PM.

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Linda Hobson, CMC  
City Clerk



CITY COUNCIL  
Lori Wilson, Mayor  
Michael A. Segala, Mayor Pro-Tem  
Anthony Adams  
Jane Day  
Wanda Williams

CITY COUNCIL MEETING

First and Third Tuesday  
Every Month

## MINUTES

### SPECIAL MEETING OF THE SUISUN CITY COUNCIL

AND

### SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY

TUESDAY, NOVEMBER 5, 2019

5:30 P.M.

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SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

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#### **NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following City Council meeting includes teleconference participation by Council /Board Member Jane Day from: 301 Morgan Street, Suisun City, CA 94585.*

#### **ROLL CALL**

Mayor Wilson called the meeting to order at 5:50 PM with the following Council / Board Members present: Adams, Day, Williams, Wilson. Council / Board Member Segala was absent.

#### **PUBLIC COMMENT - None**

*(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)*

#### **CONFLICT OF INTEREST NOTIFICATION**

*(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*

Council Member Day recused herself from Item 2 due to close proximity to the Harbor Theater.  
54956.9(d)(2) – (1 potential case).

#### **CLOSED SESSION**

Pursuant to California Government Code Section 54950 the Suisun City Council and Successor Agency will hold a Closed Session for the purpose of:

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320  
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340  
SUCCESSOR AGENCY 421-7309 FAX 421-7366

City Council / Successor Agency

1. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Discussion of potential exposure to litigation pursuant to Government Code Section

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8 Real Property Identified as: Harbor Theater,  
720 Main Street.

Negotiating Party: City Manager

Subject: Price and Terms of Payment

Parties Negotiating With: Creative Arts Council

**5:52 PM – Mayor Wilson recessed the meeting to Closed Session**

**CONVENE OPEN SESSION**

Announcement of Actions Taken, if any, in Closed Session.

**6:39 PM – Mayor Wilson reconvened the meeting and stated no actions were taken in  
Closed Session.**

**ADJOURNMENT**

There being no further business, Mayor Wilson adjourned the meeting at 6:39 PM.

---

Linda Hobson, CMC  
City Clerk

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8 Real Property Identified as: Harbor Theater, 720 Main Street.

Negotiating Party: City Manager

Subject: Price and Terms of Payment

Parties Negotiating With: Creative Arts Council

**5:52 PM – Mayor Wilson recessed the meeting to Closed Session**

**CONVENE OPEN SESSION**

Announcement of Actions Taken, if any, in Closed Session.

**6:39 PM – Mayor Wilson reconvened the meeting and stated no actions were taken in Closed Session.**

**ADJOURNMENT**

There being no further business, Mayor Wilson adjourned the meeting at 6:39 PM.

---

Linda Hobson, CMC  
City Clerk

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CITY COUNCIL  
Lori Wilson, Mayor  
Michael A. Segala, Mayor Pro-Tem  
Anthony Adams  
Jane Day  
Wanda Williams

## MINUTES

### REGULAR MEETING OF THE SUISUN CITY COUNCIL

### SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,

### AND HOUSING AUTHORITY

TUESDAY, NOVEMBER 5, 2019

6:30 P.M.

---

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

---

#### **NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following Council/Successor Agency/Housing Authority meeting includes teleconference participation by:  
Council/Board Member Jane Day from: 301 Morgan Street, Suisun City, CA 94585.*

#### **ROLL CALL**

Mayor Wilson called the meeting to order at 6:44 PM with the following Council / Board Members present: Adams, Day, Williams, Wilson. Council / Board Member Segala was absent. Pledge of Allegiance was led by Council Member Williams. Invocation was given by City Manager Folsom.

#### **PUBLIC COMMENT**

*(Request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3. Comments are limited to no more than 3 minutes unless allowable by the Mayor/Chair. Speaker cards are available on the table near the entry of the meeting room and should be given to the City Clerk. By law, no prolonged discussion or action may be taken on any item raised during the public comment period, although informational answers to questions may be given and matters may be referred for placement on a future agenda.)*

TJ Hurley, resident of Jubilee Ranch Development, spoke against the current construction of the gas station at 2000 Stoney Drive because of the proximity to the residential homes and the increase of traffic. She reported petitions were currently being circulated to request the council to reverse this decision.

Curtis Angelo, also resident of the Jubilee Development, opposed the gas station because of safety and concern for children's safety.

Mayor Wilson stated this would be referred to the Traffic Committee which meets this Thursday. Staff would discuss it and it would be brought back to Council at a future date.

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320  
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340  
SUCCESSOR AGENCY 421-7309 FAX 421-7366

1. George Guynn expressed concern about over-payment of Fire Department employees.
2. **CONFLICT OF INTEREST NOTIFICATION**
3. *(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*
- 4.
5. Council Member Adams recused himself from Item 3.

**REPORTS: (Informational items only.)**

6. Cannabis Update – (Folsom/Williams/Adams: [gfolson@suisun.com](mailto:gfolson@suisun.com), [wwilliams@suisun.com](mailto:wwilliams@suisun.com), [aadams@suisun.com](mailto:aadams@suisun.com)).

**PRESENTATIONS/APPOINTMENTS**

*(Presentations, Awards, Proclamations, Appointments).*

7. Proclamation: Not Presented
  - a. Proclamation Proclaiming November 1, 2019 – November 3, 2019 as “Virgil’s Bait Shop Striper Derby Days” – (Wilson: [lwilson@suisun.com](mailto:lwilson@suisun.com)).

**Mayor Wilson stated the proclamation was presented by Council Member Segala last weekend.**

**CONSENT CALENDAR**

*Consent calendar items requiring little or no discussion may be acted upon with one motion.*

City Council

8. Council Adoption of Resolution No. 2019-109: Authorizing the City Manager to Execute a Two-Year Agreement for \$80,000 with Options to Extend Between Solano Transportation Authority (STA) and the City of Suisun City for a Facility Maintenance/Custodial Services for the Suisun City Train Depot - (Medill: [mmedill@suisun.com](mailto:mmedill@suisun.com)).
9. Council Adoption of Resolution No. 2019-110: Authorizing the City Manager to Execute Amendment Number One (1) of the Agreement with the State of California for Maintenance of State Highways in the City of Suisun City - (Medill: [mmedill@suisun.com](mailto:mmedill@suisun.com)).
10. Council Adoption of Resolution No. 2019-111: A Resolution of Intent to Sell Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) located at 320 and 322 Merganser Drive and Authorize the City Manager to Take any and all Actions Necessary to Move Forward with the Sale of the Property – (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com)).

Joint City Council / Suisun City Council Acting as Successor Agency/Housing Authority

11. Council/Agency/Authority Accept the Investment Report for the Quarter Ending September 30, 2019 – (Luna: [eluna@suisun.com](mailto:eluna@suisun.com)).

Council Member Day pulled Item 3 and Council Member Williams pulled Item 4.

**Motioned by Council Member Day and seconded by Council Member Adams to approve Consent Calendars 5 and 6. Motion carried by the following roll call vote:**

**AYES: Council Members: Adams, Day, Williams, Wilson**  
**ABSENT: Council Member: Segala**



**7:10 PM – Council Member Adams left the Council Chambers.**

**Item 3**

**Motioned by Council Member Day and seconded by Council Member Williams to approve Item 3. Motion carried by the following roll call vote:**

**AYES: Council Members: Day, Williams, Wilson**

**ABSENT: Council Member: Segala, Adams (Adams due to conflict.)**

**7:15 PM – Council Member Adams returned.**

**Item 4**

**Motioned by Council Member Williams and seconded by Council Member Adams to approve Item 4. Motion carried by the following roll call vote:**

**AYES: Council Members: Adams, Day, Williams, Wilson**

**ABSENT: Council Member: Segala**

**PUBLIC HEARINGS**

**GENERAL BUSINESS**

City Council

12. Discussion and Direction on Recent California Wildfires and City's Ability to Respond in a Fire Emergency – (Folsom: [gfolson@suisun.com](mailto:gfolson@suisun.com)).

Dr. Raymond Klein expressed concern about evacuation procedures, lack of medical emergency services in Suisun City, and always needing assistance from other cities and recommended citizens of Suisun City should pay their fair share to provide all the needed services.

George Guynn compared Suisun City with Rio Vista and the difference is services and opposed getting more money out of the citizens.

Ruth Forney discussed the sustainability of the Fire Department, stated the police and fire were most important for Suisun City residents; thanked the fire department for responding to a fire next door to her home; and suggested educating the citizens.

Steve Olry stated there was no fix because the City can't take care of the harbor and maintain our community; suggested turning the downtown over to developers; was perplexed about tax revenue and people not spending their dollars in Suisun City; concerned about commercial businesses not maintaining their property; and cleaning up the community.

**The Council had consensus on the following items:**

**Entersize resource planning software – defer**

**Pavement maintenance program – keep**

**Save \$800,000 a year for dredging – defer**

**Pre-school closure cost of \$40,000 – don't close**

**Special events – discussion**

**Lambrecht closure – discussion**

**Senior Center closure – keep (Staff to pursue ways to resolve issues)**

**Revenue opportunities****Currently moving forward with cannabis and Casa de Suisun land sale,****Lawler House sale – proceed****Harbor Theater sale – (Council Member Day recused) no to sale**

Steve Olry expressed concern about dredging and the cost of dredging

Dr. Raymond Klein stated without taxing our citizens more, the needed revenue would not be generated.

Josh Russo suggested prioritizing and suggested property owners be responsible for their property.

Nancy Lee Liebscher stated an additional tax would be the only way to solve the City shortfall.

**REPORTS: (Informational items only.)**

## 13. a. Council/Boardmembers

Council Member Adams reported attending Halloween Parade sponsored by the Fire Department and advised the Climate and Environment Ad Hoc will be meeting November 22 and presentations will be made by Sustainable Solano and the County to discuss park districts.

Council Member Williams reported meeting with Fairfield-Suisun Visual Art Group and the Harbor Theater Group which will be having a Children's Art Fair.

Council Member Segala

## b. Mayor/Chair

Mayor Wilson reported:

- Attending Virgil's Bait ribbon cutting;
- Attending Phil-Am Ball;
- Attending Coast Guard meetings at the Kroc Center;
- On November 12 Fairfield-Suisun Chamber of Commerce will be hosting a Government Relations meeting at 8:00 PM at the Joe Nelson Center where she will be speaking.

## 14. City Manager/Executive Director/Staff

City Manager Folsom reported:

- Having hosted a family from Windsor due to PG&E shutoff;
- City Hall will be closed November 11 on Veterans day;
- Would be participating in the Veterans Parade in Fairfield

**PUBLIC COMMENT**

*(Additional time for request by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda limited to no more than 3 minutes.)*

Mayor Wilson stated Tracey Angelo could not stay to the end of the meeting but wanted citizens to know there would be a meeting on Thursday evening about 6:00 or 6:30 regarding the construction of the gas station on Waters and Tabor.

**ADJOURNMENT**

There being no further business, Mayor Wilson adjourned the meeting at 9:43 PM.

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Linda Hobson, CMC  
City Clerk

There being no further business, Mayor Wilson adjourned the meeting at 9:43 PM.

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Linda Hobson, CMC  
City Clerk

## AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

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**CITY AGENDA ITEM:** PUBLIC HEARING - Confirming Intent and Approving Sale of Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) Located at 320 and 322 Merganser Drive.

- a. Council Adoption of Resolution No. 2019-\_\_\_: Approving the Sale of Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) Located at 320 and 322 Merganser Drive; and
- b. Council Adoption of Resolution No. 2019-\_\_\_: Authorizing the City Manager to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions Jointly with Senior Housing Associates VIII, and Senior Housing, LTD, for the Transfer of Property Located at 320 and 322 Merganser Drive (Solano County Assessor's Parcel No. 0173-010-210 and 0173-010-220).

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**FISCAL IMPACT:** If the Council proceeds with the sale of the property, there would be a positive one-time impact to the General Fund of \$550,000.

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**STRATEGIC PLAN IMPACT:** Provide Good Governance, and Ensure Fiscal Solvency.

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**BACKGROUND:** The City owns two parcels (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) located at 320 and 322 Merganser in Suisun City (the "Properties"). The Properties are currently leased to Casa De Suisun JV (a general partnership) who maintains the property for senior housing. The owners have expressed interest in purchasing the properties for the amount of \$550,000, the value based on an appraisal dated September 19, 2019.

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**STAFF REPORT:** There are several steps required of the City to proceed with the potential sale of the properties. On November 5, 2019, the City Council adopted a resolution of intent to sell the properties that initiated the process. The resolution of intent fixed a time for a public hearing on November 26, 2019. The public hearing has been properly noticed and shall provide the opportunity to hear protests regarding the potential sale. If no protests are received, or the City Council overrules the protests by a four-fifths vote of its members, it may proceed with the sale.

There are two versions of the resolution approving the sale of the two parcels with alternative language. The City Council will only take action on one of the resolutions depending on whether there are any protests. Version 1 of the resolution, the City Council approves the sale of the properties after hearing no protests at the public hearing. Version 2, the City Council, after considering all protests to the sale of the properties, votes to override them by a four-fifths vote.

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**STAFF RECOMMENDATION:** It is recommended that the City Council:

1. Open the Public Hearing; and

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**PREPARED, REVIEWED AND APPROVED BY:**

Greg Folsom, City Manager

2. Receive testimony, if any; and
3. Close the Public Hearing; and
4. Council Adoption of Resolution No. 2019-\_\_\_: Approving the Sale of Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) Located at 320 and 322 Merganser Drive; and
5. Council Adoption of Resolution No. 2019-\_\_\_: Authorizing the City Manager to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions Jointly with Senior Housing Associates VIII, and Senior Housing, LTD, for the Transfer of Property Located at 320 and 322 Merganser Drive (Solano County Assessor's Parcel No. 0173-010-210 and 0173-010-220).

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**ATTACHMENTS:**

1. Council Adoption of Resolution No. 2019-\_\_\_: Approving the Sale of Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) Located at 320 and 322 Merganser Drive (after hearing no protests); and
2. Council Adoption of Resolution No. 2019-\_\_\_: Approving the Sale of Two Parcels Owned by the City (Assessor Parcel Numbers 0173-010-210 and 0173-010-220) Located at 320 and 322 Merganser Drive (consideration of protests to sale and vote to override protests by a 4/5 vote); and
3. Council Adoption of Resolution No. 2019-\_\_\_: Authorizing the City Manager to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions Jointly with Senior Housing Associates VIII, and Senior Housing, LTD, for the Transfer of Property Located at 320 and 322 Merganser Drive (Solano County Assessor's Parcel No. 0173-010-210 and 0173-010-220).
4. Purchase and Sale Agreement
5. Original Ground lease
6. Ground lease 1<sup>st</sup> amendment
7. Ground lease 2<sup>nd</sup> amendment
8. Appraisal dated 6-15-17
9. Appraisal dated 9-19-19
10. Planning Commission Resolution No. PC19-12: Making a Finding of General Plan Conformity for the Proposed Future Sale of City-Owned Real Property Located at 320 and 322 Merganser Drive (APN'S 0173-010-210 and 220).
11. PowerPoint Presentation

**RESOLUTION NO. 2019-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN  
APPROVING THE SALE OF TWO PARCELS OWNED BY THE CITY  
(ASSESSOR PARCEL NUMBERS 0173-010-210 AND 0173-010-220)  
LOCATED AT 320 AND 322 MERGANSER DRIVE**

**WHEREAS**, the City owns property located at 320 and 322 Merganser Drive in Suisun City, consisting of Assessor Parcel Numbers 0173-010-210 and 0173-010-220 (the “Properties”).

**WHEREAS**, \$550,000 is the appraised value of the Properties based on an appraisal dated September 19, 2019, completed by Garland & Associates.

**WHEREAS**, Senior Housing Associates VIII, a California limited partnership and Solano Senior Housing, Ltd, a California limited partnership (jointly “Current Tenant”) has expressed its desire to exercise its option under the ground lease to purchase the Properties.

**WHEREAS**, Section 37420 *et seq.* of the Government Code sets forth the procedures to dispose of City-owned real property, and requires that the City Council first adopt a resolution of intent to sell and conduct a noticed public hearing on the disposition prior to taking final action.

**WHEREAS**, Government Code Section 65402 Subsection (b) provides that a city may not dispose of real property until the Planning Agency determines that the location, purpose, and extent of the disposition is consistent with the jurisdiction’s general plan.

**WHEREAS**, on November 5, 2019, the Suisun City Council passed Resolution No. 2019-111, declaring its intent to sell the properties and established November 26, 2019 as the date to hold a Public Hearing concerning the sale, and has given proper public notice of the Public Hearing. In that resolution, the Council authorized the City Manager to take any and all actions necessary to move forward with the sale of the property, including obtaining a determination of general plan consistency from the Planning Commission.

**WHEREAS**, on November 19, 2019, the Planning Commission of the City of Suisun City adopted Resolution No. PC19-12, determining that the sale of the Properties is consistent with the General Plan.

1           **WHEREAS**, at the November 26, 2019 public hearing, no protests were submitted to  
2 the sale of the Properties.

3           **NOW, THEREFORE, BE IT RESOLVED, THE CITY OF SUISUN CITY**  
4 **COUNCIL DOES HERBY RESOLVE AS FOLLOWS:**

5 **Section 1: Final Action:** The City Council has determined it will offer the Properties to the  
6 Current Tenant (as described and depicted in Attachment A) for sale.

7 **Section 2: Authority to City Manager:** The City Manager is authorized to take the procedural  
8 steps necessary to complete the sale of the Properties.

9 **Section 3: Sale of Properties:** The actual sale of the Properties shall be brought forth to the City  
10 Council for consideration and approval under a separate resolution.

11           **PASSED AND ADOPTED** at a Regular Meeting of said City Council of the City of  
12 Suisun City duly held on Tuesday, the 26<sup>th</sup> day of November 2019, by the following vote:

13 **AYES:**           Councilmembers: \_\_\_\_\_  
14 **NOES:**          Councilmembers: \_\_\_\_\_  
15 **ABSENT:**       Councilmembers: \_\_\_\_\_  
16 **ABSTAIN:**      Councilmembers: \_\_\_\_\_

17           **WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

18 \_\_\_\_\_  
19 Donna Pock, CMC  
20 Deputy City Clerk  
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**RESOLUTION NO. 2019-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN  
APPROVING THE SALE OF TWO PARCELS OWNED BY THE CITY  
(ASSESSOR PARCEL NUMBERS 0173-010-210 AND 0173-010-220)  
LOCATED AT 320 AND 322 MERGANSER DRIVE**

**WHEREAS**, the City owns property located at 320 and 322 Merganser Drive in Suisun City, consisting of Assessor Parcel Numbers 0173-010-210 and 0173-010-220 (the “Properties”).

**WHEREAS**, \$550,000 is the appraised value of the Properties based on an appraisal dated September 19, 2019, completed by Garland & Associates.

**WHEREAS**, Senior Housing Associates VIII, a California limited partnership and Solano Senior Housing, Ltd, a California limited partnership (jointly “Current Tenant”) has expressed its desire to exercise its option under the ground lease to purchase the Properties.

**WHEREAS**, Section 37420 *et seq.* of the Government Code sets forth the procedures to dispose of City-owned real property, and requires that the City Council first adopt a resolution of intent to sell and conduct a noticed public hearing on the disposition prior to taking final action.

**WHEREAS**, Government Code Section 65402 Subsection (b) provides that a city may not dispose of real property until the Planning Agency determines that the location, purpose, and extent of the disposition is consistent with the jurisdiction’s general plan.

**WHEREAS**, on November 5, 2019, the Suisun City Council passed Resolution No. 2019-111, declaring its intent to sell the properties and established November 26, 2019 as the date to hold a Public Hearing concerning the sale, and has given proper public notice of the Public Hearing. In that resolution, the Council authorized the City Manager to take any and all actions necessary to move forward with the sale of the property, including obtaining a determination of general plan consistency from the Planning Commission.

**WHEREAS**, on November 19, 2019, the Planning Commission of the City of Suisun City adopted Resolution No. PC19-12, determining that the sale of the Properties is consistent with the General Plan.

1           **WHEREAS**, at the November 26, 2019 public hearing, the City Council considered all  
2 protests to the sale of the Properties. and voted to overrule them by a 4/5 vote.

3           **NOW, THEREFORE, BE IT RESOLVED, THE CITY OF SUISUN CITY**  
4 **COUNCIL DOES HERBY RESOLVE AS FOLLOWS:**

5 **Section 1: Final Action:** The City Council has determined it will offer the Properties to the  
6 Current Tenant (as described and depicted in Attachment A) for sale.

7 **Section 2: Authority to City Manager:** The City Manager is authorized to take the procedural  
8 steps necessary to complete the sale of the Properties.

9 **Section 3: Sale of Properties:** The actual sale of the Properties shall be brought forth to the City  
10 Council for consideration and approval under a separate resolution.

11           **PASSED AND ADOPTED** at a Regular Meeting of said City Council of the City of  
12 Suisun City duly held on Tuesday, the 26<sup>th</sup> day of November 2019, by the following vote:

13 **AYES:**           Councilmembers: \_\_\_\_\_  
14 **NOES:**           Councilmembers: \_\_\_\_\_  
15 **ABSENT:**       Councilmembers: \_\_\_\_\_  
16 **ABSTAIN:**      Councilmembers: \_\_\_\_\_

17           **WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

18 \_\_\_\_\_  
19 Donna Pock, CMC  
20 Deputy City Clerk  
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**RESOLUTION NO. 2019-**

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**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS JOINTLY WITH SENIOR HOUSING ASSOCIATES VIII, AND SENIOR HOUSING, LTD, FOR THE TRANSFER OF PROPERTY LOCATED AT 320 AND 322 MERGANSER DRIVE (SOLANO COUNTY ASSESSOR’S PARCEL NO. 0173-010-210 AND 0173-010-220)**

**WHEREAS**, the City owns property located at 320 and 322 Merganser Drive in Suisun City, consisting of Assessor Parcel Numbers 0173-010-210 and 0173-010-220 (the “Properties”).

**WHEREAS**, in 1985, the City ground leased the Properties to D&M Development Co. (“Original Tenant”) pursuant to that certain Ground Lease dated December 27, 1985 which was recorded in the Official Records of Solano County on June 11, 1986 as Instrument No. 29345 in Book 1986, Page 58743, as amended by that certain (i) First Amendment to Ground Lease dated October 27, 1986; and (ii) Second Amendment to Ground Lease dated February 23, 1989 (“Ground Lease”).

**WHEREAS**, pursuant to the Ground Lease, the Properties were improved by the Original Tenant at its cost with apartment buildings which are restricted to use as senior housing. In addition to the Ground Lease, the Properties are also restricted as affordable housing pursuant to a regulatory agreement which was recorded in December of 1986.

**WHEREAS**, the term of the Ground Lease will expire on December 31, 2041.

**WHEREAS**, due to the restricted use of the Properties for senior housing, the Ground Lease provides that the annual rent to be paid to the City is One Dollar (\$1).

**WHEREAS**, Article XVII of the Ground Lease grants the lessee the option to purchase the Properties for fair market value but such option cannot be exercised until the last five (5) years of the term of the Ground Lease. Furthermore, upon sale of the Properties, the restricted use covenant in the Ground Lease will no longer be effective.

**WHEREAS**, in 1986, the Original Tenant assigned its interest in the Ground Lease to and which is currently held by SENIOR HOUSING ASSOCIATES VIII, a California limited

1 partnership and SOLANO SENIOR HOUSING, LTD, a California limited partnership (jointly  
2 “Current Tenant”).

3 **WHEREAS**, the present value of the City’s residual interest in the Properties after  
4 expiration of the Ground Lease is Five Hundred Fifty Thousand Dollars (\$550,000) as  
5 determined by an appraisal issued by Garland & Associates dated September 19, 2019  
6 (“Appraised Value”).

7 **WHEREAS**, the Current Tenant wishes to purchase the Properties for the Appraised  
8 Value and, as additional consideration for the sale, the Current Tenant has agreed that the  
9 Properties will be restricted for use solely as senior housing for a period of twenty-five (25)  
10 years from the date of closing which restrictions will be reflected in a covenant agreement to  
11 be recorded at closing.

12 **WHEREAS**, Section 37420 et seq. of the Government Code sets forth the procedures  
13 to dispose of City-owned real property, and requires that the City Council first adopt a  
14 resolution of intent to sell and conduct a noticed public hearing on the disposition prior to taking  
15 final action.

16 **WHEREAS**, on November 5, 2019, by a vote of 4-0 the Suisun City Council adopted  
17 a resolution declaring its intent to sell the Properties and established November 26, 2019 as the  
18 date to hold a Public Hearing to hear protests and to take final action on the sale of the  
19 Properties, and has given proper public notice of the Public Hearing.

20 **WHEREAS**, Government Code Section 65402 Subsection (b) provides that a city may  
21 not dispose of real property until the Planning Agency determines that the location, purpose,  
22 and extent of the disposition is consistent with the jurisdiction’s general plan.

23 **WHEREAS**, on November 19, 2019, the Planning Commission adopted Resolution No.  
24 PC19-12, confirming the location, purpose, and extent of the disposition of the Properties are  
25 in conformance with the Suisun City General Plan.

26 **WHEREAS**, the City desires to sell the Properties to the Current Tenant for use as  
27 senior housing which is consistent with the City’s General Plan.

28 **WHEREAS**, the proceeds from the sale of the Properties will be deposited into the  
City’s General Fund.

**NOW, THEREFORE, BE IT RESOLVED, THE CITY OF SUISUN CITY COUNCIL DOES HERBY RESOLVE AS FOLLOWS:**

Section 1.     Recitals Incorporated. The above recitals are true and correct and are incorporated herein by reference.

Section 2.     Final Action: The City Council, by a four fifths vote, approves the sale of the Properties (as described and depicted in Attachment A, incorporated herein by reference) to the Current Tenant at the price and subject to the conditions described in the Recitals.

Section 3:     PSA: The Purchase and Sale Agreement for Real Property and Joint Escrow Instructions (PSA) in substantially the form attached hereto at Attachment B is hereby approved. The City Manager is hereby authorized on behalf of the City to execute the PSA, and to make revisions to the PSA that do not materially or substantially increase the City’s obligations thereunder, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the PSA and to administer the City’s obligations, responsibilities and duties to be performed under the PSA.

**PASSED AND ADOPTED** at a Regular Meeting of said City Council of the City of Suisun City duly held on Tuesday, the 26<sup>th</sup> day of November 2019, by the following vote:

<b>AYES:</b>	Councilmembers:	_____
<b>NOES:</b>	Councilmembers:	_____
<b>ABSENT:</b>	Councilmembers:	_____
<b>ABSTAIN:</b>	Councilmembers:	_____

**WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

\_\_\_\_\_  
Donna Pock, CMC  
Deputy City Clerk

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**AGREEMENT FOR PURCHASE AND SALE  
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made this \_\_\_ day of \_\_\_\_\_, 2019 by and between SENIOR HOUSING ASSOCIATES VIII, a California limited partnership and SOLANO SENIOR HOUSING, LTD, a California limited partnership (jointly and severally "**Buyer**"), and CITY OF SUISUN CITY, a municipal corporation ("**Seller**"). PLACER TITLE COMPANY, a California corporation shall act as escrow ("**Escrow Holder**").

**RECITALS:**

**A.** Seller is the owner of that certain real property in the City of Suisun City, County of Solano, State of California (Assessor Parcel Nos. 0173-010-210 & 0173-010-220) commonly known as 320 & 322 Merganser Drive and legally described in Exhibit "A" attached hereto ("**Property**").

**B.** Buyer currently leases the Property pursuant to that certain Ground Lease as described on Exhibit B attached hereto ("**Lease**"). Pursuant to the terms of the Lease, Buyer has improved the Property with multiple buildings which are operated as an affordable senior housing project with the units rented to qualified persons.

**C.** Seller has agreed to sell the Property to Buyer pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and incorporating the Recitals, the parties hereto agree as follows:

**TERMS AND CONDITIONS:**

**1. PURCHASE AND SALE OF PROPERTY.** Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer the Property in AS-IS condition, subject to the Lease and upon the other terms and conditions in this Agreement. **Seller makes no representation or warranty with respect to the Property is in compliance with documents of record as well as applicable laws including, but not limited to, the Subdivision Map Act.**

**2. EFFECTIVE DATE: OPENING OF ESCROW.**

**2.1 Effective Date.** This Agreement shall be deemed effective upon execution of the Agreement by Seller after the approval at a public meeting by the City Council of Seller as required by law ("**Effective Date**").

**2.2 Opening of Escrow.** Within three (3) days after the execution of this Agreement by Seller, the parties shall open an escrow with Escrow Holder by causing an executed copy of this Agreement to be deposited with Bev Bristow-Juarez, Escrow Officer (916) 666-1213 [bjarez@placertitle.com](mailto:bjarez@placertitle.com) at 30 West Main Street Suite A, Woodland, CA 95695 ("**Escrow**"). Escrow shall be deemed opened upon Escrow Holder's acknowledging receipt of ("**Opening of Escrow**")": (i) an executed copy of this Agreement; and (ii) Buyer's delivery of the Deposit (defined in Section 3.2a). If Escrow is not opened (as defined above) within ten (10) days after the Effective Date, Seller shall have the right to terminate this Agreement upon written notice to Buyer and Escrow Holder prior to the actual Opening of Escrow.

**3. PURCHASE PRICE; PAYMENT OF PURCHASE PRICE.**

**3.1 Purchase Price.** The purchase price for the Property is Five Hundred Fifty Thousand Dollars (\$550,000) ("**Purchase Price**").

**3.2 Payment of Purchase Price.**

a. **Deposit.** Upon Opening of Escrow, Seller shall deliver the sum of Twenty-Five Thousand (\$25,000) Dollars to Escrow Holder ("**Deposit**").

b. **Balance of Purchase Price.** Buyer shall deposit the balance of the Purchase Price with Escrow Holder in Good Funds (as defined below) at least one (1) business day prior to the Closing Date.

**3.3 Good Funds.** All funds deposited in Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

**3.4 Additional Consideration.** As additional material consideration for the sale of the Property to Buyer, Buyer agrees to accept the Property subject to the covenant in the Grand Deed (as defined below) restricting the Property for use as a senior affordable housing project for twenty-five (25) years following the recordation of the Grant Deed ("**Covenant**").

**4. FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.**

**4.1 Seller.** Seller agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- i. Executed and acknowledged grant deed in the form attached as Exhibit C ("**Grant Deed**") and such other documents as reasonably required by Title Company.
- ii. Two (2) executed and acknowledged copies of the Senior Housing Covenant Agreement in the form attached as Exhibit D ("**Covenant Agreement**").
- iii. A Non-Foreign Affidavit as required by federal law.
- iv. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

**4.2 Buyer.** Buyer agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- i. A Preliminary Change of Ownership Statement completed in the manner required in Solano County ("**PCOR**").
- ii. Two (2) executed and acknowledged copies of the Covenant Agreement.



- iii. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

**5. CLOSING DATE; EXTENSION OPTIONS; TIME IS OF ESSENCE.**

**5.1 Closing Date.** Escrow shall close within forty-five (45) days from the Opening of Escrow but not prior to adoption of the Resolution ("**Closing Date**"). The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the time the Grant Deed, the Lease Termination Agreement (if applicable pursuant to Section 6.3), and the Covenant Agreement are filed for recordation (in that specific order) by the Escrow Holder in the Office of the County Recorder of Solano County, California.

**5.2 Possession.** Upon the Close of Escrow, Buyer shall remain in possession of the Property subject to the rights of the existing occupants.

**5.3 Time is of Essence.** Buyer and Seller specifically agree that time is of the essence under this Agreement.

**5.4 Authority of City Manager.** The City Manager or his designee, in his sole and exclusive discretion, shall have the authority on behalf of Seller to extend any deadlines and execute all documents required to effect the transaction in this Agreement.

**6. TITLE POLICY.**

**6.1 Approval of Title.** Promptly following execution of this Agreement but, in no event later than five (5) days following Opening of Escrow, a preliminary title report shall be issued by Placer Title Company ("**Title Company**"), describing the state of title of the Property, together with copies of all exceptions listed therein and a map plotting all easements specified therein ("**Preliminary Title Report**"). Within ten (10) days after Buyer's receipt of the Preliminary Title Report, Buyer shall notify Seller in writing ("**Buyer's Title Notice**") of Buyer's disapproval of any matters contained in the Preliminary Title Report which it is not otherwise required to accept as specified in Section 6.2 ("**Disapproved Exceptions**").

In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of seven (7) days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) days following receipt of notice of such additional exceptions.

**6.2 Title Policy.** At the Close of Escrow, Escrow Holder shall furnish Buyer with an ALTA owner's non-extended Policy of Title Insurance insuring title to the Property vested in Buyer with coverage in the amount of the Purchase Price, containing only the exceptions to title (i) which have been approved or waived by Buyer in accordance with Section 6.1; (ii) any deeds of trust securing loans against the leasehold interest of Buyer; (iii) the Covenant Agreement; (iv) right of possession of current tenants; (v) the Lease (if it remains in effect pursuant to Section 6.3 below); and (vi) any exceptions resulting from acts of Buyer ("**Title Policy**"). The cost of the Title Policy to Buyer shall be paid by Seller but Buyer shall be obligated pay for any endorsements or an extended coverage policy.

**6.3 Lease.** If Buyer's leasehold interest is encumbered by a deed of trust, the Lease cannot be terminated as set forth in Article IX of the Lease (as amended) as well as any obligations of Seller pursuant to any agreement with the lender. Buyer shall have the right to terminate the Lease with lender's consent to termination of the Lease in a form acceptable to Seller ("**Lease Termination Agreement**") OR Buyer may elect to have Seller assign Seller's interest in the Lease to Buyer and Buyer will concurrently assume same pursuant to a form acceptable to Seller. If no deed of trust exists, the parties agree that the Lease shall be deemed automatically terminated as of the Close of Escrow and, if requested by Buyer, Seller shall execute a document in a form acceptable to Seller confirming such termination. Seller reserves the right to provide written notice of this transaction to any existing lender.

**7. NHD REPORT.** Within three (3) days of Opening of Escrow, Escrow Holder shall order and deliver to Buyer a comprehensive natural hazards disclosure report issued on the Property by Disclosure Source ("**NHD Report**"). The cost of the NHD Report shall be paid by Seller.

**8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

**8.1 Conditions to Buyer's Obligations.** The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- i. Title Company will issue the Title Policy as specified in Section 6.2.
- ii. Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- iii. Seller is not in default of its obligations under this Agreement.

**8.2 Conditions to Seller's Obligations.** The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- i. Buyer has delivered the balance of the Purchase Price to Escrow Holder.
- ii. Title Company will issue the Title Policy as specified in Section 6.2.
- iii. Seller shall have complied with Government Code 37420 and adopts a resolution in accordance therewith authorizing the sale ("**Resolution**").
- iv. Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

v. Buyer is not in default of its obligations under this Agreement or the Lease.

**9. LIQUIDATED DAMAGES.**

**IF BUYER SHOULD MATERIALLY DEFAULT UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. THEREFORE, BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671 AND 1677 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE FOR A BREACH PRIOR TO THE CLOSING. IF BUYER FAILS TO PROMPTLY DELIVER THE SUM SPECIFIED ABOVE TO SELLER, SUCH FAILURE SHALL CONSTITUTE A MATERIAL BREACH OF THIS PROVISION AND SELLER MAY ELECT TO SUE BUYER UNDER THIS PROVISION OR TO WAIVE THIS PROVISION AND PROCEED AGAINST BUYER FOR ALL APPLICABLE DAMAGES RESULTING FROM BUYER'S DEFAULT. THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF BUYER UNDER THIS AGREEMENT.**

\_\_\_\_\_  
**Seller's Initials**

\_\_\_\_\_  
**Buyer's Initials**

**10. CONDITION OF THE PROPERTY.** Upon the Close of Escrow, Buyer shall acquire the Property in its "AS-IS" condition and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the Property's compliance with applicable laws including, but not limited to, the Subdivision Map Act and the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Property, and Seller makes no other representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property, and Seller specifically disclaims all representations or warranties of any nature concerning the Property made by it. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under Section 1542 of the California Civil Code which provides as follows:

**"A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

**Buyer Initials** \_\_\_\_\_

**Seller Initials** \_\_\_\_\_

Notwithstanding any other provision of this Agreement, Buyer's release as set forth in the provisions of this Section, as well as all other provisions of this Section, shall survive the termination of this Agreement and shall continue in perpetuity.

## 11. ESCROW PROVISIONS.

**11.1 Escrow Instructions.** Sections 1 through 8, inclusive, 11, 14 and 15 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

**11.2 General Escrow Provisions.** Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Solano County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 15 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Solano County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

**11.3 No Proration of Real Property Taxes.** Pursuant to the Lease, Tenant is responsible for all applicable real property taxes. Therefore, Escrow Holder is not to prorate real estate taxes as part of this transaction.

**11.4 Rent Proration; Security Deposit.** Escrow Holder shall not be concerned with rent proration as the annual rent under the Lease is only One Dollar (\$1). Seller does not hold a security deposit under the Lease.

### **11.5 Payment of Costs.**

- a. **Cost Allocation.** Seller shall pay, any documentary transfer taxes, and one-half (1/2) of the escrow costs ("**Seller's Charges**"). Buyer shall pay the cost of the Title Policy (non-extended ALTA owner's policy) and any additional endorsements to the Title Policy requested by Buyer (including an extended coverage ALTA owner's policy), one-half (1/2) of the escrow fees, the recording charges for the Grant Deed and any charges incurred by Buyer's acts ("**Buyer's Charges**"). No recording charges are applicable to the Covenant Agreement. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.
- b. **Closing Statement.** At least two (2) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

**11.6 Termination and Cancellation of Escrow.** If Escrow fails to close due to a failure of a condition precedent, then the party in whose favor the condition precedent runs may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return (i) the Deposit to Buyer (less any cancellation fees) unless Seller is entitled to same pursuant to Section 9, and (ii) all documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

**11.7 Information Report.** Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report (“**Information Report**”) and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045I regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045I, and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

**11.8 No Withholding as Foreign Seller.** Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder’s standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

**11.9 Brokerage Commissions.** Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker’s commission and/or finder’s fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys’ fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker’s commission and/or finder’s fee.

**12. RISK OF PHYSICAL LOSS.** Prior to the Closing, risk of physical loss to the Property shall be borne pursuant to the Lease.

**13. NON-COLLUSION.** No official, officer, or employee of the Agency has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Agency participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interest found to be “remote” or “non-interest” pursuant to

California Government Code Sections 1091 and 1091.5. Seller warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, and Agency official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Seller further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Agency official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Seller is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

**Buyer's Initials:** \_\_\_\_\_

**14. NOTICES.** Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given (i) by personal delivery which will be deemed received the following day or (ii) by mailing the same by registered or certified mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail, addressed to the party to whom the notice is directed as set forth below, or such other address and to such other persons as the parties may hereafter designate:

**To Seller:** City of Suisun City  
701 E. Suisun City Street  
Suisun City, CA 90745  
Attention: City Manager

**With a Copy to:** Aleshire & Wynder, LLP  
18881 Von Karman Avenue, Suite 1700  
Irvine, CA 92612  
Attention: Anthony Taylor/Anne Lanphar

**To Buyer:** Senior Housing Associates VIII  
Solano Senior Housing Ltd  
1224 Cottonwood Street Suite 200  
Woodland, CA 95695  
Attn: Theodore Caldwell, General Partner

**With a Copy to:** Robert W. Dillon, Esq.  
3939 Pozzallo Lane  
Sacramento, CA 95834

**To Escrow Holder:** Placer Title Company  
30 West Main Street Suite A  
Woodland, CA 95695  
Attn: Bev Bristow-Juarez, Escrow Officer

**15. GENERAL PROVISIONS.**

**15.1 Assignment.** Buyer has no right to assign this Agreement without the prior written consent of Seller in its sole discretion. This Agreement shall be binding upon and shall

inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

**15.2 Attorney's Fees.** In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

**15.3 Interpretation; Governing Law; Venue.** This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. The venue for any dispute shall be Solano County.

**15.4 No Waiver.** No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

**15.5 Amendments.** Any amendment or modification of this Agreement must be in writing and executed by both parties.

**15.6 Qualification and Authority.** Each individual executing this Agreement on behalf of Buyer represents, warrants and covenants to the Authority that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Buyer in accordance with authority granted under the organizational documents of such entity, and (b) Buyer is bound under the terms of this Agreement.

**15.7 Severability.** If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**15.8 Merger.** This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written are merged herein and shall be of no further force or effect.

**15.9 Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or

intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

**15.10 Qualification and Authority.** Each individual executing this Agreement on behalf of Buyer represents, warrants and covenants to the Authority that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Buyer in accordance with authority granted under the organizational documents of such entity, and (b) Buyer is bound under the terms of this Agreement.

**15.11 No Third Party Beneficiaries.** This Agreement is only between the parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.

**15.12 Execution in Counterparts.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

**15.13 Exhibits.** Exhibits A, B, C & D attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

**NOTE: Each of Sections 9, 10 & 13 must also be initialed.**

**BUYER:**

SENIOR HOUSING ASSOCIATES VIII,  
a California limited partnership

By: \_\_\_\_\_  
Theodore C. Caldwell  
General Partner

SOLANO SENIOR HOUSING, LTD,  
a California limited partnership

By: \_\_\_\_\_  
Theodore C. Caldwell  
General Partner

**SELLER:**

CITY OF SUISUN CITY, a municipal  
corporation

By: \_\_\_\_\_  
Greg Folsom, City Manager  
\_\_\_\_\_, 2019

**ATTEST:**

\_\_\_\_\_  
Linda Hobson, City Clerk

**APPROVED AS TO FORM:**

**ALESHIRE & WYNDER, LLP**

By: \_\_\_\_\_  
Anthony Taylor, City Attorney



EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

The real property located in the City of Suisun City, County of Solano, State of California described as follows:

Parcel "A" as shown on Parcel Map filed September 18, 1986, Book 30 of Parcel Maps, Page 15, Solano County Records.

RESERVING THEREFROM, a Joint Access Easement "AA" in favor of Parcels "B" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "A" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

COMMENCING at the Southeast corner of said Parcel "A"; thence Westerly along the Southerly line of said Parcel "A", as shown on the above mentioned Parcel Map, S 86° 40' 00" W 5.02 Ft. to the TRUE POINT OF BEGINNING; thence continuing along said Southerly line of Parcel "A", S 86° 40' 00" W 20.06 Ft.; thence leaving said Southerly line of Parcel "A", N 01° 13' 25" E 358.13 Ft.; thence N. 89° 24' 26" W. 160.10 Ft., to the common lot line of said Parcels "A" and "B"; thence Northerly along said common line of Parcels "A" and "B", N 00° 14' 23" E. 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", S 89° 24' 26" E. 180.44 Ft.; thence S 01° 13' 25" W. 376.75 Ft. to the TRUE POINT OF BEGINNING

TOGETHER WITH a Joint Access Easement "BB" In favor of Parcels "A" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "B" also shown on above mentioned Parcel Map described as follows:

All that certain Real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southeast corner of Parcel "B" as shown on the above mentioned Parcel Map; thence Northerly along the common boundary of said Parcels "A" and "B" as shown on the above mentioned Parcel Map, N 00° 14' 23" E 123.24 Ft.; thence leaving said common line of Parcels "A" and "B", N 88° 16' 05" W 156.25 Ft.; thence N 00° 43' 00" W 242.38 Ft.; thence S 89° 24' 26" E 160.25 Ft., to the common boundary of Parcels "A" and "B" as shown on the above mentioned Parcel Map; thence Northerly along said common line, N 00° 14' 23" E 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", N 89° 24' 26" W, 180.59 Ft.; thence S 00° 43' 00" E 261.99 Ft.; thence N 88° 16' 05" W 5.00 Ft. to the Westerly boundary of Parcel "B" as shown on above Parcel mentioned Parcel Map; thence Southerly along said Westerly boundary of Parcel "B", S 00° 43' 00" E 25.02 Ft. to the common line of Parcels "B" and "C" of above mentioned Parcel Map; thence Easterly along common line of said Parcels "B" and "C" and the prolongation of said common line, S 88° 16' 05" E 155.85 Ft. ; Thence S 00° 14' 23" W 100.45 Ft. to the Southerly line of said Parcel "B"; thence along said Southerly line of said Parcel "B" from a tangent bearing of N 86° 45' 20" E along a curve to the left having a radius of 972.50 Ft., through a central angle of 0° 05' 26" for an arc Length of 1.54 Ft.; thence N 86° 40' 00" E 23.51 Ft. to the POINT OF BEGINNING.

ALSO TOGETHER WITH a Joint Access Easement "CC" in favor of Parcels "A" and

PARCEL ONE CONTINUED

"B" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps at page 15, Solano County Records, across Parcel "C" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southwest corner of Parcel "C" as shown on the above mentioned Parcel Map; thence Northerly along the Westerly line of said Parcel "C", N 00° 43' 00" W 102.00 Ft. to the Northwest corner of said Parcel "C", said Northwest corner also being the Southwest corner of Parcel "B"; thence Easterly along the common line of Parcels "B" and "C", S 88° 16' 05" E 25.02 Ft.; thence leaving said common line of said Parcels "B" and "C", S 00° 43' 00" E, 103.14 Ft. to the Southerly line of said Parcel "C"; thence along said Southerly line of Parcel "C", N 85° 40' 00" W 25.10 Ft. to the POINT OF BEGINNING.

**EXHIBIT "B"**

**SUMMARY OF LEASE DOCUMENTS**

**GROUND LEASE, AMENDMENTS & ASSIGNMENTS;  
REGULATORY AGREEMENTS**

**GROUND LEASE, AMENDMENTS AND ASSIGNMENTS:**

Ground Lease, dated December 27, 1985, by and between Lessor and D&M Development Co., a California general partnership ("**Original Ground Lessee**"), recorded in the real property records of Solano County, California ("**Official Records**"), on June 11, 1986 as Instrument No. 29345, Book 1986, Page 58743.

First Amendment to Ground Lease, dated October 27, 1986, by and between Lessor and Original Ground Lessee, recorded on November 3, 1986 in the Official Records as Instrument No. 63493, Book 1986, Page 130723.<sup>1</sup>

Second Amendment to Ground Lease dated February 23, 1989, by and between Ground Lessor and Second Ground Lessee, recorded on March 8, 1989 in the Official Records as Instrument No. 890013646.

**REGULATORY AGREEMENTS:**

1. Regulatory Agreement dated December 1, 1985 by and between Original Ground Lessee and the Housing Authority of the City of Suisun City, recorded December 27, 1985 in the Official Records as Instrument No. 61807 in Book 1985 at Page 123763.
2. Regulatory Agreement dated December 1, 1985 by and among Original Ground Lessee, the Housing Authority of the City of Suisun City and Ground Lessor City, recorded May 14, 1986 in the Official Records as Instrument No. 23715 at in Book 1986 at Page 46545, of the Official Records.

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<sup>1</sup> Original Ground Lessee and Lessor executed that certain "First Amendment to Ground Lease between City of Suisun City and D&M Development Co." dated June 23, 1986 which was not recorded and appears to have been superseded by this First Amendment.

**EXHIBIT "C"**  
**GRANT DEED**

**Recording requested by and  
When Recorded Return to:**

Senior Housing Associates VIII  
Solano Senior Housing Ltd  
1224 Cottonwood Street Suite 200  
Woodland, CA 95695  
Attn: Theodore Caldwell, General Partner



APNs. 0173-010-210 & 0173-010-220

(Space Above This Line for Recorder's Office Use Only)

THE UNDERSIGNED GRANTOR DECLARES that the  
documentary transfer tax (computer on full value) is  
\$ \_\_\_\_\_

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged and subject to the covenants set forth below CITY OF SUISUN CITY, a municipal corporation ("**Grantor**") grants to SENIOR HOUSING ASSOCIATES VIII, a California limited partnership and SOLANO SENIOR HOUSING, LTD, a California limited partnership ("**Grantee**"), all of its rights, title, and interest in that certain real property in the City of Suisun City, County of Solano, State of California, as more particularly described in Exhibit A attached hereto and incorporated by this reference ("**Property**").

Grantee accepts title to the Property subject to all easements, encumbrances. covenants and matters of record as of the date of this Deed is recorded in the Official Records of Solano County.

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed on its behalf as of the date written below.

**GRANTOR:**

CITY OF SUISUN CITY, a municipal corporation

**ATTEST:**

\_\_\_\_\_  
Linda Hobson, City Clerk

By: \_\_\_\_\_  
Greg Folsom, City Manager

\_\_\_\_\_, 2019

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Anthony Taylor, City Attorney

**EXHIBIT A  
LEGAL DESCRIPTION OF THE PROPERTY**

That certain real property located in the City of Suisun City, County of Sonoma, State of California, and is described as follows:

Parcel "A" as shown on Parcel Map filed September 18, 1986, Book 30 of Parcel Maps, Page 15, Solano County Records.

RESERVING THEREFROM, a Joint Access Easement "AA" in favor of Parcels "B" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "A" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

COMMENCING at the Southeast corner of said Parcel "A"; thence Westerly along the Southerly line of said Parcel "A", as shown on the above mentioned Parcel Map, S 86° 40' 00" W 5.02 Ft. to the TRUE POINT OF BEGINNING; thence continuing along said Southerly line of Parcel "A", S 86° 40' 00" W 20.06 Ft.; thence leaving said Southerly line of Parcel "A", N 01° 13' 25" E 358.13 Ft.; thence N. 89° 24' 26" W. 160.10 Ft., to the common lot line of said Parcels "A" and "B"; thence Northerly along said common line of Parcels "A" and "B", N 00° 14' 23" E. 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", S 89° 24' 26" E. 180.44 Ft.; thence S 01° 13' 25" W 376.75 Ft. to the TRUE POINT OF BEGINNING

TOGETHER WITH a Joint Access Easement "BB" In favor of Parcels "A" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "B" also shown on above mentioned Parcel Map described as follows:

All that certain Real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southeast corner of Parcel "B" as shown on the above mentioned Parcel Map; thence Northerly along the common boundary of said Parcels "A" and "B" as shown on the above mentioned Parcel Map, N 00° 14' 23" E 123.24 Ft.; thence leaving said common line of Parcels "A" and "B", N 88° 16' 05" W 156.25 Ft.; thence N 00° 43' 00" W 242.38 Ft.; thence S 89° 24' 26" E 160.25 Ft., to the common boundary of Parcels "A" and "B" as shown on the above mentioned Parcel Map; thence Northerly along said common line, N 00° 14' 23" E 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", N 89° 24' 26" W, 180.59 Ft.; thence S 00° 43' 00" E 261.99 Ft.; thence N 88° 16' 05" W 5.00 Ft. to the Westerly boundary of Parcel "B" as shown on above Parcel mentioned Parcel Map; thence Southerly along said Westerly boundary of Parcel "B", S 00° 43' 00" E 25.02 Ft. to the common line of Parcels "B" and "C" of above mentioned Parcel Map; thence Easterly along common line of said Parcels "B" and "C" and the prolongation of said common line, S 88° 16' 05" E 155.85 Ft. ; Thence S 00° 14' 23" W 100.45 Ft. to the Southerly line of said Parcel "B"; thence along said Southerly line of said Parcel "B" from a tangent bearing of N 86° 45' 20" E along a curve to the left having a radius of 972.50 Ft., through a central angle of 0° 05' 26" for an arc Length of 1.54 Ft.; thence N 86° 40' 00" E 23.51 Ft. to the POINT OF BEGINNING.

ALSO TOGETHER WITH a Joint Access Easement "CC" in favor of Parcels "A" and

PARCEL ONE CONTINUED

"B" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps at page 15, Solano County Records, across Parcel "C" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southwest corner of Parcel "C" as shown on the above mentioned Parcel Map; thence Northerly along the Westerly line of said Parcel "C", N 00° 43' 00" W 102.00 Ft. to the Northwest corner of said Parcel "C", said Northwest corner also being the Southwest corner of Parcel "B"; thence Easterly along the common line of Parcels "B" and "C", S 88° 16' 05" E 25.02 Ft.; thence leaving said common line of said Parcels "B" and "C", S 00° 43' 00" E, 103.14 Ft. to the Southerly line of said Parcel "C"; thence along said Southerly line of Parcel "C", N 85° 40' 00" W 25.10 Ft. to the POINT OF BEGINNING.



**EXHIBIT "D"**  
**COVENANT AGREEMENT**

FREE RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Suisun City  
701 E. Suisun City Street  
Suisun City, CA 90745  
Attention: City Clerk

APNs. 0173-010-210 & 0173-010-220

(Space Above This Line for Recorder's Office Use Only)

(Exempt from Recording Fee per Gov. Code §6103)

**SENIOR HOUSING COVENANT AGREEMENT**

This Senior Housing Covenant Agreement ("**Agreement**") is made on \_\_\_\_\_, 2019 by and between SENIOR HOUSING ASSOCIATES VIII, a California Limited Partnership and SOLANO SENIOR HOUSING, LTD., a California Limited Partnership ("**Owner**") and THE CITY OF SUISUN CITY, a municipal corporation ("**City**").

**RECITALS**

- A. Owner owns the real property located commonly known as 320 & 322 Merganser Drive (APNs 0173-010-210 & 0173-010-220) in the City of Suisun City, State of California as legally described on Exhibit A attached hereto and incorporated herein by reference ("**Property**").
- B. Prior to acquisition of fee title, Owner had leased the Property from the City pursuant to a long-term ground lease and constructed and operated a senior housing apartment project with one hundred and four (104) rental units ("**Project**").
- C. Concurrently with the recordation of this Agreement, Owner acquired fee title to the Property from City. As material consideration for the sale of the Property, Owner agreed to continue to operate the Project pursuant to the terms of this Agreement.

NOW, THEREFORE, the parties agree as follows:

**AGREEMENT**

- 1. **DEFINITION.** As used in this Agreement "senior citizen" means a person who is fifty-five (55) years of age or older.
- 2. **USE OF THE UNITS.** Owner hereby covenants and agrees for itself, its lessees, successors and assigns that for the duration of this Agreement, all units on the Property shall be occupied or reserved for occupancy on a continuous basis for senior citizens. It is intended by Owner and City that this senior housing covenant shall run with the land and bind the Property with the benefit of this covenant running in favor of the City in order to preserve the public interest in maintaining the City's stock of available senior housing units.



**3. MANAGEMENT AND MAINTENANCE STANDARDS.** Owner and its successors shall manage the Property in accordance with generally accepted property management principles consistent with management standards for senior citizen apartment complexes in the area in which the Property is located. At all times during the term of this Agreement, Owner and its successors shall maintain the Property, its buildings, including electrical, plumbing, heating, ventilating and air conditioning and other systems, all common areas, driveways and parking areas and all landscaping and irrigation facilities in good condition and repair. All units of the Property shall continuously meet the Housing Quality Standards established by Section 8 monitored by the Housing Authority of Suisun City.

**4. NO IMPAIRMENT OF LIEN.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument; provided, however, that any successor of Owner to the Property shall be bound by such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

**5. DURATION AND TERMINATION.** The covenants contained in this Agreement shall be deemed to run with the land and shall terminate Twenty-five (25) years from the date of recordation of this Agreement in the Official Records of Solano County ("**Official Records**"). Upon termination, Owner and City shall each execute and acknowledge a form to terminate this Agreement which shall be recorded in the Official Records.

**6. ENFORCEMENT OF AGREEMENT.** Owner agrees to provide written certification to City that Owner is in compliance with the terms of this Agreement. Upon reasonable written notice to Owner, City shall have the right to review Owner's records to confirm compliance with this Agreement. Any failure by Owner to cause all units on the Property to be occupied or reserved for occupancy on a continuous basis for senior citizens shall constitute a default under this Agreement. In the event that such default shall occur, City may elect to pursue any remedy available to it under law or equity, including, but not limited to, injunction or specific performance.

**7. AMENDMENT OR MODIFICATION.** This Agreement may not be amended or modified except (i) in writing executed by the then current owner(s) of the Property and the City, and (ii) recorded in the Official Records.

**8. SUCCESSOR AND ASSIGNS.** This Agreement and all rights and obligations hereunder shall be binding upon and shall inure to the benefit of City and Owner and their respective successors in interest and assigns.

**9. MISCELLANEOUS.**

**A. Notices.** Any notices, demands, or communications under this Agreement shall be in writing, and may be given either by (i) personal services, (ii) overnight delivery, or (iii) mailing via United States mail, certified mail, postage prepaid, return service requested, addressed to Owner at the Property and to City at City Hall or such other address as may be furnished in writing by a party, and such notice or communication shall, if properly addressed, be deemed to have been given as of the date so delivered, or three (3) business days after deposit into the United States mail.

**B. Severability.** If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

- C. Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California and any legal action shall be brought in a court of competent jurisdiction in Solano County.
- D. Attorney's Fees.** In the event of any litigation or other legal proceeding arising from this Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses, including attorney's fees, incurred in the proceeding.
- E. Final Agreement.** This Agreement contains the entire understanding and agreement with respect to the subject matter of this Agreement and all prior or contemporaneous documents, communications, understandings, representations, and statements shall be of no force or effect.
- F. Construction.** This Agreement shall be construed according to its fair meaning as if prepared by all parties to this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.
- G. No Waiver.** The failure to enforce any term, covenant, or condition of this Agreement shall not be construed as a waiver of the right to enforce this, or any other, term, covenant, or condition of this Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed as of the date specified above.

**OWNER:**

SENIOR HOUSING ASSOCIATES VIII,  
a California limited partnership

**CITY:**

CITY OF SUISUN CITY, a municipal  
corporation

By: \_\_\_\_\_  
Theodore C. Caldwell  
General Partner

By: \_\_\_\_\_  
Greg Folsom, City Manager

\_\_\_\_\_, 2019

SOLANO SENIOR HOUSING, LTD,  
a California limited partnership

**ATTEST:**

By: \_\_\_\_\_  
Theodore C. Caldwell  
General Partner

\_\_\_\_\_  
Linda Hobson, City Clerk

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Anthony Taylor, City Attorney

EXHIBIT A  
LEGAL DESCRIPTION OF THE PROPERTY

That certain real property located in the City of Suisun City, County of Sonoma, State of California, and is described as follows:

Parcel "A" as shown on Parcel Map filed September 18, 1986, Book 30 of Parcel Maps, Page 15, Solano County Records.

RESERVING THEREFROM, a Joint Access Easement "AA" in favor of Parcels "B" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "A" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

COMMENCING at the Southeast corner of said Parcel "A"; thence Westerly along the Southerly line of said Parcel "A", as shown on the above mentioned Parcel Map, S 86° 40' 00" W 5.02 Ft. to the TRUE POINT OF BEGINNING; thence continuing along said Southerly line of Parcel "A", S 86° 40' 00" W 20.06 Ft.; thence leaving said Southerly line of Parcel "A", N 01° 13' 25" E 358.13 Ft.; thence N. 89° 24' 26" W. 160.10 Ft., to the common lot line of said Parcels "A" and "B"; thence Northerly along said common line of Parcels "A" and "B", N 00° 14' 23" E. 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", S 89° 24' 26" E. 180.44 Ft.; thence S 01° 13' 25" W 376.75 Ft. to the TRUE POINT OF BEGINNING

TOGETHER WITH a Joint Access Easement "BB" In favor of Parcels "A" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "B" also shown on above mentioned Parcel Map described as follows:

All that certain Real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southeast corner of Parcel "B" as shown on the above mentioned Parcel Map; thence Northerly along the common boundary of said Parcels "A" and "B" as shown on the above mentioned Parcel Map, N 00° 14' 23" E 123.24 Ft.; thence leaving said common line of Parcels "A" and "B", N 88° 16' 05" W 156.25 Ft.; thence N 00° 43' 00" W 242.38 Ft.; thence S 89° 24' 26" E 160.25 Ft., to the common boundary of Parcels "A" and "B" as shown on the above mentioned Parcel Map; thence Northerly along said common line, N 00° 14' 23" E 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", N 89° 24' 26" W, 180.59 Ft.; thence S 00° 43' 00" E 261.99 Ft.; thence N 88° 16' 05" W 5.00 Ft. to the Westerly boundary of Parcel "B" as shown on above Parcel mentioned Parcel Map; thence Southerly along said Westerly boundary of Parcel "B", S 00° 43' 00" E 25.02 Ft. to the common line of Parcels "B" and "C" of above mentioned Parcel Map; thence Easterly along common line of said Parcels "B" and "C" and the prolongation of said common line, S 88° 16' 05" E 155.85 Ft. ; Thence S 00° 14' 23" W 100.45 Ft. to the Southerly line of said Parcel "B"; thence along said Southerly line of said Parcel "B" from a tangent bearing of N 86° 45' 20" E along a curve to the left having a radius of 972.50 Ft., through a central angle of 0° 05' 26" for an arc Length of 1.54 Ft.; thence N 86° 40' 00" E 23.51 Ft. to the POINT OF BEGINNING.

ALSO TOGETHER WITH a Joint Access Easement "CC" in favor of Parcels "A" and

PARCEL ONE CONTINUED

"B" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps at page 15, Solano County Records, across Parcel "C" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southwest corner of Parcel "C" as shown on the above mentioned Parcel Map; thence Northerly along the Westerly line of said Parcel "C", N 00° 43' 00" W 102.00 Ft. to the Northwest corner of said Parcel "C", said Northwest corner also being the Southwest corner of Parcel "B"; thence Easterly along the common line of Parcels "B" and "C", S 88° 16' 05" E 25.02 Ft.; thence leaving said common line of said Parcels "B" and "C", S 00° 43' 00" E, 103.14 Ft. to the Southerly line of said Parcel "C"; thence along said Southerly line of Parcel "C", N 85° 40' 00" W 25.10 Ft. to the POINT OF BEGINNING.





RECORDING REQUESTED BY:

City of Suisun City

WHEN RECORDED RETURN TO:

James Warren Beebe,  
A Law Corporation  
626 Wilshire Boulevard  
Suite 900  
Los Angeles, California 90017

---

(The Space Above For Recorder's Use)

GROUND LEASE

Between

CITY OF SUISUN CITY  
("Lessor")

And

D & M DEVELOPMENT CO.,  
a California general partnership  
("Lessee")

---

D0029:471.10  
12-24-85 (JAS:ly)

GROUND LEASE

This Lease Agreement is made and entered into this 27th day of December, 1985, by and between the CITY OF SUISUN CITY (hereinafter collectively referred to as "Lessor") and D & M DEVELOPMENT CO., a California general partnership consisting of RAYMOND P. MATHEWS, an individual, and THOMAS A. DAILEY, an individual (hereinafter collectively referred to as "Lessee").

RECITALS

This Lease is based upon the following facts:

A. Lessor is the sole and exclusive owner of that certain unimproved real property located in the City of Suisun City, Solano County, California, which is more particularly described in Exhibit A which is attached hereto and incorporated herein by reference. Said real property shall be referred to as "the property."

B. The Lessee desires to lease the Property from Lessor and Lessor is willing to lease the Property to Lessee, all for the purpose set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions contained herein, the parties agree as follows:

I

AGREEMENT TO LEASE

1.01 LEASE OF PROPERTY: The Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the Property as described in this Lease Agreement.

II

TERM OF LEASE

2.01 TERM: The term of this Lease shall be for a period of fifty-five (55) years commencing January 1, 1986, and terminating at midnight, Pacific Time, December 31, 2041.



III

RENT

3.01 RENT: The Lessee agrees to pay Lessor, commencing on the first (1st) day of January, 1986, and on the first (1st) day of each succeeding year thereafter, an annual rent of One Dollar (\$1.00).

3.02 PLACE AND MANNER OF PAYMENT:- All rent that becomes due and payable under this Lease shall be paid to Lessor at the address designated for notices in the Loan Agreement (as defined herein) or at such other place as Lessor may, from time to time designate by written notice given to Lessee. All payments shall be made in lawful money of the United States without deduction or offset.

IV

BASIC DOCUMENTS

4.01 ISSUANCE OF MUNICIPAL BONDS: It is contemplated by Lessor and Lessee that certain tax-exempt municipal bonds may be issued to finance the project contemplated by this Lease. The bonds are entitled:

Bond Title:

\$3,500,000 HOUSING AUTHORITY OF THE CITY OF SUISUN CITY, 1985 FLOATING RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS (Casa De Susisun Project) (the "Bonds")

They are issued pursuant to the following "Basic Documents" as defined in the Indenture referenced below, including without limitation:

Indenture Title:

INDENTURE (the "Indenture") Between HOUSING AUTHORITY OF THE CITY OF SUISUN CITY (as "Issuer") and UNITED BANK OF ARIZONA (as "Trustee") dated as of December 1, 1985 (the "Indenture")

**Loan Agreement Title:**

LOAN AGREEMENT (the "Loan Agreement") between HOUSING AUTHORITY OF THE CITY OF SUISUN CITY and D & M DEVELOPMENT COMPANY, a California partnership (as "Company"), dated as of December 1, 1985 (the "Loan Agreement")

**Regulatory Agreement Title:**

REGULATORY AGREEMENT (the "Regulatory Agreement") Between HOUSING AUTHORITY OF THE CITY OF SUISUN CITY and D & M DEVELOPMENT COMPANY, a California partnership (as "Company") dated as of December 1, 1985 (the "Regulatory Agreement")

4.02 BASIC DOCUMENTS CONTROL: This Lease is being entered into by the Lessor and the Lessee in furtherance of the construction of the Project described in the Resolution of the Housing Authority of the City of Suisun City (the "Housing Authority") adopting and approving the Basic Documents. The Property shall be developed only as permitted by the Basic Documents, and the terms of the Basic Documents shall control the provisions of this Lease. In no event shall the tax-exempt status of the above entitled Bonds be jeopardized and, if necessary, the parties shall obtain an opinion of Bond Counsel as to the effect of any change or amendment. Any financing mortgage entered into by the Lessee shall be expressly subordinate to this Lease and to the Basic Documents.

4.03 DURATION: The provisions of this Article IV shall be effective until the later of (i) the date of final maturity or redemption of all Bonds, or (ii) the expiration of the Regulatory Agreement pursuant to the provisions thereof. Upon the occurrence of such date, Lessor and Lessee shall obtain an opinion of Bond Counsel to the effect that the tax-exempt status of the Bonds will not be effected upon the issuance of such an opinion, the provisions of Article IV will have no further effect whatsoever.

**CONSTRUCTION OF IMPROVEMENTS**

5.01 LESSEE'S OBLIGATION: During the term of this Lease, Lessee will construct a fifty-two (52) unit senior citizens' apartment complex on the Property in accordance with plans and specifications prepared by Munson & Cox,

Architects, Vallejo, California. In the event construction is not substantially complete by July 1, 1988, the Lessee shall pay to Lessor the sum of Seventy Five Thousand Dollars (\$75,000) as liquidated damages and not as a penalty. Such sum shall be deposited into the Lessor's "Low and Moderate Income Housing Fund", and shall be used to reimburse the Lessor and the Housing Authority for its costs incurred in connection with the development of the senior citizens' housing on the Property, and the costs of completing the project and providing for the operation thereof and also to finance the furthur development of the Property and the much needed low and moderate income and low income housing in the jurisdiction of the City and the Authority. The term "substantially complete" shall mean that at least ninety percent (90%) of the value of all improvements, as determined by Lessee's construction budget, shall have been completed. The remedy provided in this Paragraph 5.01 shall constitute the exclusive remedy of the Lessor for the failure of Lessee to substantially complete construction of improvements within the aforesaid time period. The parties agree that it would be extremely impractical and difficult to fix damages resulting from such breach and the consequent damage to the low and moderate income and low income housing programs of the City and the Authority, and therefore agree that the aforesaid sums represent a reasonable endeavor by the parties to estimate a fair compensation for foreseeable losses which could result from such delat.

## VI

### DEFAULT AND DETERMINATION

6.01 LESSEE'S DEFAULT: Each of the following events shall constitute a default by Lessee and the breach of this Lease:

(a) Abandonment or surrender of the property or of the leasehold estate or failure or refusal to pay when due any installment of rent or any other sum required by this Lease to be paid by Lessee, or to perform as required or conditioned by any other covenant or condition of this Lease;

(b) Occurrence of an event of default under any of the Basic Documents.

6.02 NOTICE BY LESSOR: As a precondition to pursuing any remedy for an alleged default by Lessee, the Lessor shall, before pursuing any such remedy, give notice of default to Lessee and to mortgagees whose names and addresses were previously given to Lessor in a notice or notices from Lessee or any qualifying mortgagee stating that the notice is for the purpose of notice under this paragraph. The qualifying mortgagee is a mortgagee under a mortgage then existing under the provisions of this Lease, which, as aforesaid must be subordinate to the Lease and to the Basic Documents. Each notice of default shall specify in detail the alleged event of default and the intended remedy.

6.03 LESSOR'S REMEDIES: If any default by Lessee shall continue uncured for thirty (30) days following notice of default as required by this Lease, Lessor shall have the following remedies in addition to any and all rights and remedies provided by law or in equity to which Lessor has the right to resort cumulatively or in the alternative.

(a) Lessor may terminate this Lease by giving Lessee written notice of termination. On the giving of such notice, all of Lessee's rights in the Property and all improvements shall terminate.

(b) The liquidated damages specified in Article V shall then be paid.

6.04 WAIVER OF BREACH: The waiver by Lessor of any breach by Lessee under any provision of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee either of the same or a different provision of this Lease.

## VII

### MISCELLANEOUS

7.01 TIME IS OF THE ESSENCE: Except as otherwise specifically provided in this Agreement, time is of the essence of this AGREEMENT in each and every provision thereof.

7.02 NOTICES: All notices or other communications made pursuant hereto shall be made as required by the Basic Documents.

7.03 BINDING EFFECT: This Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

7.04 ENTIRE-AGREEMENT: Except as provided herein, this Lease contains the entire agreement between the parties with respect to the matters covered hereby and supersedes all prior arrangements and understandings between the parties.

7.05 AMENDMENTS: This Lease may not be amended except by written document signed by each of the parties hereto.

7.06 FURTHER DOCUMENTS: Each party will, whenever and as often as it shall be requested by the other party, execute, acknowledge, and deliver or cause to be executed, acknowledged and delivered further instruments, documents, and amendments to this lease as may be necessary in order to complete the performance of all acts, covenants and obligations contemplated by this lease and as required by the construction and/or permanent lender.

7.07 SURVIVAL: All agreements, covenants and conditions, including without limitation, Lessor's and Lessee's warranties and Lessor's and Lessee's indemnities which are contained in this Lease shall survive the termination of this Lease.

7.08 RECITALS AND CAPTIONS: The recitals in captions of the paragraphs and subparagraphs of this Lease are for convenience and reference only and the words contained therein shall in no way be held to explain, modify or aid in the interpretation of construction or meaning of the provisions of this Lease.

7.09 APPLICABLE LAW: This Lease shall be construed and interpreted under and governed and enforced according to the laws of the State of California.

7.10 EXHIBITS: All exhibits attached hereto and referred to in this Lease are incorporated herein by reference.

[ATTACH SIGNATURE PAGE]

0074a/0631A

SMH/mb

8-22-85

Page 1 of 2

Rev. 8-27-85

Rev. 12-11-85

Rev. 12-16-85

DESCRIPTION

## Division of the Lands of the City of Suisun City

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being a portion of Parcel 2 as shown on that certain map entitled "Cold Spring Harbor Unit No. 1", recorded in Book 29 of Maps, at Page 30, Solano County Records,

described

PARCEL A

BEGINNING at a point in the west line of the Dover Terrace South Unit #4 Subdivision as shown on the map recorded in Book 30 of Subdivisions at Page 49, Solano County Records, said POINT OF BEGINNING lies S 01°13'25" W, 16.67 ft from the northwest corner of Lot #75 of the said Dover Terrace South Unit #4 Subdivision; thence along the said west boundary of the Dover Terrace South Unit #4 Subdivision S 01°13'25" W, 412.41 ft to the north line of Merganser Drive, said north line also being the north line of Parcel 1 as described in the deed recorded in Book 1976 of Official Records at Page 57298, Instrument No. 35182, Solano County Records; thence along said north line of Merganser Drive S 86°40'00" W, 179.32 ft; thence N 0°14'23" W, 420.42 ft; thence N 89°17'00" E, 186.08 ft to the POINT OF BEGINNING.

CONTAINING: 1.744 Acres, More or Less

"A"

Recording requested by  
and when recorded mail to  
Malcolm A. King, Esq.  
1900 Olympic Blvd., #104  
Walnut Creek, CA 94596

FIRST AMENDMENT  
TO  
GROUND LEASE  
BETWEEN  
CITY OF SUISUN CITY  
AND  
D&M DEVELOPMENT CO.

This First Amendment to Ground Lease is made and entered into this 23rd day of June, 1986, by and between The City of Suisun City (Lessor) and D&M Development Co. (Lessee).

RECITALS

This First Amendment (Amendment) is based on the following facts:

A. Lessor and Lessee have hertofore entered into a Ground Lease dated \_\_\_\_\_, 1985, for the lease of certain real property located in the City of Suisun, Solano County, California, more particularly described in Exhibit A attached hereto and incorporated herein by reference. Said real property shall hereafter be referred to as "the property."

B. The parties desire to amend the Ground Lease by adding those terms and conditions which are included herein.

NOW THEREFORE, in consideration of the premises and the mutual covenant and conditions contained herein, the parties agree as follows:

1. The heading "Contruaction of Improvements" on page 3 of the Ground Lease is hereby designated as Article V. Said Article is amended to add the following paragraphs:

5.02 LESSOR'S COOPERATION: Upon the request of Lessee, Lessor shall take all actions reasonably necessary and provide all approvals requested by Lessor, the County of Solano, the State of California or any other governmental agency or jurisdiction or by Lessee's lender in order to complete and carry out the construction of improvements on the property.

5.03 COMPLIANCE WITH LAW: Lessee agrees that any building or work of improvement to be constructed on the property shall be erected and constructed in accordance with all valid laws,

ordinances, regulations, orders of all federal, state, county and local governmental agencies and entities having jurisdiction over the property. A valid final certificate of occupancy entitling Lessee and any tenant of Lessee to occupy and use any structure or improvement shall be deemed to be conclusive evidence that said improvements have been constructed in accordance with all valid laws, ordinances, regulations and orders. Lessor will not unreasonably withhold the granting of such a permit.

5.04 MECHANICS' LIENS: At all times during the term of this lease Lessee shall keep the property and all buildings and improvements now or hereafter constructed thereon free and clear of all liens and claims of liens for labor, services, materials, supplies, equipment, performed on or furnished to the property. Provided that as long as Lessee shall provide reasonable security to Lessor, Lessee may contest and defend any such lien or claim of lien on such terms and conditions as Lessee may deem appropriate. Lessee shall indemnify and hold harmless Lessor for any damage suffered by Lessor as the result of any such lien attaching to the property. Lessee shall provide Lessor with written notice at least twenty (20) days prior to the commencement of any work in order to allow Lessor sufficient time to post notices of nonresponsibility.

5.05 ATTACHMENT TO PROPERTY: Any and all buildings or improvements constructed on the property and all alterations, additions, improvements, fixtures, except furniture and trade fixtures made or placed in or about the property or on any building or improvement constructed thereon by Lessee or by any other person shall be considered a part of the property and upon the expiration or termination of this lease, shall remain on the property and become the property of Lessor.

2. Article VII and Paragraphs 7.01, 7.02, 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 7.09 and 7.10 are renumbered Article XVI and 16.01, 16.02, 16.03, 16.04, 16.05, 16.06, 16.07, 16.08, 16.09 and 16.10 respectively.

3. The following provisions are inserted as Article VII:

VII  
TAXES AND UTILITIES

7.01 PAYMENT OF TAXES AND ASSESSMENTS: Commencing on January 1, 1986, and continuing thereafter during the term of this lease, Lessee shall be obligated to pay and Lessee hereby agrees to pay any and all real property taxes, assessments and other charges of any description which may be levied or assessed against the property by any governmental agency or entity or against any interest in the property or any improvements on the property. All taxes and assessments levied or assessed on or against the property during the tax years in which the obligation of Lessee to pay taxes commences and the year in which the lease terminates, shall be prorated between Lessor and Lessee as of the date the obligation to pay taxes on the



which Lessee's obligation to pay taxes commences unless it shall, upon service of written request by Lessor reimburse Lessor for the Lessee's share of such taxes. The Lessee shall pay taxes for the year in which this lease terminates and Lessor shall promptly, upon service of written request by Lessee, reimburse Lessee for its share of such taxes.

7.02 SEPARATE ASSESSMENT OF LEASED PROPERTY: Should the property be assessed and taxed as part of any other property owned by Lessor prior to commencement of this lease, Lessor shall, at its own cost and expense, arrange to have the property taxed and assessed as a separate parcel distinct from any other real or personal property owned by Lessor. Should the property be assessed and taxed for the year in which this lease is to commence as part of or with other property owned by Lessor, that portion of such taxes that bears to the same ratio to the total of such taxes as the ground area of the property bears to the ground area of the total taxed property shall be the taxes levied on and assessed against the property and Lessee shall be responsible only for the payment of such taxes. Lessor shall continue to be responsible to pay taxes for such additional real or personal property owned by Lessor of which the property forms a part for purposes of tax assessment and shall indemnify and hold harmless the Lessee from and against any and all liens, deficiencies, claims and liabilities asserted by any taxing authority as a result of Lessor's failure to pay taxes on such all inclusive parcel.

7.03 PAYMENT BEFORE DELINQUENCY: Any and all taxes and assessments required to be paid by either Lessor or Lessee under this lease shall be paid at least ten (10) days before each such tax, assessment or installment of any tax or assessment becomes delinquent. Either party may request a copy of the official receipt for the payment of any such tax, assessment or installment from the other party, and the party who is obligated to pay such tax or installment shall immediately furnish such copy of receipt to the requesting party.

7.04 INSTALLMENTS: Should any special tax or assessment be levied on or against any of the property that may be either paid in full prior to a delinquency date or paid in installments over a period of time either within or extending beyond the termination date of this lease, the Lessee shall have the option of paying such special tax or assessment in installments. The fact of the exercise of the option to pay the tax or assessment in installments will cause said property to be encumbered with bonds or will cause interest to accrue on the tax or assessment is immaterial and shall not interfere with the free exercise of this option by Lessee. Should Lessee exercise the option to pay any such tax or assessment in installments, Lessee shall be liable to pay only those installments which become due during the term of this lease. The Lessor shall cooperate with Lessee and on written request of Lessee execute or join with Lessee in executing any instruments required to permit any such special tax or assessment to be paid in installments.

7.05 CONTEST OF TAX: Lessee may contest the legal validity or amount of any tax, assessment, special tax or charge for which Lessee is responsible under this lease and may institute such proceedings as Lessee deems necessary. If Lessee contests any such tax assessment,

special tax or charge, the Lessee may withhold or defer payment or pay under protest but shall protect Lessor and the premises from any lien by an adequate surety bond or other appropriate means of security. Lessor appoints Lessee as its attorney-in-fact for the purpose of making all payments to any taxing authority and for the purpose of contesting any tax, assessments, special taxes or charges conditioned upon Lessee preventing any lien from being levied on the property. Any such contest shall be conducted at Lessee's sole cost and expense.

7.06 INDEMNITY FOR TAXES: Lessee shall indemnify and hold Lessor free and harmless from any liability, loss or damage resulting from any taxes, assessments or other charges which are required to be paid by Lessee and from all interest, penalties and other sums imposed thereon. Notwithstanding the foregoing, Lessee shall not be responsible for the payment of any tax, assessment or charge against the property of Lessor regardless of what it may be called which are based upon business income, profits, estate, succession, inheritance or transfer taxes of Lessor and which may be levied by federal, state or other governmental agency.

7.07 PAYMENT BY LESSOR: If Lessee fails to pay, within the time specified in this article, any tax, assessment, special tax or other charge required to be paid by Lessee, Lessor may, after ten (10) days' written notice to or demand upon Lessee, pay, discharge, and/or adjust such tax, assessment, special tax or other charge for the benefit of Lessee. In such an event, Lessee shall promptly, upon written demand of Lessor, reimburse Lessor the full amount paid by Lessor in paying, discharging or adjusting such tax, assessments, special tax or other charge.

7.08 PAYMENT BY LESSEE: If Lessor fails to pay, within the time specified in this article, any tax, assessment, special tax or other charge required to be paid by Lessor, Lessee may, after ten (10) days' written notice to or demand upon Lessor, pay, discharge, and/or adjust such tax, assessment, special tax or other charge for the benefit of Lessor. In such an event, Lessor shall promptly, upon written demand of Lessee, reimburse Lessee the full amount paid by Lessee in paying, discharging or adjusting such tax, assessments, special tax or other charge.

7.09 UTILITIES: Lessee shall pay, or cause to be paid all charges for the furnishing of gas, water, electricity, telephone service, cable television and communications, sewer, garbage and rubbish removal, or other public utility service provided to the property during the term of this lease.

4. The following provisions are inserted as Article VIII:

VIII  
USE

8.01 USE: During the term of this lease Lessee shall not use, or permit to be used, the property or any portion thereof for any purpose that in any way violates any terms within the basic documents, any law, ordinance or regulation of any federal, state,

county or local governmental agency, body or entity. Lessee shall not maintain, commit or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or judicially determined law on property or any portion thereof.

8.02 RESTRICTIONS ON USE: Lessee may use and occupy the property for construction, maintenance and operation of an apartment building only for senior citizen housing. Lessee may enter into agreements restricting the use of the property or granting easements with respect to the property, or apply for and obtain any governmental approval for senior citizen housing. Any change, permit, approval, easement or restriction which Lessee agrees to will be limited to the term of this lease. Any such change, restriction, use, approval which extends for a period beyond the term of this lease shall require Lessor's prior written consent.

5. The following provisions are added as Article IX:

## IX

### FINANCING

#### 9.01 LESSOR'S OBLIGATIONS:

The Lessee shall have the right to encumber the leasehold interest granted hereby from time to time during the term of this lease. After receipt of written notice from Lessee, the Lessor shall execute any and all documents consenting to the encumbrance of the leasehold interest to secure the repayment of a loan, the proceeds of which are to be used either for construction of improvements, for permanent financing, for refinancing or for securing additional financing on the property for whatever reason. As used in this paragraph the term "construction loan" means any interim or short-term loan, the proceeds of which are to be used for construction of improvements and any cost associated therewith; and the term "permanent loan" shall mean the permanent or long-term financing, the proceeds of which are used in whole or in part to repay and discharge the construction loan and any costs associated therewith. Nothing contained herein shall be construed to require Lessee to divide the loans into a construction loan and a permanent loan instead of a single long-term loan.

#### 9.02 EXECUTION OF ADDITIONAL DOCUMENTS:

Lessor shall execute all documents reasonably and customarily required by a mortgage and/or a title company. Lessor shall not be required to sign or execute the note to be secured by any mortgage but if required, shall execute the mortgage itself.

#### 9.03 FORM OF NOTE AND MORTGAGE

The note and mortgage shall conform substantially to the forms usually required by the lender from time to time for loans for construction of improvements or for financing of property and improvements of a nature comparable to the projects planned by Lessee for the property. The mortgage documents may further provide that any

proceeds realized from fire or extended coverage insurance shall be used to repair or rebuild the leasehold improvements and not to repay any part of the outstanding mortgage.

6. The following provisions are added as Article X:

X  
REPAIRS AND RESTORATION

10.01 MAINTENANCE BY LESSEE: At all times during the term of this lease Lessee, at Lessee's sole cost and expense, shall keep and maintain the property and all improvements which may hereinafter be constructed thereon in good order and repair and in a safe and clean condition.

10.02 MODIFICATIONS REQUIRED BY GOVERNMENTAL AGENCIES: At all times during the term of this lease Lessee, at Lessee's sole cost and expense shall make all alterations, additions, repairs, improvements and changes which may be required by any valid law, ordinance, statute, order, regulation now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity or political subdivision having jurisdiction over the property. If Lessee, in Lessee's sole discretion, desires to contest any law, ordinance, statute, order or regulation affecting the improvements of the property or the use of the property, the Lessee may, in the name of Lessee and Lessor where appropriate or required, institute legal proceedings and diligently prosecute same to determine the validity of any such law, ordinance, statute or regulation. Lessee shall protect the property and the Lessor from Lessee's failure to observe or comply with any such contested law, ordinance, statute, order or regulation during the contest thereof. Further, Lessee shall indemnify and hold harmless Lessor and the property free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from Lessee's failure to comply with or perform the requirements of any contested law, ordinance, statute, order or regulation.

10.03 DUTY TO RESTORE PREMISES: If at any time during the term of this lease, any building or improvements now or hereafter constructed on the property are destroyed in whole or in part by fire, theft, the elements or any other cause not the fault of Lessor, and insurance proceeds are available for repair and restoration for at least ninety percent (90%) of replacement costs, the lease shall continue in full force and effect and the Lessee, at Lessee's sole cost and expense, shall repair and restore the damaged or destroyed buildings or improvements according to the original plan thereof or in accordance with such modified plans as the Lessee in its sole discretion deems appropriate. Such work of repair and restoration shall commence within one hundred twenty (120) days after insurance proceeds are made available for the work of repair or restoration and shall be completed with due diligence no later than one (1) year after work is commenced. In all respects, the work of repair and restoration shall be done in accordance with the requirements of the Lessor and other appropriate governmental agencies

8.04 OPTION TO TERMINATE LEASE: Notwithstanding Lessee's duty

to repair and restore as set forth in paragraph 8.03, the Lessee shall have the option of terminating this lease on the last calendar day of any month by giving the Lessor at least sixty (60) days'

written notice of Lessee's intent to do so and in the event that any building or improvement hereafter constructed on the property is so damaged or destroyed by fire, theft, the elements or any other cause which is not the fault of Lessee during the last twenty five (25) years of the term of this lease, if the cost of so restoring or repairing would exceed thirty five percent (35%) of the cost of replacing all buildings and improvements totally destroyed by such calamity or cause.

10.05 APPLICATION OF INSURANCE PROCEEDS: Subject to paragraph 9.03 any and all fire or other insurance proceeds that become payable at any time during the term of this lease as the result of damage to or destruction of any building or improvements on the property shall be paid to Lessee and shall be applied by the Lessee in accordance with paragraph 9.03. However should Lessee exercise the option given Lessee by paragraph 8.04 of this lease to terminate the lease because of damage to or destruction of buildings or improvements on the property, then in any such event, any and all fire or other insurance proceeds that become payable because of such damage or destruction shall:

(a) Be applied first toward the reduction of any unpaid principal balance of an obligation secured by the property;

(b) Thereafter the balance of such proceeds, if any, shall be distributed between Lessor and Lessee as their interests may then appear.

7. The following provisions are added as Article II:

XI  
INDEMNITY AND INSURANCE

11.01 LESSOR'S NONLIABILITY: The Lessor shall not be liable and the Lessee shall defend and indemnify Lessor against all liability and claims of liability, for injury or death to persons or damage to or destruction of property on or about the property from any cause. Lessee waives all claims against Lessor for injury or death of persons or damage to or destruction of property, arising or asserted to have arisen from any cause whatsoever except from Lessor's own acts or omissions or the acts or omissions of Lessor's agents, contractors, subcontractors, employees and licensees.

11.02 LIABILITY INSURANCE: The Lessee shall, at Lessee's sole cost and expense, secure promptly after the execution of this lease and shall thereafter maintain during the entire term hereof a broad form comprehensive coverage policy of public liability insurance issued by an insurance company acceptable to Lessor and authorized to issue liability insurance in the State of California insuring both Lessor and Lessee against loss or liability caused by or connected with Lessee's occupation, use and maintenance of the property in amounts not less than \$500,000 for death of or injury to one person

and \$1,000,000 for injury to or death of more than one person as a result of any single accident or incident; and \$250,000 for damage to or destruction of any property of others.

11.03 FIRE AND CASUALTY INSURANCE: During the term of this lease Lessee shall, at the Lessee's sole cost and expense, keep the property, all buildings, improvements and other structures thereon as well as any modifications or additions thereto insured for their full insurable value by insurance companies authorized to issue such insurance in the State of California against loss or destruction by fire and the perils commonly covered under such standard extended coverage endorsement to fire insurance policies applicable to Solano County, California. Any loss payable under such insurance shall be payable to Lessee, Lessor and any lender under an encumbrance incurred by Lessee pursuant to Article VII of this lease as their interests may appear. Any proceeds received because of a loss covered by such insurance shall be used and applied in the manner required under paragraph 8.05 of this lease or pursuant to the provisions of any promissory note, mortgage or other security instrument of any lender. In the event of a conflict between the provisions of the terms of this lease and the terms of any mortgage, relating to application of insurance proceeds, the terms of the mortgage shall be deemed to control the obligations of the parties with respect to application of insurance proceeds.

11.04 EVIDENCE OF INSURANCE/NOTICE OF CANCELLATION: Within ten (10) days after the execution of this lease, and promptly thereafter when any such policy is replaced, rewritten or renewed, the Lessee shall deliver to Lessor or cause to be delivered to Lessor, a true and correct copy of each insurance policy required by this article or a certificate executed by the insurance company or its authorized agent evidencing the existence of such policies. Each insurance policy required by this article shall contain a provision that it cannot be cancelled for any reason unless thirty (30) days' prior written notice of cancellation is given to Lessor in the manner required by this lease for service of notices on Lessor by Lessee.

11.05 FAILURE TO MAINTAIN INSURANCE: If Lessee fails or refuses to procure or maintain insurance as required by this lease or fails or refuses to furnish Lessor with required proof that the insurance has been produced and is in full force and effect and paid for, Lessor shall have the right at Lessor's election and upon ten (10) days' prior written notice to Lessee to procure and maintain such insurance. The premiums paid by Lessor shall be treated as additional rent due from Lessee with interest at the rate of ten percent (10%) per annum and shall be due and payable on the first day of the month immediately following the date upon which such premiums are paid. The Lessor shall give prompt notice of the payment of such premiums stating the amounts paid and the names of the insurer or insurers and interest shall run from the date of such notice.

8. The following provisions are added as Article XII:

XII  
CONDEMNATION

12.01 DEFINITIONS: The following definitions apply in construing provisions of this lease which relate to the taking of or damage to all or any part of the premises or improvements or any interest in them by eminent domain or inverse condemnation: "Taking" means a taking or damaging including severance damage by eminent domain or inverse condemnation by or for any public or quasi public use under any statute. Transfer of title may either be a transfer resulting from recordation of a final order of condemnation or a voluntary transfer or conveyance to the condemning agency or entity under threat of condemnation in avoidance of the exercise of eminent domain power while a condemnation proceeding is actually pending. "Taking" shall be considered to take place as of the latter of the date actual physical possession is taken by the condemning authority or the date on which the right to compensation and damages accrues under the law which is applicable to the property.

"Total taking" means the taking of the fee title of all of the property and improvements on the property.

"Substantial taking" means the taking of so much of the property or improvements or both that one or more of the following conditions will result:

(a) The remaining property would not be economically or feasibly usable by Lessee or the sublessees or licensees of Lessee;

(b) Lessee's business on the property could not be operated at a level of profit reasonably close to that existing before the taking constituting the causative event.

"Partial taking" means any taking of fee title that is not either a total or a substantial taking.

"Improvements" shall include but not be limited to all buildings, fixtures, fences, utility installation, excavations, surfacing, grading, landscaping whether occurring on the property naturally or implaced by human design or effort and whether coming into being on the property before or after the commencement of the term, recreational facilities, parking lots, parking structures, malls, entranceways, driveways, walkways.

"Notice of intended taking" means any notice or notification on which a reasonably prudent man would rely and which a reasonably prudent man would interpret as expressing an existing intent of taking by a condemning authority as distinguished from a mere preliminary inquiry or proposal. This definition includes but is not limited to the service of a condemnation Summons and Complaint on any party to this lease.

"Award" means compensation paid for the taking whether pursuant to judgment, by agreement or otherwise.

12.02 NOTICE TO THE OTHER PARTY: The party receiving any notice of intended taking, condemnation complaint and summons shall promptly give written notice thereof to the other party. During the course of

any condemnation proceeding, the party receiving notice shall keep the other party currently informed of all developments in connection with any such condemnation.

12.03 EFFECT ON RENTAL AND TERM OF TOTAL OR SUBSTANTIAL TAKING:

(a) TOTAL TAKING: On a total taking, Lessee's obligation to pay rent shall terminate on, and Lessee's interest in the leasehold shall continue until the date of the taking.

(b) SUBSTANTIAL TAKING: In the event of a substantial taking, Lessee may, by written notice to Lessor given within sixty (60) days after Lessee receives notice of intent of taking, elect to treat the taking as a substantial taking. If Lessee does not notify Lessor, the taking shall be deemed to be a partial taking only. A substantial taking shall be treated as a total taking if Lessee delivers possession to Lessor within sixty (60) days after the determination that the taking was a substantial taking, and Lessee is not in default under any of the terms of this lease and has complied with all of the lease provisions concerning apportionment of the award. If these conditions are not met, the taking shall be deemed to be a partial taking.

Lessor shall have the right to contest the Lessee's determination of a "substantial taking" by providing Lessee notice of such contest within fifteen (15) days following the date of Lessee's notice. The ultimate determination of whether the taking should be considered a substantial taking or a partial taking, shall be determined by a single arbitrator to be appointed by the parties. If the parties cannot agree upon the appointment of an arbitrator, then each party shall appoint an arbitrator for the determination of the issue. Each appointed arbitrator shall in turn appoint a third arbitrator and the majority decision of all arbitrators shall be final and binding upon the parties. The procedure for making the determination of this issue shall be in accordance with the rules and regulations of the American Arbitration Association then in effect for commercial arbitrations. All costs of the arbitration shall be shared equally between the parties. In the event that the arbitrator or arbitrators have not been selected within thirty (30) days after the date of Lessor's notice, either party may petition ex parte to the Superior Court of Solano County for the appointment of three arbitrators.

(c) RENT ABATEMENT UPON PARTIAL TAKING: In the event of a partial taking this lease shall remain in full force and effect, covering the remaining property, and Lessee shall continue to pay rent as specified in Article III.

In the event that Article III has been amended to the extent that the annual rent for the property is more than One Dollar (\$1.00) per year, the rent payable under the lease shall be reduced in the same ratio as the dollar amount of the award, including interest and severance damages bears to the total fair market value of the property immediately before the taking. If the parties cannot agree on the fair market value, they shall appoint an appraiser for this purpose. If the parties cannot agree upon the selection of an



appraiser for this purpose, either party may petition the Solano County Superior Court to appoint an appraiser for purposes of making an appraisal, provided that any such appraiser appointed by the Superior Court shall be a member of the American Institute of Appraisers or comparable society. The cost and expense of any such appraisal shall be shared equally by the parties.

12.04 APPORTIONMENT AND DISTRIBUTION OF AWARD FOR TOTAL TAKING: On a total taking, all sums, including damages and interest awarded for the fee and/or the leasehold shall be distributed and disbursed in the following order of priority:

(a) All real and personal property taxes constituting a lien on the property or improvement;

(b) The balance due under any note and mortgage which encumbers the fee title having priority over the lease;

(c) The balance due under any note and leasehold mortgage to which the fee title of Lessor is not subordinated;

(d) The balance due under any note and mortgage encumbering the fee title but not having priority over the lease (provided that the amount so paid shall be deducted from any amounts otherwise due to Lessor);

(e) To Lessor, a sum equal to the value of the premises taken, valued as unimproved land exclusive of improvements and unburdened by all leases and subleases;

(f) To Lessor, for any expenses and disbursements reasonably paid or incurred by or on behalf of Lessor in connection with the condemnation proceedings;

(g) To Lessee, the balance of the award.

12.05 APPORTIONMENT AND DISTRIBUTION OF AWARD FOR PARTIAL TAKING: On a partial taking, all sums, including damages and interest awarded for the fee title or the leasehold or both shall be distributed in the following order of priority:

(a) To the cost of restoring the leasehold improvements plus any amount assessed, awarded and paid or incurred to remove and relocate subtenants or licensees plus any amount awarded for detriment to business;

(b) To any mortgagee to whom fee title has been subordinated in a sum equal to any decrease in its security resulting from the taking;

(c) To Lessor the balance due under any note and mortgage encumbering the fee but not having priority over the lease (provided that the amount so paid shall be deducted from any amounts otherwise due to Lessor);

(d) To Lessor for any expenses or disbursements reasonably

and necessarily incurred or paid by or on behalf of Lessor for and in connection with condemnation proceedings;

(e) To Lessee for any expenses or disbursements reasonably and necessarily incurred or paid by or on behalf of Lessee for and in connection with condemnation proceedings;

(f) To any leasehold mortgagee in a sum equal to any decrease in its security resulting from the taking;

(g) To Lessee any diminution in the market value of any options to buy, extend or renew but excluding any value contributed to the option value by the improvements;

(h) To the Lessor any remainder.

12.06 OBLIGATION OF RESTORATION AND IMPROVEMENTS: After the completion of partial taking the Lessee, at its sole cost and expense shall have the obligation to repair, alter, modify or reconstruct the premises in the same manner as provided in this lease relating to maintenance, repairs and alterations; provided that the cost of such alterations, modifications and reconstruction shall not exceed the amount of Lessee's share of the award in paragraph 10.05 of this lease. Notwithstanding the foregoing, Lessee is relieved of the duty to repair, alter, modify or reconstruct if the partial taking occurs during the final fifteen (15) years of the term of this lease.

9. The following provisions are added as Article XIII:

XIII  
ASSIGNMENT AND SUBLEASING

13.01 LESSEE'S RIGHT TO ASSIGN: Prior to the completion of construction of the senior citizens apartment complex, the Lessee may not assign this lease or any interest therein, without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Following the completion of the senior citizens apartment complex, the Lessee shall have the absolute right to assign or otherwise transfer Lessee's interest in this Lease or any portion thereof and the estate created by this lease at any time during the remaining term of this Lease without the Lessor's consent, provided however that such assignment shall in no way affect the use of the property as a senior citizens apartment complex building.

13.02 RIGHT TO SUBLET: Lessee shall have the absolute right to sublet all or any part or parts of the property or any improvements thereon or both to license their use, and to assign, encumber, extend or renew any such sublease provided that each such sublease shall contain the provision requiring the sublessee to attorn to Lessor or, in the event of any proceedings to foreclose any leasehold mortgage, to the leasehold mortgagee, or any person designated in a notice from leasehold mortgagee, if Lessee defaults under this lease and if the sublessee is notified of Lessee's default and instructed to make sublessee's rental payments to Lessor or leasehold mortgagee or designated person as in this paragraph. The Lessee shall, upon reasonable notice and during normal business hours, permit Lessor to

examine and copy any such sublease.

10. The following provisions are added as Article XIV:

XIV

DEFAULT AND DETERMINATION

14.02 NOTICE BY LESSOR: As a precondition to pursuing any remedy for an alleged default by Lessee, the Lessor shall, before pursuing any such remedy, give notice of default to Lessee and to all qualifying subtenants and mortgagees whose names and addresses were previously given to Lessor in a notice or notices from Lessee or any qualifying mortgagee stating that the notice is for the purpose of notice under this paragraph. A qualifying subtenant is a subtenant in possession under an existing sublease which is allowed by this lease. The qualifying mortgagee is a mortgagee under a mortgage then existing under the provisions of this lease. Each notice of default shall specify in detail the alleged event of default and the intended remedy.

14.03 LESSEE'S RIGHT TO CURE DEFAULT: If the alleged default is nonpayment of rent, taxes or other sums to be paid by Lessee as provided in this lease, Lessee shall have thirty (30) days after notice is given to cure the default. For the cure of any other default, Lessee shall within thirty (30) days after such notice, promptly and diligently commence to cure the default and shall have one hundred twenty (120) days after notice is given to complete the cure of said default, except for a default or delinquency in the payment of any loan secured by a mortgage constituting an encumbrance, in which case the Lessee shall have one hundred twenty (120) days within which to both commence and complete the cure of any such default.

14.04 LESSOR'S REMEDIES: If any default by Lessee shall continue uncured following notice of default as required by this lease for the periods applicable to the default under the provisions of this lease, Lessor shall have the following remedies in addition to any and all rights and remedies provided by law or in equity to which Lessor has the right to resort cumulatively or in the alternative.

(a) Lessor may terminate this lease by giving Lessee written notice of termination. On the giving of such notice, all of Lessee's rights in the property and all improvements shall terminate.

(b) At Lessor's election, Lessor may reenter the premises and without terminating this lease, at any time from time to time relet the premises and improvements or any part or parts of them for the account of and in the name of Lessee or otherwise. Further, Lessor may elect to eject all persons other than a subtenant qualifying under the nondisturbance provisions of this lease. Lessor shall apply all rents from reletting as in the provisions of assignment of subrents. Any reletting may be for the remainder of the term or for a longer or shorter period. Lessor may execute any leases made under this provision either in Lessor's name or in Lessee's name and shall be entitled to all rents from the use, operation or occupancy of the property or improvements thereon.

Lessee shall nevertheless pay Lessor on the due date specified in this lease the equivalent of all sums required of Lessee under this lease, less any amounts realized by Lessor as the result of any reletting or attornment.

14.06 ACTION FOR DAMAGES: At Lessor's election, Lessor may bring an action to recover damages from Lessee measured by:

(a) The worth at the time of the award of the unpaid rent which has been earned at the termination of this lease;

(b) The worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided;

(c) Subject to California Civil Code Section 1951.2(c), the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental lost that Lessee provides could be reasonably avoided;

(d) Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform its obligations under this lease.

14.07 WAIVER OF BREACH: The waiver by Lessor of any breach by Lessee under any provision of this lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee either of the same or a different provision of this lease.

14.08 RIGHTS OF SUBTENANTS: NONDISTURBANCE CLAUSE: Any subtenant of the property or any portion thereof shall have the right at its election to cure a curable default under this lease or under any mortgage then existing under provisions of this lease or both. If any such subtenant cures all defaults then existing, or if any subtenant cures all defaults that are then curable and other defaults are noncurable, or if all then existing defaults are noncurable, then subtenant's possession and use shall not be disturbed by Lessor or by the mortgagee as long as:

(a) The subtenant performs his sublease provisions;

(b) The subtenant attorns to Lessor and mortgagee according to their respective interest; and

(c) Subsequent defaults are cured as in the above provisions or are noncurable.

11. The following provisions are added as Article VX:

XV  
ADDITIONAL COVENANTS

15.01 RESTRICTIONS ON ZONING CHANGES: During the term of this

lease, Lessor shall refrain from adopting any ordinance or taking any action which will have the effect of changing or altering the use of the property as an apartment building for senior citizen housing or for residential purposes for other citizens or groups of citizens.

15.02 COVENANT NOT TO CONDEMN: Lessor covenants that during the term of this lease it shall refrain from taking any action which would result in a partial or substantial taking of the property.

12. The following paragraphs are inserted in Article XVI:

16.11 ATTORNEY'S FEES: If either party brings any action or proceeding to enforce, protect or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorney's fees. Arbitration shall be considered an "action" or proceeding for the purpose of this provision.

16.12 MEMORANDUM OF LEASE FOR RECORDING: Upon the request of Lessee, Lessor shall execute a memorandum of this lease in recordable form and by this lease does authorize the recordation of any such memorandum of lease, or any amendment or modification hereto as the Lessee may request from time to time. Memorandum of this lease shall describe the parties, set forth the description of the lease of the premises, the term of the lease, and shall incorporate all provisions of this lease by reference.

16.13 AUTHORIZATION: The signatories of Lessor have been authorized to execute this lease on behalf of the Lessor by a duly adopted and recorded resolution of the City Council of the City of Suisun, the City having fully complied with all requirements of its Charter, ordinances, rules, policies and regulations in entering into this lease.

13. In the event of any conflict between the provisions of this Amendment and the Basic Document or the Ground Lease, the provisions of the Basic Document and/or the Ground Lease shall control.

14. As amended hereby, all terms and conditions of the Ground Lease shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF the parties have executed this Lease the day and year first written above.

LESSOR

CITY OF SUISON CITY

By *Margaret*

By *[Signature]*

Attest: *[Signature]*  
*City Clerk*

LESSEE

D&M DEVELOPMENT CO., a General Partnership

By *[Signature]*

A General Partner

DESCRIPTION

Division of the Lands of the City of Suisun City

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being a portion of Parcel 2 as shown on that certain map entitled "Cold Spring Harbor Unit No. 1", recorded in Book 29 of Maps, at Page 30, Solano County Records,

described

PARCEL A

BEGINNING at a point in the west line of the Dover Terrace South Unit #4 Subdivision as shown on the map recorded in Book 30 of Subdivisions at Page 49, Solano County Records, said POINT OF BEGINNING lies S 01°13'25" W, 16.67 ft from the northwest corner of Lot #75 of the said Dover Terrace South Unit #4 Subdivision; thence along the said west boundary of the Dover Terrace South Unit #4 Subdivision S 01°13'25" W, 412.41 ft to the north line of Merganser Drive, said north line also being the north line of Parcel 1 as described in the deed recorded in Book 1976 of Official Records at Page 57298, Instrument No. 35182, Solano County Records; thence along said north line of Merganser Drive S 86°40'00" W, 179.32 ft; thence N 0°14'23" W, 420.42 ft; thence N 89°17'00" E, 186.08 ft to the POINT OF BEGINNING.

CONTAINING: 1.744 Acres, More or Less

"A"

RECORDED BY REQUEST OF

RECORDING REQUESTED BY  
AND WHEN RECORDED, MAIL TO:

CHICAGO TITLE INSURANCE COMPANY

89 MAR -8 AM 8:30

Casa De Suisun Joint Venture  
P. O. Box 38  
Davis, CA 95617

CHICAGO TITLE INSURANCE COMPANY  
RECORDED BY 3900 PP. 18

890010058

**SECOND AMENDMENT TO GROUND LEASE**

This Second Amendment to Ground Lease is entered into by and between The City of Suisun City ("Lessor") and Casa De Suisun Joint Venture, a general partnership ("Lessee"), who agree as follows:

**R E C I T A L S**

**A.** Lessor and D & M Development Co., a California general partnership, entered into a ground lease (the "Lease") dated December 27, 1985 and recorded June 11, 1986 in Book 1986 of Official Records, Page 58743, Instrument No. 29345 for the lease of certain real property located in the City of Suisun City, Solano County, California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. Said real property is hereinafter referred to as the "Property".

**B.** The Lease was amended by written agreement between the City of Suisun City as Lessor and D & M Development Co. as Lessee by instrument recorded November 3, 1986 in Book 1986 of Official Records, Page 130723, Instrument No. 63493.

**C.** The interest of Lessee under said Lease was assigned by D & M Development Co., a California general partnership, to Merganser Associates, a California general partnership, by instrument recorded December 10, 1987 in Book 1987 of Official Records, Page 166296, Instrument No. 81681.

**D.** Casa De Suisun Joint Venture, a general partnership, is the current Lessee under the Lease pursuant to the terms of an assignment from Merganser Associates, a California general partnership, which assignment is recorded concurrently and

partnership, which assignment is recorded concurrently and immediately preceding the recordation of this Second Amendment to Ground Lease.

E. Lessor and Lessee desire to further amend the Lease with respect to the following provisions:

**NOW, THEREFORE,** for valuable consideration, receipt of which is hereby acknowledged, Lessor and Lessee agree that the Lease shall be further amended as follows:

1. The following provisions are added as Article XVII:

#### **XVII**

##### **OPTION TO PURCHASE**

**17.01. GRANT OF OPTION TO LESSEE:** Lessor grants to Lessee the option to purchase the Property in accordance with the provisions of this Lease.

**17.02. OPTION PERIOD:** Tenant shall have the right to exercise the option to purchase at any time during the last five years of the term.

**17.03. METHOD OF EXERCISING OPTION:** Lessee shall exercise the option by giving notice ("option notice") to Lessor within the option period as set forth in paragraph **17.02**, pursuant to the notice provisions of paragraph **16.02** of the Lease, as amended.

**17.04. PURCHASE PRICE:** The purchase price shall be set by mutual agreement of the parties or by appraisal. The parties shall have sixty (60) days after Lessor receives the option notice in which to agree on the purchase price. If the parties are unable to agree on the purchase price within that period, then within twenty (20) days after expiration of that period, each party, at its respective cost and by giving notice to the other party, shall appoint a qualified real estate appraiser with at least five years full time commercial appraisal experience in the area in which the Property is located to appraise and set the purchase price of the Property. If a party does not appoint an appraiser within ten (10) days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser and shall set the purchase price of the Property. If the



two appraisers are appointed by the parties as stated in this paragraph, they shall meet promptly and attempt to set the purchase price of the Property. If they are unable to agree on the purchase price within thirty (30) days after the second appraiser has been appointed, they shall attempt to select a third appraiser meeting the qualifications stated in this paragraph within ten (10) days after the last day the two appraisers are given to set the purchase price. If they are unable to agree on the third appraiser, either of the parties to this Lease by giving ten (10) days notice to the other party can apply to the then president of the County Real Estate Board of the County in which the property is located, or to the presiding judge of the Superior Court in that county, for the selection of a third appraiser who meets the qualifications stated in this paragraph. Each of the parties shall bear one-half of the costs of appointing the third appraiser and of paying the third appraiser's fee. The third appraiser, however selected, shall be a person who has not previously acted in any capacity for either party.

Within thirty (30) days after the selection of the third appraiser, a majority of the appraisers shall set the purchase price of the Property. If a majority of the appraisers are unable to set the purchase price within the stipulated period of time, the three appraisals shall be added together and their total divided by three; the resulting quotient shall be the purchase price of the Property. If, however, the low appraisal and/or the high appraisal is more than fifteen percent (15%) lower or higher than the middle appraisal, the low appraisal and/or the high appraisal, as the case may be, shall be disregarded. If only one appraisal is disregarded, the remaining two appraisals shall be added together and the total divided by two; the resulting quotient shall be the purchase price of the Property. If both the low and high appraisal are disregarded as stated in this paragraph, the middle appraisal shall be the purchase price of the Property.

In appraising the Property as provided in this paragraph, the appraisers shall value the Property as though the Property were unimproved and free of the existence of this Lease.

After the purchase price of the Property has been set, the appraisers shall immediately notify the parties. If Lessee objects to the purchase price that has been set, Lessee shall have the right to elect to not purchase the Property, as long as Lessee pays all the costs in connection with the appraisal procedure that set the purchase price. Lessee's election not to purchase the Property must be exercised in thirty (30) days after receipt of notice from the appraisers of the purchase price.

**17.05. METHOD OF PAYMENT:** The purchase price shall be payable in cash in lawful money of the United States to Lessor by Lessee at close of escrow (the date the grant deed is recorded) as provided in paragraph 17.07.

**17.06. TITLE TO PROPERTY:** Lessor shall deliver to Lessee an executed grant deed in recordable form conveying the Property. Title to the Property shall be conveyed by Lessor to Lessee free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights of way of record, leases or other tenancy agreements, and other matters of record, except current taxes, those portions of current assessments not yet due and payable, anything of record or not of record that in any way affects title to the Property resulting from the acts or omissions of Lessee and those items shown on Exhibit "B" attached hereto and incorporated herein by reference.

**17.07. ESCROW:** The sale shall be consummated through an escrow with a title or escrow company of Lessee's choice ("Escrowholder"), to be opened within five business days after the option notice has been given to Lessor. The parties shall execute all documents required by Escrowholder so long as they are consistent with the provisions of this Article 17. Escrow shall close within one hundred twenty (120) days after the purchase price of the Property has been established. Escrow shall be deemed

to be closed pursuant to this Article on the date the grant deed is recorded.

**17.08. TITLE INSURANCE:** At the close of escrow, Escrowholder must be prepared to issue an ALTA Lender and CLTA Owner Standard Coverage Form Policy of Title Insurance in the amount of the purchase price insuring title to the Property vested in Lessee subject only to the exceptions set forth above.

**17.09. PRORATIONS:** Rent and any other payments from Lessee to Lessor shall be prorated as of the date of close of escrow. Any payments which are the responsibility of Lessee shall not be prorated. Prepaid rents or security deposits, if any, previously paid by Lessee to Lessor shall be credited to Lessee in the escrow.

**17.10. CLOSING COSTS:** Transfer taxes, if any, and recording fees on the deed, the cost of the title policy and any escrow charges and other closing costs shall be paid by Lessee.

**17.11. SUCCESSORS-IN-INTEREST:** The rights and obligations pursuant to this option shall inure the benefit and be binding upon the successors-in-interest and assigns of the parties.

2. Except as set forth in this Second Amendment of Ground Lease, all of the provisions and the Lease of any prior amendments thereto shall remain unchanged and in full force and effect.

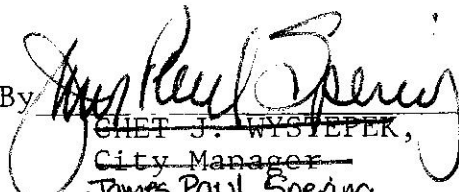
3. A condition precedent to this Second Amendment to Ground Lease taking effect is the acquisition of the Property by Casa De Suisun Joint Venture. A fully executed and notarized copy of this Second Amendment to Ground Lease shall be recorded concurrent with and immediately following recordation of the instrument conveying

title to Lessee. Such date of recordation shall be the effective date of this Second Amendment to Ground Lease.

IN WITNESS WHEREOF, the parties execute this amendment the 23rd day of February 1989.

LESSOR:

CITY OF SUISUN CITY

By   
~~CHET J. WYSTEPEK,~~  
~~City Manager~~  
James Paul Spering  
Mayor

ATTEST:

  
Arlyn W. Urbaugh  
City Clerk


LESSEE:

CASA DE SUISUN JOINT VENTURE,  
A General Partnership

By: Senior Housing Associates  
VIII, A California  
Limited Partnership,  
General Partner

By   
THEODORE C. CALDWELL,  
General Partner

By: TCC Properties, Inc.,  
A California  
Corporation,  
General Partner

By   
THEODORE C. CALDWELL,  
President

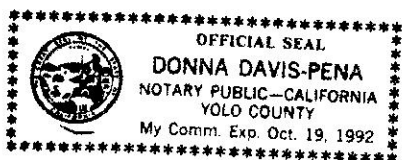
By: Solano Senior Housing,  
Ltd., A California  
Limited Partnership,  
General Partner

By   
BRUCE E. HORRIGAN  
General Partner

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF YOLO )

On this 23 day of February, 1989, before me, the undersigned, a Notary Public for said County and State, personally appeared BRUCE E. HERRIGAN, known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument on behalf of SOLANO SENIOR HOUSING, LTD., a California limited partnership, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

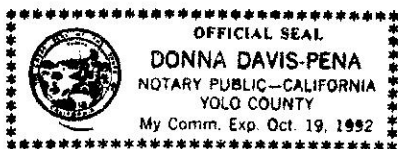


Donna Davis-Pena  
Notary Public

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF YOLO )

On this 23 day of February, 1989, before me, the undersigned, a Notary Public for said County and State, personally appeared THEODORE C. CALDWELL, known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument on behalf of SENIOR HOUSING ASSOCIATES VIII, a California limited partnership, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

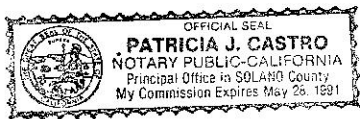


Donna Davis-Pena  
Notary Public

STATE OF CALIFORNIA )  
                                  ) ss.  
COUNTY OF Solano )

On this 6th day of March, 1989, before me, the undersigned, a Notary Public in and for said County and State, personally appeared THEODORE C. CALDWELL, ~~known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument on behalf of TCC PROPERTIES, INC., a California corporation, and acknowledged to me that the corporation executed it as a partner of the partnership and that the partnership executed the same.

WITNESS my hand and official seal.



*Patricia J. Castro*  
\_\_\_\_\_  
Notary Public

STATE OF CALIFORNIA :

COUNTY OF SOLANO :

On this 6th day of March, 1989, before me, \_\_\_\_\_  
Patricia J. Castro, personally appeared \_\_\_\_\_  
James Paul Spering, personally known to me, (or proved to  
me on the basis of satisfactory evidence) to be the person who executed this in-  
strument as the Mayor of City of Suisun City  
and acknowledged to me that the City of Suisun City  
executed it.

SIGNATURE: *Patricia J. Castro*  
\_\_\_\_\_  
Patricia J. Castro



Parcel "A" as shown on Parcel Map filed September 18, 1986, Book 30 of Parcel Maps, Page 15, Solano County Records.

RESERVING THEREFROM, a Joint Access Easement "AA" in favor of Parcels "B" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "A" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

COMMENCING at the Southeast corner of said Parcel "A"; thence Westerly along the Southerly line of said Parcel "A", as shown on the above mentioned Parcel Map, S 86° 40' 00" W 5.02 Ft. to the TRUE POINT OF BEGINNING; thence continuing along said Southerly line of Parcel "A", S 86° 40' 00" W 20.06 Ft.; thence leaving said Southerly line of Parcel "A", N 01° 13' 25" E 358.13 Ft.; thence N. 89° 24' 26" W. 160.10 Ft., to the common lot line of said Parcels "A" and "B"; thence Northerly along said common line of Parcels "A" and "B", N 00° 14' 23" E. 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", S 89° 24' 26" E. 180.44 Ft.; thence S 01° 13' 25" W 376.75 Ft. to the TRUE POINT OF BEGINNING

TOGETHER WITH a Joint Access Easement "BB" In favor of Parcels "A" and "C" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps, at page 15, Solano County Records, across Parcel "B" also shown on above mentioned Parcel Map described as follows:

All that certain Real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southeast corner of Parcel "B" as shown on the above mentioned Parcel Map; thence Northerly along the common boundary of said Parcels "A" and "B" as shown on the above mentioned Parcel Map, N 00° 14' 23" E 123.24 Ft.; thence leaving said common line of Parcels "A" and "B", N 88° 16' 05" W 156.25 Ft.; thence N 00° 43' 00" W 242.38 Ft.; thence S 89° 24' 26" E 160.25 Ft., to the common boundary of Parcels "A" and "B" as shown on the above mentioned Parcel Map; thence Northerly along said common line, N 00° 14' 23" E 20.00 Ft.; thence leaving said common line of Parcels "A" and "B", N 89° 24' 26" W, 180.59 Ft.; thence S 00° 43' 00" E 261.99 Ft.; thence N 88° 16' 05" W 5.00 Ft. to the Westerly boundary of Parcel "B" as shown on above Parcel mentioned Parcel Map; thence Southerly along said Westerly boundary of Parcel "B", S 00° 43' 00" E 25.02 Ft. to the common line of Parcels "B" and "C" of above mentioned Parcel Map; thence Easterly along common line of said Parcels "B" and "C" and the prolongation of said common line, S 88° 16' 05" E 155.85 Ft. ; Thence S 00° 14' 23" W 100.45 Ft. to the Southerly line of said Parcel "B"; thence along said Southerly line of said Parcel "B" from a tangent bearing of N 86° 45' 20" E along a curve to the left having a radius of 972.50 Ft., through a central angle of 0° 05' 26" for an arc Length of 1.54 Ft.; thence N 86° 40' 00" E 23.51 Ft. to the POINT OF BEGINNING.

ALSO TOGETHER WITH a Joint Access Easement "CC" in favor of Parcels "A" and

EXHIBIT A, PAGE 1

**PARCEL ONE CONTINUED**

"B" as shown on that certain Parcel Map entitled "Parcel Map Lands of the City of Suisun City" as recorded in Book 30 of Parcel Maps at page 15, Solano County Records, across Parcel "C" also shown on above mentioned Parcel Map described as follows:

All that certain real property situate in the City of Suisun City, County of Solano, State of California, being an easement for access purposes more particularly described as follows:

BEGINNING at the Southwest corner of Parcel "C" as shown on the above mentioned Parcel Map; thence Northerly along the Westerly line of said Parcel "C", N 00° 43' 00" W 102.00 Ft. to the Northwest corner of said Parcel "C", said Northwest corner also being the Southwest corner of Parcel "B"; thence Easterly along the common line of Parcels "B" and "C", S 88° 16' 05" E 25.02 Ft.; thence leaving said common line of said Parcels "B" and "C", S 00° 43' 00" E, 103.14 Ft. to the Southerly line of said Parcel "C"; thence along said Southerly line of Parcel "C", N 85° 40' 00" W 25.10 Ft. to the POINT OF BEGINNING.





CHICAGO TITLE INSURANCE COMPANY

PRELIMINARY REPORT

At the date hereof exceptions to coverage, in addition to the printed exceptions and exclusions contained in said policy form, would be as follows:

1. Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 1988 - 1989.

1st Installment:	\$12,861.28 A LIEN NOW DUE AND PAYABLE
Penalty:	\$
2nd Installment:	\$12,861.28 A LIEN PAYABLE BUT NOT YET DUE
Penalty:	\$
Cost:	\$ 10.00

Land:	\$ 318,240.00
Improvements:	\$1,829.011.00
Exemption:	\$-0-

Code Area:	5005
Assessment No.:	173-010-21
Affects Parcel One	

The above installments include an assessment for \$386.94, for F-S SD Drainage Maintenance District.

The above installments include an assessment for \$1,113.84, for Solano Irrigation Assessment.

The above installments include an assessment for \$1,166.82, for Sunset Avenue Assessment.

- . Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 1988 - 1989.

1st Installment:	\$12,391.19 A LIEN NOW DUE AND PAYABLE
Penalty:	\$
2nd Installment:	\$12,391.19 A LIEN PAYABLE BUT NOT YET DUE
Penalty:	\$
Cost:	\$ 10.00

Land:	\$ 265,200.00
Improvements:	\$1,829,011.00
Exemption:	\$-0-

Code Area:	5005
Assessment No.:	173-010-22
Affects Parcel Four	

The above installments include an assessment for \$400.28, for F-S SD Drainage Maintenance.

The above installments include an assessment for \$928.20, for Solano Irrigation District Assessment.

The above installments include an assessment for \$968.40, for Sunset Avenue Assessment.

CHICAGO TITLE INSURANCE COMPANY

2. An assessment by the improvement district shown below

Assessment (or Bond) No.: 8503  
Series: 1915  
District: SUISUN CITY - SUNSET AVENUE  
For: 15 years  
Bond issued: 1975-76  
Original Amount: \$10,180.75

Said assessment is collected with the county/city property taxes.  
Affects Parcel One

Assessment (or Bond) No.: 8503  
Series: 1915  
District: SUISUN CITY - SUNSET AVENUE  
For: 15 years  
Bond issued: 1975-76  
Original Amount: \$8,425.45

Said assessment is collected with the county/city property taxes.  
Affects Parcel Four

2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation code of the State of California.
4. The herein described property may be subject to possible liens, assessments and charges of the Dixon Resource Conservation District.
5. The herein described property may be subject to possible liens, assessments and charges of the Solano Irrigation District.
6. A covenant and agreement  
Executed by: D & M DEVELOPMENT COMPANY, a California general partnership  
In favor of: HOUSING AUTHORITY OF THE CITY OF SUISUN CITY  
Recorded: December 27, 1985 in Book 1985 of Official Records, Page 123763  
Instrument No.: 61807

Which among other things provides:

The right of the City of Suisun City to regulate and control the sale and occupancy of said land as a part of said authority's low and moderate income housing program, pursuant to California Health and Safety Code Chapter 1, Part 2 of Division 24 (commencing with section 34200 of said City of Suisun City.

CONTINUED

Order No. 63110

Page 3

## CHICAGO TITLE INSURANCE COMPANY

## 7. A covenant and agreement

Executed by: HOUSING AUTHORITY OF THE CITY OF SUISUN CITY  
 In favor of: D & M DEVELOPMENT COMPANY, a California general  
 partnership and THE CITY OF SUISUN CITY  
 Recorded: May 14, 1986 in Book 1986 of Official Records,  
 Page 46545  
 Instrument No.: 23715

Which among other things provides:

The right of the City of Suisun City to regulate and control the sale and occupancy of said land as a part of said authority's low and moderate income housing program, pursuant to California Health and Safety Code Chapter 1, Part 2 of Division 24 (commencing with Section 34200) of said City of Suisun City

## 8. An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map shown below.

Map of: PARCEL MAP  
 Recorded: September 18, 1986 in Book 30 of Maps, Page 15  
 Easement purpose: A Joint Access  
 Affects: Southerly portion of Parcel Four

## 9. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: PACIFIC GAS AND ELECTRIC COMPANY, a California  
 corporation  
 (No representation is made as to the present owner-  
 ship of said easement)  
 Purpose: Public Utilities  
 Recorded: February 2, 1987 in Book 1987 of Official Records,  
 Page 14159  
 Instrument No.: 7898  
 Affects: A portion of the premises

## 10. An easement for the purpose shown below and rights incidental thereto as reserved in a document

Purpose: Joint Access "BB" and "AA"  
 Recorded: December 10, 1987 in Book 1987 of Official Records,  
 Page 166309  
 Instrument No.: 81682  
 Affects: A portion of the premises

CONTINUED

CHICAGO TITLE INSURANCE COMPANY

11. An agreement (and the provisions contained therein) which states that as a condition precedent to granting a loan SAMCO (lender) has requested the City to subordinate its fee title interest in the subject property to the lien of SAMCO's deed of trust, and the Authority to subordinate its interest in the property described herein by virtue of a certain Regulatory Agreement, dated December 1, 1985, said interest appears to be subordinate to the Deed of Trust  
Recorded: December 10, 1987 in Book 1987 of Official Records, Page 166326  
Instrument No.: 81685  
By Agreement  
Recorded: December 10, 1987 in Book 1987 of Official Records, Page 166314  
Instrument No.: 81684
12. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby  
Amount: \$2,100,000.00  
Dated: December 1, 1987  
Trustor: MERGANSER ASSOCIATES, a California general partnership  
Trustee: SAMCO AUXILIARY CORPORATION, a California corporation  
Beneficiary: SAVINGS ASSOCIATION MORTGAGE CO., INC. a California corporation  
Address: 1333 Lawrence Expressway, Suite 330, Santa Clara, CA 95051  
Loan No.: 102002  
Recorded: December 10, 1987 in Book 1987 of Official Records, Page 166326  
Instrument No.: 81685  
Affects Parcel Four
13. The terms, conditions and provisions as contained in that certain document  
Entitled: SAVINGS ASSOCIATIONS MORTGAGE COMPANY, INC.,  
Regulatory Agreement  
Executed By and Between: MERGANSER ASSOCIATES, a California General Partnership and SAVINGS ASSOCIATIONS MORTGAGE COMPANY, INC.  
Recorded: December 10, 1987 in Book 1987 of Official Records, Page 166335  
Instrument No.: 81686  
Affects Parcel Four

CONTINUED

CHICAGO TITLE INSURANCE COMPANY

14. An agreement (and the provisions contained therein) which states that as a condition precedent to granting a loan SAMCO (lender) has requested the City to subordinate its fee title interest in the subject property to the lien of SAMCO'S deed of trust, and the Authority to subordinate its interest in the property described herein by virtue of a certain Regulatory Agreement, dated December 1, 1985, said interest appears to be subordinate to the Deed of Trust
- Recorded: December 10, 1987 in Book 1987 of Official Records,  
Page 166354
- Instrument No.: 81688
- By Agreement  
Recorded: December 10, 1987 in Book 1987 of Official Records,  
page 166341
- Instrument No.: 81687  
Affects Parcel One
15. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby
- Amount: \$1,400,000.00  
Dated: December 1, 1987  
Trustor: MERGANSER ASSOCIATES, a California general partnership  
Trustee: SAMCO AUXILIARY CORPORATION, a California corporation  
Beneficiary: SAVINGS ASSOCIATIONS MORTGAGE CO., Inc., a California corporation
- Address: 1333 Lawrence Expressway, Suite 330, Santa Clara, CA 95051  
Loan No.: 102001  
Recorded: December 10, 1987 in Book 1987 of Official Records,  
Page 166354
- Instrument No.: 81688  
Affects Parcel One
16. The terms, conditions and provisions as contained in that certain document
- Entitled: SAVINGS ASSOCIATIONS MORTGAGE COMPANY, INC.,  
Regulatory Agreement
- Executed By and Between: MERGANSER ASSOCIATES, a California general partnership,  
and SAVINGS ASSOCIATIONS MORTGAGE COMPANY, INC.
- Recorded: December 10, 1987 in Book 1987 of Official Records,  
Page 166362
- Instrument No.: 81689  
Affects Parcel One
17. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby
- Amount: \$451,682.00  
Dated: October 2, 1987  
Trustor: MERGANSER ASSOCIATES  
Trustee: WESTERN TITLE INSURANCE COMPANY  
Beneficiary: CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
Address: 921 Tenth Street, 3H, Sacramento, CA 95814-2774  
Loan No.: NONE STATED  
Recorded: December 29, 1987 in Book 1987 of Official Records,  
Page 173745
- Instrument No.: 85137  
Affects Parcel One

## CHICAGO TITLE INSURANCE COMPANY

18. A document entitled REGULATORY AGREEMENT- NUMBER 83-RHC-139 Rental Housing Construction Program, executed by MERGANSER ASSOCIATES, a California general partnership and THE CITY OF SUISUN CITY, a California housing Authority, on the terms, conditions, and provisions contained therein recorded December 29, 1987 in Book 1987 of Official Records, page 173755, Instrument No. 85138 Affects Parcel One
19. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby
- |                 |  |
|-----------------|--|
| Amount:         | \$50,000.00  |
| Dated:          | May 25, 1988   |
| Trustor:        | MERGANSER ASSOCIATES, a California general partnership       |
| Trustee:        | FIDELITY NATIONAL TITLE INSURANCE COMPANY, a corporation     |
| Beneficiary:    | MAURICE S. SKODAK and MARIE F. SKODAK                        |
| Address:        | 387 W. "I" Street, Benicia, CA 94510                         |
| Loan No.:       | NONE STATED  |
| Recorded:       | July 8, 1988 in Book 1988 of Official Records,<br>Page 81830 |
| Instrument No.: | 38682  |
20. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by making inquiry of the lessors and their successors in interest, in the lease described or referred to in Schedule A of this report.
21. The effect of any failure to comply with the terms, covenants, conditions and provisions of the lease described or referred to in Schedule A of this report.
22. Matters which may be disclosed by an inspection or by a survey of said land that is satisfactory to this Company, or by inquiry of the parties in possession thereof.

## END OF EXCEPTIONS

Note No. 1: The following is the last conveyance of record affecting said land:

Grantor:	D & M DEVELOPMENT CO., a California general partnership
Grantee:	MERGANSER ASSOCIATES, a California general partnership
Recorded:	December 10, 1987 in Book 1987 of Official Records, Page 166309
Instrument No.:	81682

CONTINUED

CHICAGO TITLE INSURANCE COMPANY

Note No. 2: This Company will require that a full copy of any unrecorded lease referred to herein be furnished to this Company, together with all supplements, assignments and amendments, before issuing any policy of title insurance.

Note No. 3: Before issuing any insurance, this Company will require a certification signed by an authorized representative of the Housing Authority of the City of Suisun City, stating that there has been full compliance with the provision of the low-income housing program as referenced in Item No. 6 and 7 & 8 of Schedule B herein.

Note No. 4: If this order is cancelled, the charge will be that amount which is proper compensation for services rendered, but in no event shall the charge be less than the amount required by State Law.

Note No. 5: Your order for title work calls for a search of property that is identified by a street address only. Based on our records, we believe that the description in this report covers the parcel that you requested. However, we can give no assurance of this.

To prevent errors and to be certain that the proper parcel of land will appear on the documents and on the policy of title insurance, we require that written approval of the legal description in this report be sent to us, signed by the Escrow Officer or by the parties to the transaction.

12/21/88  
jmm



**GARLAND &  
ASSOCIATES**  
REAL PROPERTY ECONOMICS ANALYSTS & APPRAISERS

June 15, 2017

Ted Caldwell  
P.O. Box 38  
Davis, CA 95617

Subject: 320- 322 Merganser Dr., Suisun City  
Leased Fee Interest Appraisal

Dear Mr. Caldwell:

The following is a restricted use appraisal report. You are the sole intended user of this report. This report transmits only the most important information and conclusions of my appraisal. This document is not intended to transmit most of the information typically found in an appraisal report. My research and analysis notes remain in my file.

The subject of this appraisal is Solano County APNs 0173-010-21 and 0173-010-22. The legal descriptions may be found in Fidelity National Title Company Preliminary Reports 06-737176-CD dated July 5, 2006 and 06-737177-KZ dated July 5, 2006. The property has street addresses of 320 and 322 Merganser Dr., Suisun City.

Each parcel is improved with a late 1980s built apartment complex. These buildings are leasehold improvements on ground leased land. The land was leased on December 27, 1985, for a 55-year term from January 1, 1986 through December 31, 2041. The lease calls for a \$1.00 per year rent. You have reported to me that the entire 55-year lease rent was paid in full at the beginning of the lease. The lessee is responsible for all property expenses including taxes.

Of significance, the ground lease second amendment included a *Grant of Option to the Lessee*. The lessee was granted the right to purchase the fee interest at any time during the last five years of the lease. The option agreement specifies the sale price will be determined without consideration of the lease, and less clearly references the sale price will be determined without consideration of the buildings.

The option specifies the lessor and lessee can mutually agree upon a sale price. If lessor/lessee agreement is not reached there is a defined, somewhat typical, multiple appraisers and appraisals processes to establish the sale price.

The option talks about the sale price, without specification of the basis of the sale price. There is a lot of discussion of the process of how the sale price number is to be reached. However, there is no discussion of what the sale price number is to represent.

The process discussion directly addresses not considering the lease in the sale price establishment. The discussion vaguely discusses land; I think intending to mean not including the buildings. In my opinion, the likely legal interpretation of this poorly worded provision is that the appraisals are to be of the market value of the fee simple interest excluding the structural and site improvements. However, there is certainly the potential of litigation as to the meaning of the second amendment paragraph **17.04 Purchase Price**.

The subject of this current appraisal is the fee interest as encumbered by the ground lease. I have formed a professional opinion of the current market value of the leased fee interest. I have utilized The Appraisal Institute *Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Edition, definition of Market Value.

In this assignment I am communicating the results of my appraisal in a restricted use report format in conformance with the Uniform Standards of Professional Standards of Professional Appraisal Practice (USPAP) Standard 2-2 (b). As such, the research and analysis remain in my work file and are not presented within this restricted use appraisal report.

You are the sole intended user of this report. The sole intended use is for consideration in offering to purchase the leased fee interest in the land. I inspected the subject property May 25, 2017, which is the date of value of this appraisal.

To my knowledge the subject property has not sold during the past three years. Also, to my knowledge there have been no offers to sell, or offers to buy, the subject property within the past three years.

### **Analysis**

The leased fee interest of the subject property serves as a long term passive investment; the lease creates no annual income nor obligations to the owner of the fee interest. While it is technically possible that the lessee would not exercise their purchase option, and the buildings might revert to the fee owner at the end of the lease, that potential is remote at best. The more reasonable analytical premiss is the lessee will exercise their purchase option, and purchase the fee interest at the then land value sale price.

The current highest and best use of the leased fee interest is the only legal use of the property; which is to wait 19.5 to 24.5 years to receive the then land value through the tenant exercising their option to purchase the subject fee interest.

Because there is no interim income the current value of the subject leased fee interest is the present value of the future reversion of the land. This is somewhat analogous to a zero-coupon bond.

From an investment perspective the major difference between the subject and a zero-coupon bond is the reversion of a zero-coupon bond is the face value of the bond, but the subject reversion is the land value at the time of the reversion. While land values may or may not trend closely with the general inflation rates, land is a well established inflation hedge investment. On the other hand zero coupon bond reversion amounts do not index or trend with inflation.

Another significant difference between the subject leased fee interest, and a zero coupon bonds is the manner in which the investment yield is taxed. The holder of the zero coupon bond pays income tax on the unpaid, but accrued interest each year. However, all of the effective interest, or yield, on the subject property investment will be taxed as real property capital gains when the reversion occurs.

Yet another significant difference between the subject leased fee interest, and a zero coupon bonds is that a zero-coupon bond is a highly liquid asset. It can be sold on the bond market within minutes. However, the subject leased fee interest is a highly illiquid asset. It is an unusual asset, that is not the target of any particular investment buyer profile.

Because the subject is a real property asset that creates no revenue stream to service debt, the subject property leased fee interest is not financeable, at least not financeable as real property secured financing. It is a cash only buyer profile asset.

It is possible that the buyer might be well healed and seeking to fund future grandchildren college educations, or some such motivation. However, other than you, being the current leasehold interest owner seeking to assemble the fee interest, finding a buyer of the subject is a challenge at best. It is that generic buyer, not a specific buyer that is the definition of market value buyer profile.

The only valid valuation methodology for such a unique real property interest is a discounted cashflow analysis. Because the only cashflow is the reversion, this is a straightforward calculation. The inputs to the calculation are complex but the actual calculation process is a standard present value of a dollar math function.

The inputs to this calculation are, the reversionary value, and the discount rate. Again on the surface these appear to be simple inputs. However, I certainly don't know what land values are going to be in 19.5 to 24.5 years in the future, and neither does a current potential buyer of the subject.

A current land value certainly can and will be estimated. That is however no more valid future value indication than trying to look at 1993 land sales to form an opinion of the current land value. One method of estimating a future land value the applying an anticipated appreciation rate, which is a WAG if one ever existed. In that analytical approach the appropriate discount rate then needs to be weighed similarly on the conservative/liberal spectrum.

That is, if a conservative appreciation rate is used, then a conservative appreciation component of the discount rate needs to be applied. If the appreciation rate is forecast as a large rate, then the appreciation component discount rate needs to be similarly large or bold.

An alternative approach is to analyze the current value as the reversion and discount at a true yield rate exclusive of the inflation rate component. Most of the volatility over time in interest rates, discount rates, and other present value of a dollar functions has to do with volatility in inflation rates. In analyzing low risk true yield rates (exclusive of inflation rates) over decades they have typically fallen within the range 2% to 3% with the total yield being 2% to 3% plus the inflation rate.

Because the future inflation rate and future total yield rate expectation are at best a guess and are applied equally to the land value, and the discount rate, I would be inclined to discount the current land value 19.5 to 24.5 years in the future by a true yield discount rate of 2.5% annually.

However, because of the lack of financeability and other lack of investment liquidity factors, in my opinion an appropriate discount rate is 3%.

The present value factor of a dollar, 19.5 years in the future at 3% is 0.561858.

The present value factor of a dollar, 24.5 years in the future at 3% is 0.484664.

In forming an opinion of the current land value I have considered the recent land sales summarized in the following table.

#	Location	Zoning	Sale Date	Sale Price	Sq Ft	\$/Sq Ft
1	3900 Business Center Dr. Fairfield	RH	08/14	\$6,000,000	532,739 net usable	\$11.36
2	SEC Walters Rd & E. Tabor Ave. Suisun City	MF & C	12/14	\$1,999,000	373,745 G* 257,000 N*	\$5.35 \$7.80
3	3950 Business Center Dr. Fairfield	RH	04/15	\$1,200,000	245,678 G* 139,828 N*	\$4.88 \$8.58
4	Eton Ct., Fairfield	RH	04/15	\$1,495,000	202,554	\$7.36
5	1972 Tabor Ave., Fairfield	RM	02/16	\$1,100,000	179,032	\$6.14

\* G = gross, N = net

My analysis of these sales leads me to the opinion that the current land value is in the range of \$7.00 to \$8.00 per square foot as calculated below

$$138,520 \text{ Sq Ft} \times \$7.00/\text{Sq Ft} = \$969,640$$

$$138,520 \text{ Sq Ft} \times \$8.00/\text{Sq Ft} = \$1,108,160$$

Rounded to a \$1,000,000 current fee simple land value

Then discounting the constant dollar (non-inflated) \$1,000,000 reversion in the future leads to the following discounting calculations.

\$1,000,000 future reversion in 19.5 years x 0.561858 PV factor = \$561,858

\$1,000,000 future reversion in 24.5 years x 0.484664 PV factor = \$484,664

Rounded to \$500,000

In my opinion the current Market Value of the Leased Fee interest in the subject property is \$500,000.

Because of the lack of liquidity of the subject property, in my opinion of the necessary exposure time to have resulted in a sale of the subject property on the date of value would have been in the range of two years.

## ASSUMPTIONS AND LIMITING CONDITIONS

The Uniform Standards of Professional Appraisal Practice defines a Hypothetical Condition as:

An assumption which is contrary to what is firmly known to exist, but is supposed or assumed for the purpose of discussion or analysis. In compliance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), we are informing readers and users of this appraisal that the use of a Hypothetical Condition was utilized in our analysis and impacts the assignment analysis, conclusions and opinions.

This appraisal is subject to the following *SPECIFIC* assumptions and limiting conditions:

1. The Client is Ted Caldwell. The intended user is the Client. The sole intended use of this appraisal is for Client consideration in potentially purchasing the leased fee interest in the subject property. Any other parties choosing to utilize this appraisal do so at their own risk, and without our consent.
2. Current Title Reports were not provided as part of this assignment. It is a specific assumption of this appraisal that there are no title issues or encumbrances that would have an impact on value.

This appraisal is subject to the following *GENERAL* assumptions and limiting conditions:

1. Reliance upon this report by any intended user is implied concurrence that the Scope of Work of the appraisal assignment is appropriate for the intended use of that user.
2. It is the responsibility of the Client to read this report and to inform the appraisers of any errors or omissions of which he/she is aware of before using this report or making it available to a third party.
3. Unless specifically stated in this report, nothing contained herein shall be construed to represent any direct or indirect recommendation to buy, sell, hold, or construct the property appraised at the appraised value. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

## **ASSUMPTIONS AND LIMITING CONDITIONS (continued)**

4. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on the property, was not called to our attention nor did I become aware of such during the inspection. I have no knowledge of the existence of such substances on or in the property unless otherwise stated and I am not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion reported herein is predicated on the assumption that no such hazardous substances exist in or on the property, or in such proximity that would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.
5. No liability is assumed for matters legal in character.
6. I assume that there are no defects of title and that the property is free and clear of all liens or encumbrances.
7. No right or obligation to expert testimony or attendance in court by reason of this appraisal, with reference to this property, is included, unless arrangements have been previously made.
8. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purposes by any but the principal to whom it is addressed without said principal's previous written consent, and in any event, only with the proper qualifications.
9. The information furnished by others, as identified in this report, is believed to be accurate and reliable, but no guarantee is made as to the correctness thereof.
10. The projections of costs, income, and expenses for the subject property are not predictions of the future. These projections are our best estimates of the current market thinking about what future income and expenses will be. I make no warranty or representation that these projections will materialize. The real estate market is constantly fluctuating and changing and it is not our task to estimate the conditions of a future real estate market. I can only reflect what the investment community envisions for the future in terms of rental rates, expenses, supply and demand.



**ASSUMPTIONS AND LIMITING CONDITIONS (continued)**

11. Any sketches in this report are included to assist the reader in visualizing the property. Land dimensions were taken from available public information and I assume no responsibility for these dimensions.
12. Neither all nor any parts of the content of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute, or to the MAI or SRA designations) shall be disseminated to the public through any media or to any other parties without prior written consent and approval.
13. Ronald G. Garland is certified by the State of California as General Real Estate Appraisers. However, I am not licensed or certified in the fields of building inspection or civil, soils, structural, or environmental engineering. I believe that the subject property is not adversely impacted by hidden or unapparent conditions relative to these fields, unless otherwise stated within this report.
14. I assume that there are no hidden or unapparent conditions which would influence the value of the subject property.

## SCOPE OF APPRAISAL

1. Discussed with the Client the nature of the assignment, including an agreement of the purpose and intended use of the report, date of valuation and report, property rights and interest appraised, extraordinary assumptions, values to be reported, and any other appropriate restrictions or limitations to be placed on the scope of the assignment.
2. Ronald Garland inspected the subject property on May 25, 2017.
3. Investigated the current ownership and recent history of the subject property.
4. Investigated the city, area, and immediate location in relation to the impact of these locales on the subject property.
5. Reviewed relevant sections of the ground lease, and the second amendment to the ground lease.
6. Formed an opinion of the highest and best use of the subject property.
7. Researched comparable sales, including public records, other appraisers, active and knowledgeable brokers, and publications providing comparable sale data.
8. Inspected all of the comparable sales used in analysis.
9. Confirmed comparable data to the extent necessary, preferably with parties immediate to each transaction.
10. Researched and analyzed current discount rate indicators in the marketplace, including sales of long term ground leased properties and current zero-coupon bond rates.
11. Developed an opinion of the value of the subject property by use of appropriate appraisal techniques.
12. Prepared this written restricted use appraisal report document.

## CERTIFICATION

I certify that, to the best of my knowledge and belief

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standard of Professional Appraisal Practice.
8. I have personally inspected the property that is the subject of this report.
9. No person provided significant real property appraisal assistance to the persons signing this report.

10. To the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Ronald G. Garland has completed the continuing education program of the Appraisal Institute.
13. I have the necessary education and experience to competently perform this appraisal assignment.
14. Ronald G. Garland is currently certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).
15. This appraisal is intended to be in compliance with the Uniform Standards of Professional Appraisal Practice.
16. I have not performed any other service on these properties during the prior three years.



Ronald G. Garland, MAI, SRA  
CA #AG001662



Date

## PROFESSIONAL QUALIFICATIONS of RONALD G. GARLAND, MAI, SRA

Ronald G. Garland, MAI, SRA is a real property analyst and appraiser, experienced in the appraisal of single and multi-family residential, subdivision, office, retail, light industrial, speculative land, development land, and agricultural land. In addition to appraisal, Mr. Garland is experienced in the analysis and valuation of various complex and special purpose properties, along with development valuation, analysis, and feasibility studies. Specialized studies include absorption analysis, financial feasibility analysis, development cash flow analysis, conservation easements, and complex or specialized property highest and best use analysis. Mr. Garland has testified as an expert witness in the Solano, Napa, Contra Costa and Sacramento County Superior Courts and the United States Bankruptcy Court - Eastern District of California relating to various real estate valuation topics. Mr. Garland has taught seminars on the appraisal of conservation easements for both the Northern California and Sierra Nevada Chapters of the Appraisal Institute and for the California Council of Land Trust. Mr. Garland has been published in the California Land Use Law & Policy Reporter.

Mr. Garland holds both the MAI and SRA designations of the Appraisal Institute and has been recertified under the voluntary program of continuing education for the designated members of the Institute. Mr. Garland served an elected term as a member of the National Board of Directors of the Appraisal Institute from 1996 through 1999 and served as the 1995 President of the San Francisco Bay Area Chapter of the Appraisal Institute. Mr. Garland is also certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).

### EMPLOYMENT

July, 1983	Owner/Operator, Garland and Associates
July, 1979	District Appraisal Officer, Bank of America
December, 1976	Appraiser, Merced County Assessor's Office

### EDUCATION

University	University of California at Davis, Bachelor of Science in Agricultural Science and Management (1976)
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Appraisal Courses	<b>Appraisal Institute:</b> Litigation Appraising: Specialized Topics and Applications (2013) The Appraiser as an Expert Witness: Preparation & Testimony (2013) Condemnation Appraising: Principles and Applications (2013) Business Practice and Ethics (2007) (2013) Valuation of Conservation Easements (2008) Effective Appraisal Writing (2004) Uniform Appraisal Standards for Federal Land Acquisitions - (Yellow Book)(2002)
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**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA** (continued)

Appraisal Courses

**Appraisal Institute:** (cont.)

Advanced Income Capitalization (1998)  
Advanced Sales Comparison and Cost Approaches (1996)  
Highest & Best Use and Market Analysis (1995)  
Capitalization Theory & Techniques, Part B (AIREA, 1986)  
Valuation and Report Writing (AIREA, 1985) Case Studies (AIREA, 1985)  
Electronic Spreadsheet in the Appraisal Office (AIREA, 1985)  
Residential Valuation (AIREA, 1984)  
Subdivision Analysis (AIREA, 1982)  
Introduction to Appraisal (SREA, 1978)  
Income Property Appraisal (SREA, 1978)

**RECENT CONTINUING EDUCATION**

Seminars/Workshops

**Appraisal Institute:**

Appraisal Litigation Conference (2013) (2012) (2011) (2009)  
Appraising the Appraisal (2012)  
The Death of Redevelopment in California (2012)  
Wind Projects and Land Value (2012)  
Diminution of Value and Severance Damages (2011)  
Annual Summer Conference (2011)  
IRS Valuation Summit II (2011)  
Qualitative Analysis (2011)  
Wetlands, Waterways & Unusual Valuation Issues (2011)  
Economic Forecast (2010 & 2011)  
Partial Interests/GIS/Ad Valorem Tax/Managing Trainees (2006)  
California Conservation Easements (2005)  
Water Rights Symposium sponsored by ASFMRA (2005)  
Market Analysis and A Site to Do Business (2005)  
Eminent Domain California Update (2005)  
Estimating Loss in Value (2004)  
Appraisal Litigation Practice and Courtroom Management (2003)  
Case Studies in Limited Partnership and Common Tenancy (2003)  
Entitlement, Land Subdivision and Valuation (2001)  
Communications Corridors, Tower Sites, and Property Rights (2001)  
Federal Land Exchanges and Acquisitions: Appraisal Issues Applications (2000)  
Public Interest Value vs. Market Value Seminar (1999)  
The Condemnation Process (1998)  
Wetlands Valuation (1998)  
Valuation of Detrimental Conditions (1998)

**International Right of Way Association**

Transportation Corridors (1999)  
Taking "Special" out of Benefits (1997)  
Condemnation Appraising and Mock Trial (1997)  
Contaminated Properties (1993)

**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA** (continued)

**AFFILIATIONS**

Northern California Chapter, Appraisal Institute  
Sacramento Sierra Chapter, Appraisal Institute

**RECENT PROFESSIONAL ACTIVITIES**

**Appraisal Institute:**

Sacramento Sierra Chapter Annual Tahoe Conference, What the Heck is  
Usufructuary Rights (2016)  
Chair of 2014 and 2015 Annual Spring Litigation Conferences (2014-2015)  
Spring Litigation Conference Committee (2011) (2012) (2013)  
California State Legislative Subcommittee (2013-2014)  
Member of the National Nominations Committee (2000)  
Member of the National Board of Directors (1997-1999)  
Region I Vice Chair (1997-1998)  
National Finance Committee (1998-1999)  
San Francisco Bay Area Chapter President (1995)  
San Francisco Bay Area Chapter Vice President (1994)  
San Francisco Bay Area Chapter Treasurer (1993)  
Northern California Chapter Secretary (1992)  
Northern California Chapter Board of Directors (1989-92)  
Sierra-Nevada Chapter Board of Directors (1989-91)  
Northern California Chapter Long Range Planning Committee (1989)  
Northern California Chapter Admissions Committee (1986-90)  
Professional Standards Review and Counseling Committee (1984-91)

**Other:**

Committee Work and Seminar Presentations - California  
Council of Land Trusts (2012 - 2014)

**COMMUNITY ACTIVITIES**

Cordelia Rotary, Charter Member and 2001-2002 President

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# GARLAND & ASSOCIATES

REAL PROPERTY ECONOMICS ANALYSTS & APPRAISERS

September 19, 2019

Ted Caldwell  
P.O. Box 38  
Davis, CA 95617

Subject: 320- 322 Merganser Dr., Suisun City  
Leased Fee Interest Appraisal of the Land as if Vacant

Dear Mr. Caldwell:

The following is a restricted use appraisal report. You are the sole intended user of this report. This report transmits only the most important information and conclusions of my appraisal. This document is not intended to transmit most of the information typically found in an appraisal report. My research and analysis notes remain in my file.

The subject of this appraisal is Solano County APNs 0173-010-21 and 0173-010-22. The legal descriptions may be found in Fidelity National Title Company Preliminary Reports 06-737176-CD dated July 5, 2006 and 06-737177-KZ dated July 5, 2006. The property has street addresses of 320 and 322 Merganser Dr., Suisun City.

Each parcel is improved with a late 1980s built apartment complex. These buildings are leasehold improvements on ground leased land. The land was leased on December 27, 1985, for a 55-year term from January 1, 1986 through December 31, 2041. The lease calls for a \$1.00 per year rent. You have reported to me that the entire 55-year lease rent was paid in full at the beginning of the lease. The lessee is responsible for all property expenses including taxes.

Of significance, the ground lease second amendment included a *Grant of Option to the Lessee*. The lessee was granted the right to purchase the fee interest at any time during the last five years of the lease. The option agreement specifies the sale price will be determined without consideration of the lease, and less clearly references the sale price will be determined without consideration of the buildings.

The option specifies the lessor and lessee can mutually agree upon a sale price. If lessor/lessee agreement is not reached there is a defined, somewhat typical, multiple appraisers and appraisals processes to establish the sale price.

The option talks about the sale price, without specification of the basis of the sale price. There is a lot of discussion of the process of how the sale price number is to be reached. However, there is no discussion of what the sale price number is to represent.

The process discussion directly addresses not considering the lease in the sale price establishment. The discussion vaguely discusses land; I think intending to mean not including the buildings. In my opinion, the likely legal interpretation of this poorly worded provision is that the appraisals are to be of the market value of the fee simple interest excluding the structural and site improvements. However, there is certainly the potential of litigation as to the meaning of the second amendment paragraph **17.04 Purchase Price**.

The subject of this current appraisal is the fee interest of the land, as if vacant, as encumbered by the ground lease. I have formed a professional opinion of the current market value of the leased fee interest. I have utilized The Appraisal Institute *Dictionary of Real Estate Appraisal*, 6<sup>th</sup> Edition, definition of Market Value.

In this assignment I am communicating the results of my appraisal in a restricted use report format in conformance with the Uniform Standards of Professional Standards of Professional Appraisal Practice (USPAP) Standard 2-2 (b). As such, the research and analysis remain in my work file and are not presented within this restricted use appraisal report.

You are the sole intended user of this report. The sole intended use is for consideration in offering to purchase the leased fee interest in the land. I inspected the subject property September 17, 2019, which is the date of value of this appraisal.

To my knowledge the subject property has not sold during the past three years. Also, to my knowledge there have been no offers to sell, or offers to buy, the subject property within the past three years.

### **Analysis**

The leased fee interest of the subject property as if vacant land, serves as a long term passive investment; the lease creates no annual income nor obligations to the owner of the fee interest. While it is technically possible that the lessee would not exercise their purchase option, and the buildings might revert to the fee owner at the end of the lease, that potential is remote at best. The more reasonable analytical premiss is the lessee will exercise their purchase option, and purchase the fee interest at the then land value sale price.

The current highest and best use of the leased fee interest is the only legal use of the property; which is to wait 17.5 to 22.5 years to receive the then land value through the tenant exercising their option to purchase the subject fee interest of the land as if vacant.

Because there is no interim income the current value of the subject leased fee interest is the present value of the future reversion of the land. This is somewhat analogous to a zero-coupon bond.

From an investment perspective the major difference between the subject and a zero-coupon bond is the reversion of a zero-coupon bond is the face value of the bond, but the subject reversion is the land value at the time of the reversion. While land values may or may not trend closely with the general inflation rates, land is a well established inflation hedge investment. On the other hand zero coupon bond reversion amounts do not index or trend with inflation.

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Yet another significant difference between the subject leased fee interest, and a zero coupon bonds is that a zero-coupon bond is a highly liquid asset. It can be sold on the bond market within minutes. However, the subject leased fee interest is a highly illiquid asset. It is an unusual asset, that is not the target of any particular investment buyer profile.

Because the subject is a real property asset that creates no revenue stream to service debt, the subject property leased fee interest is not financeable, at least not financeable as real property secured financing. It is a cash only buyer profile asset.

It is possible that the buyer might be well healed and seeking to fund future grandchildren college educations, or some such motivation. However, other than you, being the current leasehold interest owner seeking to assemble the fee interest, finding a buyer of the subject is a challenge at best. It is that generic buyer, not you as a specific buyer that is the definition of market value buyer profile.

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A current land value certainly can and will be estimated. That is however no more valid future value indication than trying to look at 1995 land sales to form an opinion of the current land value. One method of estimating a future land value the applying an anticipated appreciation rate, which is a WAG if one ever existed. In that analytical approach the appropriate discount rate then needs to be weighed similarly on the conservative/liberal spectrum.

That is, if a conservative appreciation rate is used, then a conservative appreciation component of the discount rate needs to be applied. If the appreciation rate is forecast as a large rate, then the appreciation component discount rate needs to be similarly large or bold.

An alternative approach is to analyze the current value as the reversion and discount at a true yield rate exclusive of the inflation rate component. Most of the volatility over time in interest rates, discount rates, and other present value of a dollar functions has to do with volatility in inflation rates. In analyzing low risk true yield rates (exclusive of inflation rates) over decades they have typically fallen within the range 2% to 3% with the total yield being 2% to 3% plus the inflation rate.

Because the future inflation rate and future total yield rate expectation are at best a guess and are applied equally to the land value, and the discount rate, I would be inclined to discount the current land value 17.5 to 22.5 years in the future by a true yield discount rate of 2.5% annually.

However, because of the lack of financeability and other lack of investment liquidity factors, in my opinion an appropriate discount rate is 3%.

The present value factor of a dollar, 17.5 years in the future at 3% is 0.596075.

The present value factor of a dollar, 22.5 years in the future at 3% is 0.514180.

In forming an opinion of the current land value I have considered the recent land sales summarized in the following table.

#	Location	Zoning	Sale Date	Sale Price	Sq Ft	\$/ Sq Ft
1	SW corner Allison Dr. & Travis Wy Vacaville	HDR -PD	12/18	\$5,500,000	649,480 G* 477,853N*	\$8.47 \$11.51
2	4625 Mangels Blvd. Fairfield (Rockville Terrace site)	IBP	01/15	\$1,700,000 <sup>1</sup>	216,929	\$7.84
3	160 ± Tabor Ave (APN0034-122-10) Fairfield	RH	11/18	\$325,000	66,646	\$4.88
4	3950 Business Center Dr. Fairfield	RH	04/15	\$1,200,000	245,678 G* 139,828 N*	\$4.88 \$8.58
5	Eton Ct., Fairfield	RH	04/15	\$1,495,000	202,554	\$7.36
6 5	1972 Tabor Ave., Fairfield	RM	02/16	\$1,100,000	179,032	\$6.14

\* G = gross, N = net

1. The original negotiated price was \$1,700,000, which was negotiated down to \$1,150,000 due to earthquake damage to the site during the escrow period. The \$1,700,000 price is the undamaged site value in this sale transaction.

My analysis of these sales leads me to the opinion that the current land value is in the range of \$7.00 to \$8.00 per square foot as calculated below

$$138,520 \text{ Sq Ft} \times \$7.00/\text{Sq Ft} = \$969,640$$

$$138,520 \text{ Sq Ft} \times \$8.00/\text{Sq Ft} = \$1,108,160$$

Rounded to a \$1,000,000 current fee simple land value

Then discounting the constant dollar (non-inflated) \$1,000,000 reversion in the future leads to the following discounting calculations.

$$\$1,000,000 \text{ future reversion in 17.5 years} \times 0.596075 \text{ PV factor} = \$596,075$$

$$\$1,000,000 \text{ future reversion in 22.5 years} \times 0.514180 \text{ PV factor} = \$514,180$$

Rounded to \$550,000

In my opinion the current Market Value of the Leased Fee interest in the subject property land as if vacant, is \$550,000.

Because of the lack of liquidity of the subject property, in my opinion of the necessary exposure time to have resulted in a sale of the subject property on the date of value would have been in the range of two years.

## ASSUMPTIONS AND LIMITING CONDITIONS

The Uniform Standards of Professional Appraisal Practice defines a Hypothetical Condition as:

An assumption which is contrary to what is firmly known to exist, but is supposed or assumed for the purpose of discussion or analysis. In compliance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), we are informing readers and users of this appraisal that the use of a Hypothetical Condition was utilized in our analysis and impacts the assignment analysis, conclusions and opinions.

### **Hypothetical Condition:**

the subject land is improved with an apartment complex. The appraisal is of the land as if vacant. Intrinsically this means the appraisal is subject to the hypothetical condition that the site is vacant, which is not its known physical condition.

This appraisal is subject to the following *SPECIFIC* assumptions and limiting conditions:

1. The Client is Ted Caldwell. The intended user is the Client. The sole intended use of this appraisal is for Client consideration in potentially purchasing the leased fee interest in the subject property. Any other parties choosing to utilize this appraisal do so at their own risk, and without our consent.
2. Current Title Reports were not provided as part of this assignment. It is a specific assumption of this appraisal that there are no title issues or encumbrances that would have an impact on value.

This appraisal is subject to the following *GENERAL* assumptions and limiting conditions:

1. Reliance upon this report by any intended user is implied concurrence that the Scope of Work of the appraisal assignment is appropriate for the intended use of that user.
2. It is the responsibility of the Client to read this report and to inform the appraisers of any errors or omissions of which he/she is aware of before using this report or making it available to a third party.

**ASSUMPTIONS AND LIMITING CONDITIONS (continued)**

3. Unless specifically stated in this report, nothing contained herein shall be construed to represent any direct or indirect recommendation to buy, sell, hold, or construct the property appraised at the appraised value. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
4. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on the property, was not called to our attention nor did I become aware of such during the inspection. I have no knowledge of the existence of such substances on or in the property unless otherwise stated and I am not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion reported herein is predicated on the assumption that no such hazardous substances exist in or on the property, or in such proximity that would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.
5. No liability is assumed for matters legal in character.
6. I assume that there are no defects of title and that the property is free and clear of all liens or encumbrances.
7. No right or obligation to expert testimony or attendance in court by reason of this appraisal, with reference to this property, is included, unless arrangements have been previously made.
8. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purposes by any but the principal to whom it is addressed without said principal's previous written consent, and in any event, only with the proper qualifications.
9. The information furnished by others, as identified in this report, is believed to be accurate and reliable, but no guarantee is made as to the correctness thereof.



**ASSUMPTIONS AND LIMITING CONDITIONS (continued)**

10. The projections of costs, income, and expenses for the subject property are not predictions of the future. These projections are our best estimates of the current market thinking about what future income and expenses will be. I make no warranty or representation that these projections will materialize. The real estate market is constantly fluctuating and changing and it is not our task to estimate the conditions of a future real estate market. I can only reflect what the investment community envisions for the future in terms of rental rates, expenses, supply and demand.
11. Any sketches in this report are included to assist the reader in visualizing the property. Land dimensions were taken from available public information and I assume no responsibility for these dimensions.
12. Neither all nor any parts of the content of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute, or to the MAI or SRA designations) shall be disseminated to the public through any media or to any other parties without prior written consent and approval.
13. Ronald G. Garland is certified by the State of California as General Real Estate Appraisers. However, I am not licensed or certified in the fields of building inspection or civil, soils, structural, or environmental engineering. I believe that the subject property is not adversely impacted by hidden or unapparent conditions relative to these fields, unless otherwise stated within this report.
14. I assume that there are no hidden or unapparent conditions which would influence the value of the subject property.

## SCOPE OF APPRAISAL

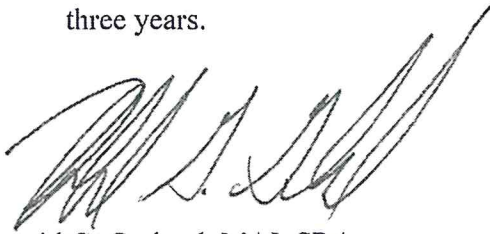
1. Discussed with the Client the nature of the assignment, including an agreement of the purpose and intended use of the report, date of valuation and report, property rights and interest appraised, extraordinary assumptions, values to be reported, and any other appropriate restrictions or limitations to be placed on the scope of the assignment.
2. Ronald Garland inspected the subject property on September 17, 2019.
3. Investigated the current ownership and recent history of the subject property.
4. Investigated the city, area, and immediate location in relation to the impact of these locales on the subject property.
5. Reviewed relevant sections of the ground lease, and the second amendment to the ground lease.
6. Formed an opinion of the highest and best use of the subject property.
7. Researched comparable sales, including public records, other appraisers, active and knowledgeable brokers, and publications providing comparable sale data.
8. Inspected all of the comparable sales used in analysis.
9. Confirmed comparable data to the extent necessary, preferably with parties immediate to each transaction.
10. Researched and analyzed current discount rate indicators in the marketplace, including sales of long term ground leased properties and current zero-coupon bond rates.
11. Developed an opinion of the value of the subject property by use of appropriate appraisal techniques.
12. Prepared this written restricted use appraisal report document.

## CERTIFICATION

I certify that, to the best of my knowledge and belief

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standard of Professional Appraisal Practice.
8. I have personally inspected the property that is the subject of this report.
9. No person provided significant real property appraisal assistance to the persons signing this report.

10. To the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Ronald G. Garland has completed the continuing education program of the Appraisal Institute.
13. I have the necessary education and experience to competently perform this appraisal assignment.
14. Ronald G. Garland is currently certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).
15. This appraisal is intended to be in compliance with the Uniform Standards of Professional Appraisal Practice.
16. I have previously appraised the subject property for the same client and intended use on May 25, 2017. I have not performed any other service on these properties during the prior three years.



Ronald G. Garland, MAI, SRA  
CA #AG001662



Date

## PROFESSIONAL QUALIFICATIONS of RONALD G. GARLAND, MAI, SRA

Ronald G. Garland, MAI, SRA is a real property analyst and appraiser, experienced in the appraisal of single and multi-family residential, subdivision, office, retail, light industrial, speculative land, development land, and agricultural land. In addition to appraisal, Mr. Garland is experienced in the analysis and valuation of various complex and special purpose properties, along with development valuation, analysis, and feasibility studies. Specialized studies include absorption analysis, financial feasibility analysis, development cash flow analysis, conservation easements, and complex or specialized property highest and best use analysis. Mr. Garland has testified as an expert witness in the Solano, Napa, Contra Costa and Sacramento County Superior Courts and the United States Bankruptcy Court - Eastern District of California relating to various real estate valuation topics. Mr. Garland has taught seminars on the appraisal of conservation easements for both the Northern California and Sierra Nevada Chapters of the Appraisal Institute and for the California Council of Land Trust. Mr. Garland has been published in the California Land Use Law & Policy Reporter.

Mr. Garland holds both the MAI and SRA designations of the Appraisal Institute and has been recertified under the voluntary program of continuing education for the designated members of the Institute. Mr. Garland served an elected term as a member of the National Board of Directors of the Appraisal Institute from 1996 through 1999 and served as the 1995 President of the San Francisco Bay Area Chapter of the Appraisal Institute. Mr. Garland is also certified by the State of California Office of Real Estate Appraisers as a Certified General Real Estate Appraiser (AG001662).

### EMPLOYMENT

July, 1983	Owner/Operator, Garland and Associates
July, 1979	District Appraisal Officer, Bank of America
December, 1976	Appraiser, Merced County Assessor's Office

### EDUCATION

University	University of California at Davis, Bachelor of Science in Agricultural Science and Management (1976)
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Appraisal Courses	<b>Appraisal Institute:</b> Litigation Appraising: Specialized Topics and Applications (2013) The Appraiser as an Expert Witness: Preparation & Testimony (2013) Condemnation Appraising: Principles and Applications (2013) Business Practice and Ethics (2007) (2013) Valuation of Conservation Easements (2008) Effective Appraisal Writing (2004) Uniform Appraisal Standards for Federal Land Acquisitions - (Yellow Book)(2002)
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**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA (continued)**

Appraisal Courses

**Appraisal Institute:** (cont.)  
Advanced Income Capitalization (1998)  
Advanced Sales Comparison and Cost Approaches (1996)  
Highest & Best Use and Market Analysis (1995)  
Capitalization Theory & Techniques, Part B (AIREA, 1986)  
Valuation and Report Writing (AIREA, 1985) Case Studies (AIREA, 1985)  
Electronic Spreadsheet in the Appraisal Office (AIREA, 1985)  
Residential Valuation (AIREA, 1984)  
Subdivision Analysis (AIREA, 1982)  
Introduction to Appraisal (SREA, 1978)  
Income Property Appraisal (SREA, 1978)

**RECENT CONTINUING EDUCATION**

Seminars/Workshops

**Appraisal Institute:**  
Appraisal Litigation Conference (2013) (2012) (2011) (2009)  
Appraising the Appraisal (2012)  
The Death of Redevelopment in California (2012)  
Wind Projects and Land Value (2012)  
Diminution of Value and Severance Damages (2011)  
Annual Summer Conference (2011)  
IRS Valuation Summit II (2011)  
Qualitative Analysis (2011)  
Wetlands, Waterways & Unusual Valuation Issues (2011)  
Economic Forecast (2010 & 2011)  
Partial Interests/GIS/Ad Valorem Tax/Managing Trainees (2006)  
California Conservation Easements (2005)  
Water Rights Symposium sponsored by ASFMRA (2005)  
Market Analysis and A Site to Do Business (2005)  
Eminent Domain California Update (2005)  
Estimating Loss in Value (2004)  
Appraisal Litigation Practice and Courtroom Management (2003)  
Case Studies in Limited Partnership and Common Tenancy (2003)  
Entitlement, Land Subdivision and Valuation (2001)  
Communications Corridors, Tower Sites, and Property Rights (2001)  
Federal Land Exchanges and Acquisitions: Appraisal Issues Applications (2000)  
Public Interest Value vs. Market Value Seminar (1999)  
The Condemnation Process (1998)  
Wetlands Valuation (1998)  
Valuation of Detrimental Conditions (1998)

**International Right of Way Association**  
Transportation Corridors (1999)  
Taking "Special" out of Benefits (1997)  
Condemnation Appraising and Mock Trial (1997)  
Contaminated Properties (1993)

**PROFESSIONAL QUALIFICATIONS**  
**RONALD G. GARLAND, MAI, SRA (continued)**

**AFFILIATIONS**

Northern California Chapter, Appraisal Institute  
Sacramento Sierra Chapter, Appraisal Institute

**RECENT PROFESSIONAL ACTIVITIES**

**Appraisal Institute:**

Sacramento Sierra Chapter Annual Tahoe Conference, What the Heck is  
Usufructuary Rights (2016)  
Chair of 2014 and 2015 Annual Spring Litigation Conferences (2014-2015)  
Spring Litigation Conference Committee (2011) (2012) (2013)  
California State Legislative Subcommittee (2013-2014)  
Member of the National Nominations Committee (2000)  
Member of the National Board of Directors (1997-1999)  
Region I Vice Chair (1997-1998)  
National Finance Committee (1998-1999)  
San Francisco Bay Area Chapter President (1995)  
San Francisco Bay Area Chapter Vice President (1994)  
San Francisco Bay Area Chapter Treasurer (1993)  
Northern California Chapter Secretary (1992)  
Northern California Chapter Board of Directors (1989-92)  
Sierra-Nevada Chapter Board of Directors (1989-91)  
Northern California Chapter Long Range Planning Committee (1989)  
Northern California Chapter Admissions Committee (1986-90)  
Professional Standards Review and Counseling Committee (1984-91)

**Other:**

Committee Work and Seminar Presentations - California  
Council of Land Trusts (2012 - 2014)

**COMMUNITY ACTIVITIES**

Cordelia Rotary, Charter Member and 2001-2002 President

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**RESOLUTION NO. PC19-12**

**A RESOLUTION OF THE CITY OF SUISUN CITY PLANNING COMMISSION  
MAKING A FINDING OF GENERAL PLAN CONFORMITY FOR THE PROPOSED  
FUTURE SALE OF CITY-OWNED REAL PROPERTY LOCATED AT 320 AND 322  
MERGANSER DRIVE (APN'S 0173-010-210 AND 220)**

**WHEREAS**, Government Code Section 65402 provides that prior to the sale of real property, the City Planning Commission must make a finding that the property is in conformance with the General Plan; and

**WHEREAS**, the property located at 320 and 322 merganser Drive is designated as "Residential High Density" on the City's General Plan Map; and

**WHEREAS**, the proposed use of the real property subsequent to the sale is consistent with the "Residential High Density" designation of the General Plan; and

**WHEREAS**, any development or use of the real property subsequent to the sale will be required to be consistent with the designation of the "Residential High Density" designation of the General Plan; and

**WHEREAS**, on November 19, 2019, the Planning Commission reviewed the staff report and materials, considered all testimony and arguments, if any, of all persons desiring to be heard, and considered all the facts relating to the subject application at a Planning Commission meeting; and

**WHEREAS**, the Planning Commission desires to make a finding of General Plan conformance based upon substantial evidence.

**NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF SUISUN CITY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:**

**Section 1.** *Incorporation of Recitals.* That the above recitations are true and correct.

**Section 2.** *Finding.* The City of Suisun City's proposed future sale of city-owned real property located at 320 and 322 Merganser Drive is consistent with the City's General Plan and its designation of the subject site as "Residential High Density".

**Section 3.** The City of Suisun City's proposed future sale of the subject real property is consistent with the City's General Plan and Zoning Map; both of which designate the property as "Residential High Density".


**Section 4.** *Environmental Clearance.* The Planning Commission finds that the proposed sale of real property is categorically exempt from the California Environmental Quality Act (CEQA), under Section 15061(b)(3) because it does not have the potential to have a significant effect on the environment. If future improvements or modifications are proposed, staff will consider those impacts at that time.

**Section 5.** *Certification.* The Secretary of the Planning Commission shall certify to the adoption of this Resolution.

The foregoing motion was made by Commissioner Ramos and seconded by Commissioner Borja and carried by the following vote:

AYES: Commissioners: Borja, Clement, Holzwarth, Ramos  
NOES: Commissioners: None  
ABSENT: Commissioners: Pal, Rowe, Thomas  
ABSTAIN: Commissioners: None

**WITNESS** my hand and the seal of said City this 19<sup>th</sup> day of November 2019.

  
\_\_\_\_\_  
Joann Martinez  
Commission Secretary



# Public Hearing: Confirming Intent and Approving Sale of Two Parcels Owned by City

373

City Council Meeting  
November 26, 2019



# Process

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- On November 5<sup>th</sup> the Council adopted a Resolution of Intent and set Public Hearing date
- Tonight is the Public Hearing to discuss the sale of the properties
- If there are any protests regarding the potential sale, the Council may overrule the protests by a four-fifths vote of the Council



# Background

- The City owns two parcels located at 320 and 322 Merganser





# Background

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- City originally leased to developer in 1985 to create local senior housing
- Properties are currently ground-leased to the owners of Casa de Suisun senior apartments for \$1/yr (pre-paid) through 2041
- No functional need for City to own the land



# Purchase and Sale Agreement

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- The owners of Casa de Suisun expressed interest in purchasing the properties for \$550k based on appraisal dated 9.19.19
- Buyer agrees to maintain the buildings as senior apartments for at least 25 years



# Strategic Plan Goals

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- Provide Good Governance
  - No reason for City to continue to own
- Ensure Fiscal Solvency
  - Funds will go into the General Fund





# Recommendation

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- Open Public Hearing
- Hear Public Testimony
- Adopt Resolution approving the sale of two parcels owned by the City
- Adopt Resolution authorizing the City Manager to execute the Agreement for Purchase and Sale of Real Property



Item 9  
Attachment 11

# Questions?

## AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

**CITY AGENDA ITEM:** Consideration of Recommendations of Cannabis Ad Hoc Committee

- A. Adoption of Council Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, Approving the Following Documents to Establish a Request for Applications Process for Review And Selection of a Recommended Operator for a Cannabis Storefront Retailer/Dispensary Pursuant to Suisun City Code Section 18.49.160(B): (1) Request for Applications Guidelines and Procedures; (2) Supplemental Security Requirements – Cannabis Storefront Retailer/Dispensary; and (3) Notice of Request for Applications – Storefront Retailer/Dispensary.
- B. Adoption of Council Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, Setting the Tax Rate to be imposed upon Commercial Cannabis Businesses Pursuant to Chapter 3.44 (Commercial Cannabis Regulatory Tax) of Title 3 (Revenue and Finance) of the Suisun City Municipal Code.

**FISCAL IMPACT:** The storefront retailer is expected to generate over \$100,000 in general revenue annually. A negotiated tax rate and the success of the storefront retailer could substantially affect City revenues positively.

**STRATEGIC PLAN IMPACT:** Develop sustainable economy, ensure fiscal solvency.

**BACKGROUND:** On May 29, 2018, the City Council adopted Ordinance No. 750, adding Chapter 18.49 (“Cannabis Regulatory Program”) to the Suisun City Code (SCC). Adoption of this ordinance established a comprehensive regulatory program for commercial cannabis activities, including provisions related to storefront retailers. The actions currently under consideration would establish procedures for the review of storefront retailers and would set the tax rate for cannabis businesses per Measure C.

On February 19, 2019, the City Council received a report on this item and provided initial comments to staff. This report and various attachments have been updated to respond to Council comments. The item was continued to March 5, 2019.

On March 5, 2019, the City Council received a report on this item and provided initial comments to staff. An Ad Hoc committee was formed consisting of Councilmembers Adams and Williams to address the concerns of the March 5th City Council meeting.

**PREPARED BY:**  
**REVIEWED BY:**  
**APPROVED BY:**

Joann Martinez, Assistant City Planner  
 John Kearns, Senior Planner  
 Greg Folsom, City Manager

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**STAFF REPORT:** The Cannabis Ad Hoc Committee has met on multiple occasions with staff to go over the questions/issues identified by Council, as well as to review the existing Request for Applications, Existing Cannabis Ordinance, and Existing Cannabis Fees. Two resolutions are before the City Council for consideration. The first resolution, provided as Attachment 1, addresses the application review process and includes the following exhibits: RFA Notice; RFA Guidelines and Procedures; and, Supplemental Security Requirements. The second resolution would establish the tax rate for cannabis businesses per Measure C.

**March 5<sup>th</sup> Comment Review:** The following are the responses to the questions posed at the March 5<sup>th</sup> Council meeting:

1. Directed staff to research with a wide net to see what other cities are doing in regard to the performance deposit with detail for the basis.
  - a. Staff gathered information from neighboring cities and best practices and shared the information with the Ad Hoc Committee in order to come to a well-informed decision. The Ad Hoc committee decided to take out the performance deposit. This will be discussed at a future meeting regarding fee
2. Surveillance - supplemental security measures as noted in staff report, buffer – staff will work with police department, schools, and Solano Transportation Authority regarding safe school routes and what buffer zone could be created.
  - a. Staff will bring this to the Ad Hoc committee to discuss, and amend the current code in the Cannabis Ordinance.
3. Council to set tax rate and directed staff to research the rate in the surrounding areas.
  - a. Staff gathered information from neighboring cities and best practices and shared the information with the Ad Hoc Committee. Ad Hoc recommendation will be shared at the December City Council meeting with a Public Hearing.
4. Living wage to stay with staff bringing back what the standard is for living wage.
  - a. In the document Exhibit B: Request for Application Guidelines and Procedures, this is addressed in the Community Benefits, Labor and Employment section. Applicants are scored higher when they provide their employees living wages.
5. Notification requirements – when application is received notification would be given to all properties with 300 feet and notice of when council would be reviewing said application.
  - a. Staff is currently implementing, on a City-wide level, to change noticing the public noticing from 300 feet to 600 feet minimum, as well as posting a large sign at the proposed property. There will also be longer noticing of 2 weeks instead of the minimum 10 days.

**Ad Hoc Recommendation Summary- Request for Applications**

SCC Section 18.49.160 establishes that up to one storefront retailer may operate in Suisun City at any given time. The SCC further directs that a Request for Applications (RFA) process will be conducted to accept and consider applications for the one allowed storefront retailer. The Ad Hoc

committee reviewed and edited the following documents: Request for Application Guidelines and Procedures; Supplemental Security Requirements with the following recommendations:

Request for Applications Guidelines and Procedures:

SCC Sec. 18.49.160(B)(4) stipulates that the City Council shall approve a process for reviewing and selecting a storefront retailer from applications received through the RFA process. To date, approximately twenty individuals and businesses have expressed interest in operating some form of cannabis business in Suisun City. Given that only one storefront retailer applicant can ultimately be selected, under the current ordinance, it is important that the selection process be fair and transparent. Clearly describing the process for review and the basis for selection helps to ensure that applications are evaluated in a fair and consistent manner.

- RFA Notice:
  - Due to the complexity of requirements associated with the RFA process, staff recommends that a notice be published and circulated to interested parties in advance of the application period during which applications will be accepted. The RFA Guidelines and Procedures (described below) would be released with the RFA Notice. During the notice period, staff would hold an informational workshop to discuss the application process with prospective operators and respond to questions associated with the process. The intent is that prospective operators would be well-prepared to complete an RFA application within the 90-day application window. The RFA Notice also summarizes the RFA process, including application dates and the process by which the City Council would consider applications.
- RFA Review Process:
  - Both the RFA Notice and the RFA Guidelines and Procedures describe a review process that includes a preliminary review and scoring of applications by City staff. Staff findings would be presented to the City Council for consideration. The City Council's first action would be to identify a recommended operator for the storefront retailer business. Once a recommended operator is identified, staff would work directly with that applicant to finalize the review process, complete any required CEQA analysis, determine compliance with all applicable City regulations and develop project specific conditions of approval. Upon completion of review of the recommended operator, the application would be presented to the City Council for final action.
- RFA Review Criteria:
  - In the interests of clarity and transparency, the RFA Guidelines and Procedures includes scoring criteria that would be applied in the review of applications. The scoring criteria identify eight key items in the application that would be evaluated and assigns points to each item, providing a maximum possible score of 200 points.
 

▪ Site Control	0 – 15 points
▪ Business Plan	0 – 30 points
▪ Floor Plan Elevations	0 – 25 points

- Qualification of Applicants 0 – 20 points
  - Neighborhood Compatibility 0 – 30 points
  - Safety and Security Plan 0 – 25 points
  - Community Benefits 0 – 15 points
  - Labor & Employment 0 – 15 points
  - Air Quality Control Plan 0 – 25 points
- Cash Deposit: **Recommendation to delete Cash Deposit to be included in future fee discussion.**

Supplemental Security Requirements – Cannabis Storefront Retailer/Dispensary:

SCC Chapter 18.49 establishes numerous requirements that assure cannabis businesses will be operated in a safe and secure manner to avoid negative impacts on the community. In addition to these currently adopted measures, staff proposes adoption of supplemental security requirements applicable to a storefront retailer business. These proposed requirements relate specifically to storefront retailer businesses.

To the extent practicable, applicants will demonstrate compliance with the supplemental security measures in the RFA application process. Some of the specific measures identified in the supplemental security requirements cannot be confirmed until tenant improvement plans are submitted and reviewed under the building permit process. Compliance with these security measures would be required through conditions of approval and confirmed prior to the business commencing operations.

- **Per Ad Hoc discussion, a consensus was made to take out the fencing requirements. The reasoning behind this is that fencing will be addressed in the ‘Safety and Security Plan’ and approved by Suisun City PD.**

Staff Recommendation: It is recommended that the City Council adopt Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, Approving the Following Documents to Establish a Request for Applications Process for Review and Selection of a Recommended Operator for a Cannabis Storefront Retailer/Dispensary Pursuant to Suisun City Code Section 18.49.160(B): (1) Request for Applications Guidelines and Procedures; (2) Supplemental Security Requirements – Cannabis Storefront Retailer/Dispensary; and (3) Notice of Request for Applications – Storefront Retailer/Dispensary.

**Ad Hoc Recommendation Summary- Setting Tax Rate for Cannabis Businesses**

With the passage of Measure C in November 2018, City residents approved taxes on cannabis businesses in the City with nearly 74% of voters favoring the measure. Measure C established the maximum tax rates that may be applied to cannabis businesses as 15% of gross receipts and an annual tax of \$25 per square foot of space used for commercial cannabis activities. Voter approval automatically set tax rates at the maximum allowed rates.

The establishment of both a gross receipts tax and a per square foot tax was proposed to allow the City flexibility to charge taxes under either or both approaches.

- Per Ad Hoc discussion a consensus recommendation was made:
  - Cannabis Retailer/Dispensary (including delivery only)
    - 7% Gross Receipts; State Medical Identification card will be exempt from tax.
    - \$2 per SQFT
  - Other Cannabis Businesses (Other than Cannabis Retailer/Dispensary)
    - 5% Gross Receipts
    - \$5 per SQFT

**Staff Recommendation:** It is recommended that the City Council adopt Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, setting the Tax Rate to be imposed upon Commercial Cannabis Businesses Pursuant to Chapter 3.44 (Commercial Cannabis Regulatory Tax) of Title 3 (Revenue and Finance) of the Suisun City Municipal Code.

**Future Actions:**

The Cannabis Ad Hoc committee had additional recommendations regarding the existing Cannabis ordinance that will come back to Council for discussion and direction.

- Per Ad Hoc discussion, a recommendation will be made to increase the Application Review Fee and CCBP Annual Fee. The previous analysis did not adequately account for City Manager and City Attorney time.
- Per Ad Hoc discussion, a recommendation will be made to further discuss Cannabis Ordinance No. 750 at a future Council meeting to potentially make it more attractive for cannabis businesses to locate in Suisun City.

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**CEQA ANALYSIS:** The recommended actions considered herein include establishment of a review process for storefront retailer applications and a tax rate for cannabis businesses, per Measure C. Establishment of the review procedures and approval of the tax do not, of themselves, allow any new use to commence. Subsequent discretionary actions by the City Council are required before a storefront retailer may be operated in the City and, therefore, no impact on the environment could result from the current actions. Because subsequent discretionary actions by the City Council would be required before a storefront retailer may be operated in the City, no impact on the environment could result from the recommended actions. Consequently, the recommended actions are exempt from CEQA under CEQA Guidelines Section 15061(b)(3), in that there is no possibility that the activity in question may have a significant effect on the environment. No further analysis under CEQA is required at this time.

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**RECOMMENDATION:** Based on tonight’s discussion and provided the City Council does not modify the direction of any of the key steps or actions intended in the current resolutions:

- A. It is recommended that the City Council adopt Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, Approving the Following Documents to Establish a Request for Applications Process for Review And Selection of a Recommended Operator for a Cannabis Storefront Retailer/Dispensary Pursuant to Suisun City Code Section 18.49.160(B): (1) Request for Applications Guidelines and Procedures; (2) Supplemental Security Requirements – Cannabis Storefront Retailer/Dispensary; and (3) Notice of Request for Applications – Storefront Retailer/Dispensary.
- B. It is further recommended that the City Council adopt Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, setting the Tax Rate to be imposed upon Commercial Cannabis Businesses Pursuant to Chapter 3.44 (Commercial Cannabis Regulatory Tax) of Title 3 (Revenue and Finance) of the Suisun City Municipal Code.

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**ATTACHMENTS:**

- 1. Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, Approving the Following Documents to Establish a Request for Applications Process for Review And Selection of a Recommended Operator for a Cannabis Storefront Retailer/Dispensary Pursuant to Suisun City Code Section 18.49.160(B): (1) Request for Applications Guidelines and Procedures; (2) Supplemental Security Requirements – Cannabis Storefront Retailer/Dispensary; and (3) Notice of Request for Applications – Storefront Retailer/Dispensary.
  - Exhibit A: Request for Application Notice
  - Exhibit B: Request for Application Guidelines and Procedures
  - Exhibit C: Supplemental Security Requirements
- 2. Resolution No. 2019-\_\_ : A Resolution of the City Council of the City of Suisun City, California, Setting the Tax Rate to be imposed upon Commercial Cannabis Businesses Pursuant to Chapter 3.44 (Commercial Cannabis Regulatory Tax) of Title 3 (Revenue and Finance) of the Suisun City Municipal Code.
- 3. Redlined versions of: Request for Application Guidelines and Procedures; and Supplemental Security Requirements.
- 4. Measure C
- 5. Power Point Presentation



**RESOLUTION NO. 2019-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY, CALIFORNIA, APPROVING THE FOLLOWING DOCUMENTS TO ESTABLISH A REQUEST FOR APPLICATIONS PROCESS FOR REVIEW AND SELECTION OF A RECOMMENDED OPERATOR FOR A CANNABIS STOREFRONT RETAILER/DISPENSARY PURSUANT TO SUISUN CITY CODE SECTION 18.49.160(B): (1) REQUEST FOR APPLICATIONS GUIDELINES AND PROCEDURES; (2) SUPPLEMENTAL SECURITY REQUIREMENTS – CANNABIS STOREFRONT RETAILER/DISPENSARY; AND (3) NOTICE OF REQUEST FOR APPLICATIONS – STOREFRONT RETAILER/DISPENSARY**

**WHEREAS**, on May 29, 2018, the City Council of the City of Suisun City (“City”) adopted Ordinance No. 750, adding Chapter 18.49 (Cannabis Regulatory Program) to the Suisun City Code (“SCC”) to establish a comprehensive regulatory scheme relating to commercial cannabis activities, including requiring all commercial cannabis uses to obtain a commercial cannabis business permit (“CCBP”) issued by the City prior to commencing operation; and

**WHEREAS**, SCC Section 18.49.160(A) provides that no more than one CCBP for a cannabis storefront retailer or “dispensary” requiring a Type 10 License issued by the State Bureau of Cannabis Control (“Storefront Retailer”) may be active or valid at any one time in the City; and

**WHEREAS**, SCC Section 18.49.160(B)(1) provides that applications for Storefront Retailers may only be accepted pursuant to a Request for Applications (“RFA”) process conducted pursuant to Section 18.49.160(B);

**WHEREAS**, SCC Section 18.49.160(B)(2) provides that the City’s Development Services Director (“Director”), in his or her discretion, may initiate and conduct an RFA process whenever there is no existing CCBP for a Storefront Retailer in the City; and

**WHEREAS**, SCC Section 18.49.160(B)(3) provides that the Director, upon initiating an RFA process, shall prepare an RFA for the purpose of soliciting applications for the establishment of a Storefront Retailer, and that responses to the RFA, including regulations and other requirements that the Director may promulgate to guide the RFA process, shall be deemed applications for a CCBP for a Storefront Retailer, pursuant to SCC Sections 18.49.080 and 18.49.090; and

**WHEREAS**, SCC Section 18.49.160(B)(4) provides that the City Manager shall develop, for Council approval, a process for reviewing and selecting a recommended operator for a Storefront Retailer from applications received through the RFA process; and

1           **WHEREAS**, pursuant to SCC Section 18.49.160(B)(4), if the City Council selects a  
2 recommended operator for a Storefront Retailer, then upon complying with all applicable City  
3 laws and requirements for operation of a Storefront Retailer and any conditions of approval  
4 imposed through the RFA process, the successful applicant will be issued a CCBP and will  
5 thereafter be authorized to commence business in the City for the one-year term of the CCBP  
6 until renewal is required pursuant to SCC Sections 18.49.140 and 18.49.160(B)(6); and

7           **WHEREAS**, the City has not yet established, initiated or conducted any RFA process  
8 pursuant to SCC Section 18.49.160(B) or issued any CCBP for the establishment or operation  
9 of any Storefront Retailer in the City.

10           **NOW, THEREFORE, BE IT RESOLVED, THE CITY OF SUISUN CITY DOES  
11 HERBY RESOLVE AS FOLLOWS:**

12           **Section 1.**     The foregoing recitals are true and correct, and are incorporated herein  
13 by this reference.

14           **Section 2.**     The City Council finds and determines that this Resolution is exempt  
15 from review under the California Environmental Quality Act (CEQA) pursuant to CEQA  
16 Guidelines Section 15061(b)(3), in that there is no possibility that the activity in question may  
17 have a significant effect on the environment, because this Resolution merely establishes a  
18 process through which applications for issuance of a commercial cannabis business permit  
19 authorizing operation of a cannabis storefront retailer in the City can be accepted and evaluated  
20 by the City. The actions provided for in this Resolution, taken individually or collectively, do  
21 not authorize operation of any cannabis storefront retailer in the City. Any approval of an  
22 application for issuance of a commercial cannabis business permit for a storefront retailer, as  
23 is necessary for authorization of such an operation, would be the subject of a separate and  
24 subsequent review by the City Council. Because separate, subsequent discretionary actions by  
25 the City Council are required before a storefront retailer can be authorized to operate in the  
26 City, no impact on the environment can result from the actions provided for in this Resolution  
27 for purposes of Section 15061(b)(3). Finally, none of the exceptions to Categorical Exemptions  
28 set forth in CEQA Guidelines Section 15300.2 apply to the actions provided for this Resolution.

**Section 3.**     The “Notice of Request for Applications – Storefront  
Retailer/Dispensary” (“RFA Notice”), attached hereto as Exhibit “A” and incorporated herein  
by this reference, is hereby approved. The RFA Notice, or a substantively similar notice, shall  
be used by the Director for the initiation of any Request for Applications process initiated or  
conducted by the Director pursuant to SCC Section 18.49.160(B)(2).

**Section 4.**     The “Request for Applications - Guidelines and Procedures” (“RFA  
Guidelines and Procedures”), attached hereto as Exhibit “B” and incorporated herein by this  
reference, is hereby approved, and shall apply to any Request for Applications process initiated  
or conducted by the Director pursuant to SCC Section 18.49.160(B)(2).



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**CITY OF SUISUN CITY  
NOTICE OF REQUEST FOR APPLICATIONS  
STOREFRONT RETAILER/DISPENSARY**

Date: \_\_\_\_\_, 2019

As of the date of this Notice, the City of Suisun City (“City”) has released a Request for Applications (“RFA”) pursuant to Suisun City Code (“SCC”) Section 18.49.160(B). The purpose of the RFA is to solicit applications from interested parties seeking to open and operate a cannabis storefront retailer/dispensary (“Storefront Retailer”) in the City. Under SCC Section 18.49.160(A)(1), no more than one (1) Storefront Retailer may be permitted to operate within the City at any given time. Responses meeting the requirements of the RFA shall be considered applications for a Commercial Cannabis Business Permit (“CCBP”) to operate a Storefront Retailer in the City.

**BEFORE YOU APPLY:**

- Review Chapter 18.49 (Cannabis Regulatory Program) of the Suisun City Code, available at: [www.suisun.com/TBD](http://www.suisun.com/TBD), with particular attention to Sections 18.49.080, 18.49.090, 18.49.150 and 18.49.160.
- Review the other RFA materials available on the City webpage: [www.suisun.com/TBD](http://www.suisun.com/TBD), which includes the following information, in addition to this Notice:
  - RFA Guidelines and Procedures;
  - Supplemental Security Requirements – Storefront Retailers;
  - Resolution No. 19-\_\_\_\_, Approving the RFA Guidelines and Procedures, Supplemental Security Requirements, and Notice of RFA;
  - Resolution No. 19-\_\_\_\_, Adopting Fees Applicable to the RFA Process; and Notice of Public Hearing Regarding Adoption of Fees;
  - Background Live Scan form and appointment scheduling link;
  - Frequently Asked Questions, as available.
- Review your application in its entirety to ensure it is complete and accurate.

**RFA PROCESS**

The RFA process is set forth in detail in the RFA Guidelines and Procedures, and is governed by SCC Chapter 18.49. The process consists of the following three phases:

**1. Notice and Initiation of RFA Process**

With the release of this Notice, the City has initiated the RFA process. This Notice has been posted to the City website and provided to all parties that have requested it from the City.

An informational workshop for potential applicants is scheduled for \_\_\_\_\_, \_\_\_\_\_, at 1:00 p.m. at Suisun City City Hall, 701 Civic Center Blvd. Suisun City, CA 94585. Attendance at the workshop is strongly encouraged, but not mandatory.

## 2. Application Period

Applications submitted in response to the RFA will be accepted from **8:00 a.m. on \_\_\_\_\_**, \_\_\_\_\_ through **5:00 p.m. on \_\_\_\_\_**, \_\_\_\_\_. Applications must be delivered to City Hall no later than **5:00 p.m. \_\_\_\_\_**, \_\_\_\_\_, in the manner set forth in the RFA Guidelines and Procedures, and must be accompanied by payment of an initial deposit in the amount of **\$3,000** toward the CCBP Application Review Fee, as established by the City Council's adoption of the RFA Fee Resolution referenced above.

Late proposals WILL BE REJECTED. Furthermore, a proposal MAY BE REJECTED, in the City's sole discretion, if the application (including any attachments) submitted is deemed incomplete, untimely, or unresponsive to the requirements of the RFA Guidelines and Procedures or SCC Chapter 18.49.

## 3. Application Review

Upon expiration of the application period, City staff will open and evaluate all applications received pursuant to the RFA. The criteria for evaluation are provided in the RFA Guidelines and Procedures.

City staff will prepare a report summarizing its evaluation of the top five ranked applicants and identifying its recommended applicant, which shall be set for the consideration of the full City Council. The City Council will consider the applications, staff's evaluation, and interviews conducted, and the information presented at the hearing. Using the criteria listed in the City's RFA Guidelines and Procedures, the City Council will determine whether to tentatively approve one of the applicants as the "recommended operator" for issuance of a CCBP pursuant to SCC Section 18.49.160(B)(4).

If the City Council tentatively approves a recommended operator, City staff will work directly with that applicant (commencing upon payment by the applicant of the required deposit toward the CCBP Application Fee, as established by the City Council's adoption of the RFA Fee Resolution referenced above) to complete the City's review of, and preparation of documentation concerning, all aspects of the proposed use, including but not limited to confirmation of compliance with Supplemental Security Requirements for Storefront Retailers/Dispensaries and other RFA materials, confirmation of compliance and compatibility with applicable City laws, regulations, and zoning standards, development of proposed conditions of approval, and CEQA review of the proposed use. City staff will then present the documents to the City Council for consideration of final approval of the applicant for issuance of a CCBP.

Prior to issuance of a CCBP and commencement of operations, the selected applicant/permittee must make payment of all required fees and comply with all applicable City laws, regulations, standards, and conditions as referenced above.

## **WITHDRAWAL OF APPLICATIONS**

An applicant may withdraw his/her application at any time by submitting a written request for withdrawal to:

Greg Folsom  
City Manager  
City of Suisun City  
701 Civic Center Boulevard  
Suisun City, CA 94585

In accordance with the RFA Guidelines and Procedures, deposited funds remaining unspent at the time of submission of a written request for withdrawal will be refunded. However, deposited funds

which have been applied by the City prior to submission of such a request will not be refunded.

**THE CITY'S RESERVATION OF RIGHTS**

The City's establishment and initiation of the RFA process does not commit it to pay any costs related to any application, including but not limited to costs incurred in the preparation or review of an application. Notwithstanding initiation of the RFA process, the City is not obligated at any time to approve any application for issuance of a CCBP for a Storefront Retailer. The City may, at any time and in its sole discretion, modify, postpone, or cancel the RFA process and reject all applications without liability, obligation or commitment to any person or entity, and the City is not required to thereafter issue/re-issue any new or subsequent RFA. The City reserves the right to require additional information from any applicant as it deems necessary to complete application review, and reserves the right to waive any irregularities in any application.

**CONTACT**

If you have any questions please refer to our website at <http://www.suisun.com/TBD/> or e-mail [TBD@suisun.com](mailto:TBD@suisun.com).

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## REQUEST FOR APPLICATIONS GUIDELINES AND PROCEDURES

This document (hereafter the “RFA Guidelines and Procedures”) outlines the application process, required materials and review criteria for the consideration of applications, submitted in response to any “Request for Applications” (“RFA”) process initiated by the City of Suisun City (“City”) pursuant to Suisun City Code (“SCC”) Section 18.49.160(B), for a City-issued commercial cannabis business permit (“CCBP”) to operate as a cannabis storefront retailer/dispensary (“Storefront Retailer”) in the City.

To be considered under the first RFA process initiated by the City pursuant to SCC Section 18.49.160(B) and these RFA Guidelines and procedures, applications must meet the criteria set forth herein, satisfy any and all other applicable requirements as set forth in SCC Chapter 18.49, and be submitted to the City during the RFA application period of 8:00 a.m. \_\_\_\_\_ through 5:00 p.m. \_\_\_\_\_. Applicants must **schedule an appointment** to submit an application, and applications (with applicable fees) shall be submitted to the Development Services Department located at 701 Civic Center Blvd., Suisun City, CA 94585.

An informational workshop for potential applicants is scheduled for 1:00 p.m., \_\_\_\_\_, at the Suisun City City Hall, 701 Civic Center Blvd. Suisun City, CA 94585. Attendance at the workshop is strongly encouraged, but not mandatory.

### Application Requirements

Each application shall include the materials and comply with the requirements set forth in these RFA Guidelines and Procedures, as follows (without limitation as to any other applicable requirements set forth in SCC Chapter 18.49 or otherwise established by or pursuant to the authority of the City Council):

1. **Application Submission.** Applicants, by appointment, must hand-deliver five (5) completed and signed copies of their application, including all attachments, along with a flash drive containing one completed and signed copy of the application in PDF format, and payment of the required application fees, to the City’s Development Services Department during the application period. All application contents, as provided above, shall be enclosed in a sealed envelope or container and addressed to the City of Suisun City, Development Services Department, 701 Civic Center Blvd., Suisun City, CA 94585. **Late applications will not be accepted or considered.** No person or entity may submit multiple applications. The applicant shall be the owner(s) of the proposed Storefront Retailer that is the subject of the application.
2. **Application Deposit.** Payment of an initial deposit, in the amount established by resolution of the City Council, toward the Preliminary RFA Application Review Fee is required at the time of application submission, and may be made by a certified check, cashier’s check, or money order made payable to the City. Deposited amounts expended by the City are non-refundable. Deposited amounts remaining unexpended upon the conclusion of the RFA process will be refunded upon request of the fee payor.
3. **Required Application Contents.** Applications must include the following sections, lettered and in the sequence as noted.
  - A. **Application Form.** Include a fully completed and signed RFA application form in each set of application materials. The form will be promulgated by the City’s Development Services Department and provided by said department to prospective applicants upon request.
  - B. **Proposed Location.** Include the address, assessor’s parcel number(s), and a detailed description of the proposed location. This section should also describe and generally

characterize all uses within 600 feet of the property line of the proposed location. The proposed site must be located in the Commercial Services and Fabrication (CSF) zone and may not be located within 600 feet of a K-12 school, commercial daycare center, or youth center.

- C. **Site Control.** Provide a statement regarding whether the applicant has legal control of the proposed Storefront Retailer site or location. The City considers site control a requirement in enabling an operator to commence business activities in a timely manner. Demonstration of any legal control through proof of ownership, tenancy, or other legal right or entitlement to control of the site should be included with the application.

Scoring is as follows:

- |                                    |           |
|------------------------------------|-----------|
| - Lease                            | 5 points  |
| - Ownership/Substantial Renovation | 10 points |
| - New Building                     | 15 points |

- D. **Business Plan.** With as much detail as possible, describe:

- The day-to-day operations of the proposed Storefront Retailer, which are to meet industry best practices for Storefront Retailer uses.
- How the proposed use will conform to local and state laws and regulations.
- How cannabis and cannabis products will be tracked and monitored to prevent theft and diversion.
- A schedule for commencement of operation, including a narrative outlining any proposed construction and improvements and a timeline for completion of work.
- A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, and must describe the sources and uses of funds.
- A pro forma for at least three years of operation.

- E. **Compliance with City Regulations.** Describe in detail how the proposed use will comply with SCC Sections 18.49.150 “General Operating Standards and Restrictions” 18.49.160 “Commercial Cannabis Retailer (Storefront and Non-Storefront): Establishment, Operating Standards and Restrictions.”

- F. **Floor Plan/Elevations.** Depict existing and proposed conditions. The floor plan(s), elevations, site layout and vector isometric renderings should be accurate, dimensioned and to-scale (minimum scale of 1/4”). If new building construction is proposed, provide a preliminary site layout and floor plan, preliminary elevations, vector isometric renderings.

- G. **Qualifications of Applicants.** Include information concerning applicant’s past experience with operation of any commercial cannabis businesses, including, but not limited to, Storefront Retailers/Dispensaries. Provide details on all such businesses that have been under the full or partial ownership or management of the applicant, including the full legal name, location, commencement date, and current status of the operation (including date of termination of the business and description of the reason for termination, if applicable). To the extent applicable, disclose and describe: (1) any and

all state or local cannabis permits or licenses currently held by the business or applicant; (2) any administrative order or civil judgment ever entered against the business or applicant for violation of labor standards; (3) any suspension or revocation of a state or local cannabis license or permit ever held by the business or application; and (4) any sanctions for unlicensed/unpermitted commercial cannabis activity ever imposed by a state or local agency against the business or applicant. Describe any special qualifications or licenses of the applicant that would add to the number or quality of services that the proposed Storefront Retailer would provide, especially in areas related to medicinal or scientific applications of cannabis or cannabis products.

- H. **Neighborhood Compatibility.** Address the degree to which the proposed use is compatible with surrounding uses and how the proposed use, including its exterior areas and surrounding public areas, will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Include a site plan (accurate, dimensioned and to-scale) for the proposed location. Every cannabis business must describe how the business interacts with the neighborhood. You need to meet with your neighbors to get feedback on what to include in your Good Neighbor Policy for your business, they in turn will be added to you conditions of approval.
- I. **Safety and Security Plan.** The application shall include:
- A detailed security plan meeting and confirming ability to comply with the requirements of SCC Section 18.49.150(H) and the Supplemental Security Requirements for Storefront Retailers/Dispensaries adopted by the City Council. This plan should also include a description and detailed schematic of the overall facility security of the proposed use. It should have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, third party contractor security and delivery security. In particular, applications should address ingress and egress, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. Security plans will not be made public.
  - A detailed fire safety plan. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. The plan should reflect compliance with all applicable provisions of the California Fire Code and other applicable laws and regulations.
  - A detailed fire evacuation plan. This plan should depict the location of all exits, the primary and secondary evacuation routes, and the distance to all exits. The plan should reflect compliance with all applicable provisions of the California Fire Code and other applicable laws and regulations.
- J. **Community Benefits.** Describe the benefits that the proposed use would provide to the local community, such as community contributions, participation in or support of community organizations, drug abuse awareness education, or other contributions or activities that will benefit the community.
- K. **Labor & Employment.** If applicant is proposing higher wages the application could describe to what extent the Storefront Retailer will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of

employees. Specific practices that are subject to consideration include the following:

- i. Providing a description of proposed payroll practices/use of payroll consultants that document employee compensation.
  - ii. Providing compensation to and opportunities for continuing education and training of employees/staff (include proof of the proposed business' policies and regulations for employees);
  - iii. Providing a "living wage" to the proposed business' staff and employees. The proposed wage scale should be provided in writing for all levels of employment within the business. "Living Wage" shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater.
  - iv. Describing the extent to which the proposed business will be a locally managed enterprise whose owners reside in or within the vicinity of the City.
- L. **Air Quality/Odor Control Plan.** Describe how interior air circulation, ventilation and filtration systems will minimize impacts to employees' and customers' health and welfare and prevent any odor impacts to surrounding businesses or the public.
- M. **Criminal History Check.** As part of the RFA Process, each owner and manager of the proposed Storefront Retailer must undergo a criminal background check, administered by the Suisun City Police Department using "Live Scan," demonstrating that he or she has not been convicted within the last ten years of a felony substantially related to the qualifications, functions or duties of operation of a Storefront Retailer (such as a felony conviction for distribution of controlled substances, **not including cannabis**, money laundering, racketeering, etc.). All fees and costs associated with completing background checks shall be paid by the applicant. No individual who does not undergo and pass the required background check shall be involved in the operation or ownership of a Storefront Retailer in the City, unless such individual has obtained a certificate of rehabilitation (expungement of felony record) for the applicable transgression(s) under California law or under a similar federal statute or state law where the expungement was granted. The application for the Live Scan and appointment link will be made available on the City's website. Persons who do not meet criminal history eligibility requirements will be disqualified from the RFA process.

#### 4. Application Process

- A. **Application Period.** As noted above, applications under the first RFA process initiated by the City pursuant to SCC Section 18.49.160(B) and these RFA Guidelines and Procedures will be accepted from 8:00 a.m. Monday, May 6, 2019 through 5:00 p.m. Wednesday, June 5, 2019. Late applications will not be accepted.
- B. **Review Process.** After the application period has expired, the Director and/or his/her designees shall open and evaluate all applications received pursuant to the RFA process. The criteria for evaluation are listed in Section 5 below.

City staff will then prepare a report summarizing its evaluation of the top five ranked applicants and identifying its recommended applicant, which shall be set for the consideration of the full City Council. The City Council will consider the applications, staff's evaluation, and any interviews conducted. Using the criteria listed in Section 5 below, the City Council shall determine whether to tentatively approve one of the applicants as the "recommended operator" for issuance of a CCBP pursuant to SCC Section 18.49.160(B)(4).

If the City Council tentatively approves a recommended operator, City staff will work directly with that applicant (commencing upon payment by the applicant of the required deposit toward the Application Fee as established by resolution of the City Council) to complete the City's review of, and preparation of documentation concerning, all aspects of the proposed use, including but not limited to confirmation of compliance with the Supplemental Security Requirements for Storefront Retailers/Dispensaries, applicable City laws, and regulations and zoning standards, development of draft conditions of approval, and CEQA review of the proposed use. City staff will then present the selection/approval documents to the City Council for consideration of final approval of the applicant as the "recommended operator" pursuant to SCC Section 18.49.160(B)(4).

As provided in SCC Section 18.49.160, final approval of a "recommended operator" pursuant to this RFA process shall constitute approval of issuance of a CCBP to the selected applicant. Prior to commencement of operations, the selected applicant/permittee must make payment of all required fees and comply with all applicable laws, regulations, standards and conditions, as referenced above.

- C. **Withdrawal of Application.** Any applicant may withdraw his/her application at any time by submitting a written request for withdrawal to:

Greg Folsom  
City Manager  
City of Suisun City  
701 Civic Center Boulevard  
Suisun City, CA 94585

Any fees deposited and applied to the City's costs up to the time of submission and processing of the request for withdrawal will not be refunded.

5. **Scoring Criteria for Application Evaluation.** The City will consider the following selection criteria in its evaluation of applications submitted under this RFA, and will award up to a maximum of 200 points to each application received.

- |                                |             |
|--------------------------------|-------------|
| A. Site Control                | (15 points) |
| B. Business Plan               | (30 points) |
| C. Floor Plan/Elevations       | (25 points) |
| D. Qualification of Applicants | (20 points) |
| E. Neighborhood Compatibility  | (30 points) |
| F. Safety and Security Plan    | (25 points) |
| G. Community Benefits          | (15 points) |
| H. Labor, & Employment         | (15 points) |
| I. Air Quality Control Plan    | (25 points) |



6. **Amendments to the Application.** An applicant will not be allowed to amend or supplement its application, except as otherwise specifically provided for in these procedures or SCC Chapter 18.49, or as authorized in writing by the Director or designee. The City may, at its discretion, request supplemental information to clarify the qualifications of an applicant.

7. **The City's Reservation of Rights.** The initiation or conducting of an RFA process does not

commit the City to approve any application for CCBP issuance or pay any costs related to any application, including but not limited to those costs incurred in the preparation or processing of an application. The City reserves the right to reject all applications submitted in response to any RFA for a Storefront Retailer at any time, with or without any cause or reason. The City may also modify, postpone, or cancel the RFA process at any time with or without cause or reason, and without liability, obligation, or commitment to any party, firm, or organization. After taking such action, the City is not obligated to resume such process or to initiate any new RFA process at any time. The City reserves the right to request and obtain additional information from any candidate submitting a proposal and reserves the right to waive any irregularities in any proposal. Late proposals WILL BE REJECTED. Furthermore, a proposal MAY BE REJECTED, in the Director's (or designee's) sole discretion, if the application or documents submitted are incomplete or not responsive to the requirements of this application procedure.

8. **Definitions.** Except as otherwise defined herein, and to the extent applicable, the terms used in these RFA Guidelines and Procedures shall have the definitions set forth in SCC Chapter 18.49.

**City of Suisun City**  
**Supplemental Security Requirements**  
**Cannabis Storefront Retailer/Dispensary**

The following requirements are intended to be supplemental to the security requirements set forth in SCC Chapter 18.49, including but not limited to Section 18.49.150 and 18.49.160(A). Storefront retailers will be required to comply with these requirements in addition to (rather than in lieu of) those requirements. Determinations regarding compliance with these requirements will be made by the City Manager (or his or her designee), in his or her sole discretion.

***General Security Requirements***

1. Retail sales buildings must be permanent structures meeting applicable building codes and state cannabis laws and regulations.
2. All storage rooms are to be located inside the secured space. Customer areas and public hallways must not have direct access to a storage room.
3. Storage room door(s) must be equipped with card access control and must not include relites, glass, or other transparent material.
4. A secured, fully enclosed space, defined by an interior barrier not less than 7 feet tall, shall be established within the secured space of the business for the delivery of cannabis products.
5. All walls must be full height and slab-to-slab construction (no access from crawlspace). The walls must not allow people to climb over, through, around, or under them to gain access into the space.
6. Secured space and sales space must be secured from the lobby by a clearly defined perimeter of physical barriers (walls) and doors with security devices (card readers). This perimeter should be solid and there should be no gaps in the barriers large enough to pass items through, over, or around.
7. Doors located in the path of egress through lobbies and reception areas must have glass viewing panels.
8. Cash reserves stored on premises overnight shall be secured.
9. There shall be no operable/openable first-floor windows.
10. If multiple reception staff will be in the lobby at one time, duress buttons must be configured as follows:
  - a. For multiple workstations, a button must be installed at each work station.
  - b. For a single workstation shared by more than one receptionist, one duress button must be provided for each receptionist.
11. All receptionists' duress button(s) must be:
  - a. Out of view of customers and the public and beneath the reception desk.
  - b. Within easy and inconspicuous reach of the receptionist's normal position.
  - c. Positioned so as to limit the risk of false alarm activation (for example, bumping the button with one's knee).
12. If the site includes entrance/exit gates, such gates shall be equipped with a "Knox" key override to allow police and fire access to the facility during an emergency.

### ***Doors and Access Requirements***

1. Lobby entry doors must meet or exceed the minimum requirements of a card reader access door and must meet all the other requirements listed in this section.
2. All lobby entry doors must be equipped with electrified locking hardware that may be associated with a time zone for automatic locking and unlocking purposes. This time zone must be predicated on building business hours as determined by lobby staffing requirements, and the front doors must never be unlocked unless the reception desk is staffed. Outside of normal business hours, lobby entry doors must only be accessible by following normal procedures for card reader door entry.
3. All interior doors located in the lobby/reception area and leading to secured space or sales space must meet or exceed the minimum requirements of a card reader access door.
4. Interior doors to secured space or sales space within view of the receptionist can be configured for remote release by using a card reader located on the underside of the reception desk. The receptionist(s) will use this card reader to remotely release the doors as required, allowing entry to visitors. If multiple doors require remote release, each door must have a separate card reader on the underside of the desk, configured for remote door release of the corresponding door. Individual remote door release card readers must be spaced a sufficient distance from one another to prevent accidental release of an unintended door.
5. Lobby doors and interior doors to secured space and sales space must not suffer unintentional unlocking or alarm shunting due to pedestrian traffic. Therefore, request to exit (REX) motion detectors cannot be utilized to unlock these doors.
6. Interior security doors that are not in view of the receptionist must not be enabled for remote release by a card reader and must function as standard card reader access doors. It is allowable to use surveillance to make these doors "in view," if the receptionist is equipped with both video and audio communication to the remote door, including a viewing monitor at each receptionist's workstation. The viewing monitor must not be part of the receptionist's computer workstation and must not be connected to the monitored security system.

### ***Video Surveillance***

1. CCTV general requirements.
  - a. All cameras shall be minimum 1080P HD.
  - b. All video surveillance cameras shall include remote focus functionality.
  - c. Cameras on all perimeter doors.
  - d. Building perimeter to be fully covered by CCTV surveillance.
  - e. Cameras to view parking lot, entrances and exits.
  - f. CCTV storage to be a minimum of 90 days.
  - g. Cameras in public areas to give a general overview of the area.
2. The entire opening of all entry and exit doorways must be captured as primary views.
3. Primary views are required of all Lobby doors that provide entry from the building's exterior space into the lobby.



4. The entire lobby space must be monitored by security video cameras. All required views of the lobby space, primary or incidental, must be captured by cameras located within the lobby space.
5. The entire reception desk area must be monitored and recorded by the security video system to produce primary views.
6. The entire reception desk area must be monitored by a security video primary camera and recorded.
7. The field of view for the reception desk camera must include the area directly in front of the reception desk, including a clear view of both the face of the persons standing in that location and a view of items they are holding.
8. All persons entering the employee space from the lobby must be monitored by security video cameras and recorded.
9. A dedicated incidental video camera must be placed on the outside of the storage room. The camera should be located on the unsecured side of the door with an unobstructed view of both the doorway and the card reader. The field of view for this camera must provide a clear view of both the face of the person entering and a view of items being carried into the premises by that person. This field of view must be limited to the doorway only, in order to provide full-size images. It must not be possible for any person to enter using the door from any angle without being captured and identified on camera.
10. An incidental camera will also be located within the room and positioned to view the entire room and the entry door to the room (whenever possible).

#### ***General Lighting Requirements***

1. Lighting must be designed to support security video surveillance by avoiding fixture placement that results in high glare or extreme ranges of luminance in the view of any camera.
2. Lighting Measurements Note: One foot-candle (fc) = 10.764 lux. The fc (or lumen per square foot) is a unit of luminance. Lux and fc are different units of the same quantity.
3. Bollard lighting, lamp standard lighting, low-level lighting, and uplights are not sufficient or adequate for these purposes.
4. The lighting element types must support color video monitoring and recording. Therefore, sodium vapor elements and other elements that do not support color rendition must be avoided.

#### ***Interior Lighting Requirements***

1. Building entry and exit lobbies must be illuminated to 5 fc/50 lux.
2. Main storage rooms must be illuminated to a minimum of 30 fc/300 lux when in use.
3. Indoor lighting levels must support interior video surveillance design. Indoor lighting must not be on a switchable circuit and must not be lower than 0.25 fc at any time.

#### ***Exterior Lighting Requirements***

1. Lighting must be sufficient to enable the identification of all people and activity 24 hours per day, in any weather, and must deter concealment in all locations where video camera coverage is installed.

2. All exterior lighting during the hours of darkness will be a minimum of 1 foot-candle uniform at plane, dependent on the range and angle of view, for all areas except walkways and loading docks. Exterior lighting must not be on any form of switched circuit.
3. Exterior walkways must be illuminated to 3 fc/30 lux at plane.
4. Loading docks must be illuminated to 5 fc/50 lux at plane when in use during hours of darkness and to 3 fc/30 lux when not in use during hours of darkness.
5. Vehicular entry and exit points should be illuminated to 3 fc/30 lux.
6. Parking lots and parking garages must be illuminated to 2 fc/20lux.
7. Perimeter fencing/walls surrounding high value spaces must be illuminated to 2 fc/20lux.

### ***Landscaping***

1. Landscaping for parking lots (car parks) will be composed of low shrubbery and trees that are sufficiently pruned to enable visibility through the planted areas of any individuals in or behind those areas. Foliage shall not compromise the lighting criteria nor interfere with camera views as applicable.
2. Trees and shrubs around buildings must be kept trimmed to prevent obstruction of intended fields of view for security cameras and to allow clear fields of view for pedestrians and drivers. Care should be taken in trimming to eliminate potential areas of obstruction or concealment and to keep lines of sight clear.

### ***Definitions***

1. "Public space" shall mean any space to which the public may be granted access, including lobby and sales areas.
2. "Lobby" and "lobby space" shall mean those areas where members of the public may enter and present identification prior to accessing sales areas.
3. "Lobby entry doors" shall mean any authorized entry doors that allow entry to the lobby from an outdoor or non-public space.
4. "Sales area" shall mean the floor area where cannabis or cannabis products are displayed for public viewing and where sales transactions occur.
5. "Secured space" shall mean all spaces where public access is restricted, and shall include all areas of the business other than lobby areas and sales areas.

**RESOLUTION NO. 2019 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY, CALIFORNIA, SETTING THE TAX RATE TO BE IMPOSED UPON COMMERCIAL CANNABIS BUSINESSES PURSUANT TO CHAPTER 3.44 (COMMERCIAL CANNABIS REGULATORY TAX) OF TITLE 3 (REVENUE AND FINANCE) OF THE SUISUN CITY MUNICIPAL CODE**

**WHEREAS**, on May 29, 2018, the City Council of the City of Suisun City adopted Ordinance No. 750, adding Chapter 18.49 to the Suisun City Code and thereby establishing a commercial cannabis regulatory program in the City, as authorized by the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2003, the Medical Cannabis Regulation and Safety Act, and the Control, Regulate and Tax Adult Use of Marijuana Tax.

**WHEREAS**, Chapter 18.49, authorizes commercial cannabis cultivation (except outdoor cultivation), manufacturing, distribution, testing, and retail sales businesses (delivery businesses and one storefront dispensary business) to operate in the City, subject to issuance of the requisite State license and City-issued commercial cannabis business permit, and to continuing compliance with Chapter 18.49 and other applicable state and local laws and regulations.

**WHEREAS**, a General Municipal Election was held in the City of Suisun City, California, at which a ballot measure was submitted to the voters concerning the adoption of a proposed ordinance for the imposition of commercial cannabis receipts tax of up to 15% of the proceeds on all commercial cannabis businesses; and a tax of up to \$25 per square foot of space used for commercial cannabis activities, per fiscal year, and as may be increased annually by increases in the consumer price index, which is codified as Chapter 3.44 (Commercial Cannabis Tax) of Title 3 (Revenue and Finance) of the Suisun City Municipal Code (“Measure C”).

**WHEREAS**, Measure C was approved by the voters on November 6, 2018.

**WHEREAS**, Chapter 3.44 of the Suisun Municipal Code permits the City Council to set by resolution the rate at which the gross receipts of all commercial cannabis businesses are to be taxed provided that such rate does not exceed the maximum set by Measure C. Absent

1 action by the City Council, the rate is automatically set at the maximum allowed by Measure  
2 C.

3 **WHEREAS**, the City Council now desires to set the rate at which the receipts of  
4 commercial cannabis businesses are to be taxed, and to set the rate per square foot of space used  
5 for commercial cannabis activities pursuant to Chapter 3.44 of the Suisun City Municipal Code.

6 **NOW, THEREFORE, BE IT RESOLVED, THE CITY OF SUISUN CITY DOES**  
7 **HERBY RESOLVE AS FOLLOWS:**

8 Section 1. The recitals set forth above are true and correct and incorporated herein by this  
9 reference.

10 Section 2. All terms used in this Resolution shall have the same meaning as those terms are  
11 defined in Chapters 3.44 (Commercial Cannabis Tax) and 18.49 (Cannabis  
12 Regulatory Program).

13 Section 3. Pursuant to Section 3.44.020(C) of the Suisun City Municipal Code, the City  
14 Council hereby establishes the tax rate imposed upon cannabis businesses as  
15 follows:

16 Cannabis Retailer/Dispensary (including delivery only)

17 Cannabis receipts tax:

18 7% (seven percent) Gross Receipts; State Medical  
19 Identification card will be exempt from tax.

20 Tax per square foot of space:

21 \$2 (two dollars) per square foot per year

22 Commercial cannabis activities other than Cannabis Retailer/Dispensary

23 Cannabis receipts tax:

24 5% (five percent) Gross Receipts.

25 Tax per square foot of space:

26 \$5 (five dollars) per square foot per year  
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Section 4. Pursuant to Section 3.44.050 of the Suisun City Municipal Code, the rate of penalties for failure to pay the cannabis taxes imposed in accordance with this Resolution remains at the maximum rate provided for in Section 3.44.050.

Section 5. That City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED AND ADOPTED** at a Regular Meeting of said City of Suisun City duly held on Tuesday, the 26<sup>th</sup> day of November 2019, by the following vote:

<b>AYES:</b>	Councilmembers:	_____
<b>NOES:</b>	Councilmembers:	_____
<b>ABSENT:</b>	Councilmembers:	_____
<b>ABSTAIN:</b>	Councilmembers:	_____

**WITNESS** my hand and the seal of said City this 26<sup>th</sup> day of November 2019.

\_\_\_\_\_  
Donna Pock, CMC  
Deputy City Clerk

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## REQUEST FOR APPLICATIONS GUIDELINES AND PROCEDURES

This document (hereafter the “RFA Guidelines and Procedures”) outlines the application process, required materials and review criteria for the consideration of applications, submitted in response to any “Request for Applications” (“RFA”) process initiated by the City of Suisun City (“City”) pursuant to Suisun City Code (“SCC”) Section 18.49.160(B), for a City-issued commercial cannabis business permit (“CCBP”) to operate as a cannabis storefront retailer/dispensary (“Storefront Retailer”) in the City.

To be considered under the first RFA process initiated by the City pursuant to SCC Section 18.49.160(B) and these RFA Guidelines and procedures, applications must meet the criteria set forth herein, satisfy any and all other applicable requirements as set forth in SCC Chapter 18.49, and be submitted to the City during the RFA application period of 8:00 a.m. ~~through 5:00 p.m.~~. Applicants must **schedule an appointment** to submit an application, and applications (with applicable fees) shall be submitted to the Development Services Department located at 701 Civic Center Blvd., Suisun City, CA 94585.

**Deleted:** Monday, May 6, 2019

**Deleted:** Wednesday, June 5, 2019

An informational workshop for potential applicants is scheduled for 1:00 p.m., ~~at the Suisun City City Hall, 701 Civic Center Blvd. Suisun City, CA 94585.~~ Attendance at the workshop is strongly encouraged, but not mandatory.

**Deleted:** Thursday, April 25, 2019

### Application Requirements

Each application shall include the materials and comply with the requirements set forth in these RFA Guidelines and Procedures, as follows (without limitation as to any other applicable requirements set forth in SCC Chapter 18.49 or otherwise established by or pursuant to the authority of the City Council):

1. **Application Submission.** Applicants, by appointment, must hand-deliver five (5) completed and signed copies of their application, including all attachments, along with a flash drive containing one completed and signed copy of the application in PDF format, and payment of the required application fees, to the City’s Development Services Department during the application period. All application contents, as provided above, shall be enclosed in a sealed envelope or container and addressed to the City of Suisun City, Development Services Department, 701 Civic Center Blvd., Suisun City, CA 94585. **Late applications will not be accepted or considered.** No person or entity may submit multiple applications. The applicant shall be the owner(s) of the proposed Storefront Retailer that is the subject of the application.
2. **Application Deposit.** Payment of an initial deposit, in the amount established by resolution of the City Council, toward the Preliminary RFA Application Review Fee is required at the time of application submission, and may be made by a certified check, cashier’s check, or money order made payable to the City. Deposited amounts expended by the City are non-refundable. Deposited amounts remaining unexpended upon the conclusion of the RFA process will be refunded upon request of the fee payor.
3. **Required Application Contents.** Applications must include the following sections, lettered and in the sequence as noted.
  - A. **Application Form.** Include a fully completed and signed RFA application form in each set of application materials. The form will be promulgated by the City’s Development Services Department and provided by said department to prospective applicants upon request.
  - B. **Proposed Location.** Include the address, assessor’s parcel number(s), and a detailed description of the proposed location. This section should also describe and generally

characterize all uses within 600 feet of the property line of the proposed location. The proposed site must be located in the Commercial Services and Fabrication (CSF) zone and may not be located within 600 feet of a K-12 school, commercial daycare center, or youth center.

- C. **Site Control.** Provide a statement regarding whether the applicant has legal control of the proposed Storefront Retailer site or location. The City considers site control a requirement in enabling an operator to commence business activities in a timely manner. Demonstration of any legal control through proof of ownership, tenancy, or other legal right or entitlement to control of the site should be included with the application.

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Scoring is as follows:

- Lease 5 points
- Ownership/Substantial Renovation 10 points
- New Building 15 points

- D. **Business Plan.** With as much detail as possible, describe:

- The day-to-day operations of the proposed Storefront Retailer, which are to meet industry best practices for Storefront Retailer uses.
- How the proposed use will conform to local and state laws and regulations.
- How cannabis and cannabis products will be tracked and monitored to prevent theft and diversion.
- A schedule for commencement of operation, including a narrative outlining any proposed construction and improvements and a timeline for completion of work.
- A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, and must describe the sources and uses of funds.
- A pro forma for at least three years of operation.

- E. **Compliance with City Regulations.** Describe in detail how the proposed use will comply with SCC Sections 18.49.150 “General Operating Standards and Restrictions” 18.49.160 “Commercial Cannabis Retailer (Storefront and Non-Storefront): Establishment, Operating Standards and Restrictions.”

- F. **Floor Plan/Elevations.** Depict existing and proposed conditions. The floor plan(s), elevations, site layout and vector isometric renderings should be accurate, dimensioned and to-scale (minimum scale of 1/4”). If new building construction is proposed, provide a preliminary site layout and floor plan, preliminary elevations, vector isometric renderings,

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- G. **Qualifications of Applicants.** Include information concerning applicant’s past experience with operation of any commercial cannabis businesses, including, but not limited to, Storefront Retailers/Dispensaries. Provide details on all such businesses that have been under the full or partial ownership or management of the applicant, including the full legal name, location, commencement date, and current status of the operation (including date of termination of the business and description of the reason for termination, if applicable). To the extent applicable, disclose and describe: (1) any and



all state or local cannabis permits or licenses currently held by the business or applicant; (2) any administrative order or civil judgment ever entered against the business or applicant for violation of labor standards; (3) any suspension or revocation of a state or local cannabis license or permit ever held by the business or application; and (4) any sanctions for unlicensed/unpermitted commercial cannabis activity ever imposed by a state or local agency against the business or applicant. Describe any special qualifications or licenses of the applicant that would add to the number or quality of services that the proposed Storefront Retailer would provide, especially in areas related to medicinal or scientific applications of cannabis or cannabis products.

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Special Qualifications.

H. **Neighborhood Compatibility.** Address the degree to which the proposed use is compatible with surrounding uses and how the proposed use, including its exterior areas and surrounding public areas, will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Include a site plan (accurate, dimensioned and to-scale) for the proposed location. Every cannabis business must describe how the business interacts with the neighborhood. You need to meet with your neighbors to get feedback on what to include in your Good Neighbor Policy for your business, they in turn will be added to you conditions of approval.

I. **Safety and Security Plan.** The application shall include:

- A detailed security plan meeting and confirming ability to comply with the requirements of SCC Section 18.49.150(H) and the Supplemental Security Requirements for Storefront Retailers/Dispensaries adopted by the City Council. This plan should also include a description and detailed schematic of the overall facility security of the proposed use. It should have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, third party contractor security and delivery security. In particular, applications should address ingress and egress, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. Security plans will not be made public.
- A detailed fire safety plan. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. The plan should reflect compliance with all applicable provisions of the California Fire Code and other applicable laws and regulations.
- A detailed fire evacuation plan. This plan should depict the location of all exits, the primary and secondary evacuation routes, and the distance to all exits. The plan should reflect compliance with all applicable provisions of the California Fire Code and other applicable laws and regulations.

J. **Community Benefits.** Describe the benefits that the proposed use would provide to the local community, such as community contributions, participation in or support of community organizations, drug abuse awareness education, or other contributions or activities that will benefit the community.

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K. **Labor & Employment.** If applicant is proposing higher wages the application could describe to what extent the Storefront Retailer will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of

employees. Specific practices that are subject to consideration include the following:

- i. Providing a description of proposed payroll practices/use of payroll consultants that document employee compensation.
- ii. Providing compensation to and opportunities for continuing education and training of employees/staff (include proof of the proposed business' policies and regulations for employees);
- iii. Providing a "living wage" to the proposed business' staff and employees. The proposed wage scale should be provided in writing for all levels of employment within the business. "Living Wage" shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater.
- iv. Describing the extent to which the proposed business will be a locally managed enterprise whose owners reside in or within the vicinity of the City.

- L. **Air Quality/Odor Control Plan.** Describe how interior air circulation, ventilation and filtration systems will minimize impacts to employees' and customers' health and welfare and prevent any odor impacts to surrounding businesses or the public.
- M. **Criminal History Check.** As part of the RFA Process, each owner and manager of the proposed Storefront Retailer must undergo a criminal background check, administered by the Suisun City Police Department using "Live Scan," demonstrating that he or she has not been convicted within the last ten years of a felony substantially related to the qualifications, functions or duties of operation of a Storefront Retailer (such as a felony conviction for distribution of controlled substances, not including cannabis, money laundering, racketeering, etc.). All fees and costs associated with completing background checks shall be paid by the applicant. No individual who does not undergo and pass the required background check shall be involved in the operation or ownership of a Storefront Retailer in the City, unless such individual has obtained a certificate of rehabilitation (expungement of felony record) for the applicable transgression(s) under California law or under a similar federal statute or state law where the expungement was granted. The application for the Live Scan and appointment link will be made available on the City's website. Persons who do not meet criminal history eligibility requirements will be disqualified from the RFA process.

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Alternative Tax Proposal. In November 2018, the voters of the City approved the Suisun City Marijuana Business Tax, establishing a maximum tax rate of 15% of gross receipts plus an annual tax of \$25.00 per square foot of space used for commercial cannabis activities. The City Council is authorized to adjust the tax rate at any time without further voter approval, provided the adjusted rate does not exceed the maximum rate. The maximum rate applies by default unless it has been adjusted downward by the City Council. Notwithstanding any such reduction, the City Council retains authority to thereafter increase the rate by any amount up to the maximum. If the applicant wishes to request a reduced tax rate applicable to Storefront Retailers/Dispensaries, such request must be included in the application.

#### 4. Application Process

- A. **Application Period.** As noted above, applications under the first RFA process initiated by the City pursuant to SCC Section 18.49.160(B) and these RFA Guidelines and Procedures will be accepted from 8:00 a.m. Monday, May 6, 2019 through 5:00 p.m. Wednesday, June 5, 2019. Late applications will not be accepted.
- B. **Review Process.** After the application period has expired, the Director and/or his/her designees shall open and evaluate all applications received pursuant to the RFA process. The criteria for evaluation are listed in Section 5 below.

City staff will then prepare a report summarizing its evaluation of the top five ranked applicants and identifying its recommended applicant, which shall be set for the consideration of the full City Council. The City Council will consider the applications, staff's evaluation, and any interviews conducted. Using the criteria listed in Section 5 below, the City Council shall determine whether to tentatively approve one of the applicants as the "recommended operator" for issuance of a CCBP pursuant to SCC Section 18.49.160(B)(4).

If the City Council tentatively approves a recommended operator, City staff will work directly with that applicant (commencing upon payment by the applicant of the required deposit toward the Application Fee as established by resolution of the City Council) to complete the City’s review of, and preparation of documentation concerning, all aspects of the proposed use, including but not limited to confirmation of compliance with the Supplemental Security Requirements for Storefront Retailers/Dispensaries, applicable City laws, and regulations and zoning standards, development of draft conditions of approval, and CEQA review of the proposed use. City staff will then present the selection/approval documents to the City Council for consideration of final approval of the applicant as the “recommended operator” pursuant to SCC Section 18.49.160(B)(4).

As provided in SCC Section 18.49.160, final approval of a “recommended operator” pursuant to this RFA process shall constitute approval of issuance of a CCBP to the selected applicant. Prior to commencement of operations, the selected applicant/permittee must make payment of all required fees and comply with all applicable laws, regulations, standards and conditions, as referenced above.

- C. **Withdrawal of Application.** Any applicant may withdraw his/her application at any time by submitting a written request for withdrawal to:

Greg Folsom  
City Manager  
City of Suisun City  
701 Civic Center Boulevard  
Suisun City, CA 94585

Any fees deposited and applied to the City’s costs up to the time of submission and processing of the request for withdrawal will not be refunded.

- 5. **Scoring Criteria for Application Evaluation.** The City will consider the following selection criteria in its evaluation of applications submitted under this RFA, and will award up to a maximum of 200 points to each application received.

- A. Site Control (15 points)
- B. Business Plan (30 points)
- C. Floor Plan/Elevations (25 points)
- D. Qualification of Applicants (20 points)
- E. Neighborhood Compatibility (30 points)
- F. Safety and Security Plan (25 points)
- G. Community Benefits (15 points)
- H. Labor, & Employment (15 points)
- I. Air Quality Control Plan (25 points)

- 6. **Amendments to the Application.** An applicant will not be allowed to amend or supplement its application, except as otherwise specifically provided for in these procedures or SCC Chapter 18.49, or as authorized in writing by the Director or designee. The City may, at its discretion, request supplemental information to clarify the qualifications of an applicant.

- 7. **The City’s Reservation of Rights.** The initiation or conducting of an RFA process does not

**Deleted:** Tim McNamara

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**Deleted:** <#>Alternative Tax Proposal (0 - 35 points)¶

**Deleted:** Business Plan (0 - 25 points)¶  
Community Benefits, Labor & Employment (0 - 20 points)¶  
Compliance with City Regulations (0 - 15 points)¶  
Labor & Employment (0 - 20 points)¶  
Neighborhood Compatibility (0 - 20 points)¶  
Safety and Security Plan (0 - 30 points)¶  
Site Control (0 - 15 points)¶  
Qualifications of Owners (0 - 20 points)¶

**Deleted:** <#>Cash Deposit. The City anticipates generation of local revenue from operation of a permitted Storefront Retailer in the form of payment of the voter-approved Suisun City Marijuana Business Tax at the rates set forth in the tax ordinance, as adjusted by the City Council (including through action upon an Alternative Tax Proposal pursuant to the RFA process). The failure of an approved operator to open a Storefront Retailer business in a timely manner, or to remain in operation for a reasonable period of time, would result in a negative fiscal impact to the City. To provide security to the City against this risk, the applicant selected by the City Council for tentative approval as the recommended operator, prior to final approval as recommended operator and issuance of a CCBP, shall provide a cash deposit to the City in the amount of \$50,000. In the event such applicant does not receive final approval from the City Council, the cash deposit shall be returned to the applicant.¶  
<#>The cash deposit shall be forfeited to the City if: (1) the permittee fails to commence operations as a Storefront Retailer within a reasonable period of time as determined by the Director based upon the physical improvements required to open and operate the business (e.g. tenant improvements at an existing business versus new building construction); or (2) the permittee fails to remain in operation as a Storefront Retailer for a period of twenty-four (24) months. ¶  
<#>If the permittee opens the Storefront Retailer within a reasonable period of time and maintains operations for a period of twenty-four (24) months, then the cash deposit and any associated revenue generated by the cash deposit shall be returned to the permittee.¶

commit the City to approve any application for CCBP issuance or pay any costs related to any application, including but not limited to those costs incurred in the preparation or processing of an application. The City reserves the right to reject all applications submitted in response to any RFA for a Storefront Retailer at any time, with or without any cause or reason. The City may also modify, postpone, or cancel the RFA process at any time with or without cause or reason, and without liability, obligation, or commitment to any party, firm, or organization. After taking such action, the City is not obligated to resume such process or to initiate any new RFA process at any time. The City reserves the right to request and obtain additional information from any candidate submitting a proposal and reserves the right to waive any irregularities in any proposal. Late proposals WILL BE REJECTED. Furthermore, a proposal MAY BE REJECTED, in the Director's (or designee's) sole discretion, if the application or documents submitted are incomplete or not responsive to the requirements of this application procedure.

8. **Definitions.** Except as otherwise defined herein, and to the extent applicable, the terms used in these RFA Guidelines and Procedures shall have the definitions set forth in SCC Chapter 18.49.

**City of Suisun City  
Supplemental Security Requirements  
Cannabis Storefront Retailer/Dispensary**

The following requirements are intended to be supplemental to the security requirements set forth in SCC Chapter 18.49, including but not limited to Section 18.49.150 and 18.49.160(A). Storefront retailers will be required to comply with these requirements in addition to (rather than in lieu of) those requirements. Determinations regarding compliance with these requirements will be made by the City Manager (or his or her designee), in his or her sole discretion.

***General Security Requirements***

1. Retail sales buildings must be permanent structures meeting applicable building codes and state cannabis laws and regulations.
2. All storage rooms are to be located inside the secured space. Customer areas and public hallways must not have direct access to a storage room.
3. Storage room door(s) must be equipped with card access control and must not include relites, glass, or other transparent material.
4. A secured, fully enclosed space, defined by an interior barrier not less than 7 feet tall, shall be established within the secured space of the business for the delivery of cannabis products.
5. All walls must be full height and slab-to-slab construction (no access from crawlspace). The walls must not allow people to climb over, through, around, or under them to gain access into the space.
6. Secured space and sales space must be secured from the lobby by a clearly defined perimeter of physical barriers (walls) and doors with security devices (card readers). This perimeter should be solid and there should be no gaps in the barriers large enough to pass items through, over, or around.
7. Doors located in the path of egress through lobbies and reception areas must have glass viewing panels.
8. Cash reserves stored on premises overnight shall be secured.
9. There shall be no operable/openable first-floor windows.
10. If multiple reception staff will be in the lobby at one time, duress buttons must be configured as follows:
  - a. For multiple workstations, a button must be installed at each work station.
  - b. For a single workstation shared by more than one receptionist, one duress button must be provided for each receptionist.
11. All receptionists' duress button(s) must be:
  - a. Out of view of customers and the public and beneath the reception desk.
  - b. Within easy and inconspicuous reach of the receptionist's normal position.
  - c. Positioned so as to limit the risk of false alarm activation (for example, bumping the button with one's knee).
12. If the site includes entrance/exit gates, such gates shall be equipped with a "Knox" key override to allow police and fire access to the facility during an emergency.

**Doors and Access Requirements**

1. Lobby entry doors must meet or exceed the minimum requirements of a card reader access door and must meet all the other requirements listed in this section.
2. All lobby entry doors must be equipped with electrified locking hardware that may be associated with a time zone for automatic locking and unlocking purposes. This time zone must be predicated on building business hours as determined by lobby staffing requirements, and the front doors must never be unlocked unless the reception desk is staffed. Outside of normal business hours, lobby entry doors must only be accessible by following normal procedures for card reader door entry.
3. All interior doors located in the lobby/reception area and leading to secured space or sales space must meet or exceed the minimum requirements of a card reader access door.
4. Interior doors to secured space or sales space within view of the receptionist can be configured for remote release by using a card reader located on the underside of the reception desk. The receptionist(s) will use this card reader to remotely release the doors as required, allowing entry to visitors. If multiple doors require remote release, each door must have a separate card reader on the underside of the desk, configured for remote door release of the corresponding door. Individual remote door release card readers must be spaced a sufficient distance from one another to prevent accidental release of an unintended door.
5. Lobby doors and interior doors to secured space and sales space must not suffer unintentional unlocking or alarm shunting due to pedestrian traffic. Therefore, request to exit (REX) motion detectors cannot be utilized to unlock these doors.
6. Interior security doors that are not in view of the receptionist must not be enabled for remote release by a card reader and must function as standard card reader access doors. It is allowable to use surveillance to make these doors "in view," if the receptionist is equipped with both video and audio communication to the remote door, including a viewing monitor at each receptionist's workstation. The viewing monitor must not be part of the receptionist's computer workstation and must not be connected to the monitored security system.

**Video Surveillance**

1. CCTV general requirements.
  - a. All cameras shall be minimum 1080P HD.
  - b. All video surveillance cameras shall include remote focus functionality.
  - c. Cameras on all perimeter doors.
  - d. Building perimeter to be fully covered by CCTV surveillance.
  - e. Cameras to view parking lot, entrances and exits.
  - f. CCTV storage to be a minimum of 90 days.
  - g. Cameras in public areas to give a general overview of the area.
2. The entire opening of all entry and exit doorways must be captured as primary views.
3. Primary views are required of all Lobby doors that provide entry from the building's exterior space into the lobby.

4. The entire lobby space must be monitored by security video cameras. All required views of the lobby space, primary or incidental, must be captured by cameras located within the lobby space.
5. The entire reception desk area must be monitored and recorded by the security video system to produce primary views.
6. The entire reception desk area must be monitored by a security video primary camera and recorded.
7. The field of view for the reception desk camera must include the area directly in front of the reception desk, including a clear view of both the face of the persons standing in that location and a view of items they are holding.
8. All persons entering the employee space from the lobby must be monitored by security video cameras and recorded.
9. A dedicated incidental video camera must be placed on the outside of the storage room. The camera should be located on the unsecured side of the door with an unobstructed view of both the doorway and the card reader. The field of view for this camera must provide a clear view of both the face of the person entering and a view of items being carried into the premises by that person. This field of view must be limited to the doorway only, in order to provide full-size images. It must not be possible for any person to enter using the door from any angle without being captured and identified on camera.
10. An incidental camera will also be located within the room and positioned to view the entire room and the entry door to the room (whenever possible).

**General Lighting Requirements**

1. Lighting must be designed to support security video surveillance by avoiding fixture placement that results in high glare or extreme ranges of luminance in the view of any camera.
2. Lighting Measurements Note: One foot-candle (fc) = 10.764 lux. The fc (or lumen per square foot) is a unit of luminance. Lux and fc are different units of the same quantity.
3. Bollard lighting, lamp standard lighting, low-level lighting, and uplights are not sufficient or adequate for these purposes.
4. The lighting element types must support color video monitoring and recording. Therefore, sodium vapor elements and other elements that do not support color rendition must be avoided.

**Interior Lighting Requirements**

1. Building entry and exit lobbies must be illuminated to 5 fc/50 lux.
2. Main storage rooms must be illuminated to a minimum of 30 fc/300 lux when in use.
3. Indoor lighting levels must support interior video surveillance design. Indoor lighting must not be on a switchable circuit and must not be lower than 0.25 fc at any time.

**Exterior Lighting Requirements**

1. Lighting must be sufficient to enable the identification of all people and activity 24 hours per day, in any weather, and must deter concealment in all locations where video camera coverage is installed.

2. All exterior lighting during the hours of darkness will be a minimum of 1 foot-candle uniform at plane, dependent on the range and angle of view, for all areas except walkways and loading docks. Exterior lighting must not be on any form of switched circuit.
3. Exterior walkways must be illuminated to 3 fc/30 lux at plane.
4. Loading docks must be illuminated to 5 fc/50 lux at plane when in use during hours of darkness and to 3 fc/30 lux when not in use during hours of darkness.
5. Vehicular entry and exit points should be illuminated to 3 fc/30 lux.
6. Parking lots and parking garages must be illuminated to 2 fc/20lux.
7. Perimeter fencing/walls surrounding high value spaces must be illuminated to 2 fc/20lux.

**Landscaping**

1. Landscaping for parking lots (car parks) will be composed of low shrubbery and trees that are sufficiently pruned to enable visibility through the planted areas of any individuals in or behind those areas. Foliage shall not compromise the lighting criteria nor interfere with camera views as applicable.
2. Trees and shrubs around buildings must be kept trimmed to prevent obstruction of intended fields of view for security cameras and to allow clear fields of view for pedestrians and drivers. Care should be taken in trimming to eliminate potential areas of obstruction or concealment and to keep lines of sight clear.

**Definitions**

1. "Public space" shall mean any space to which the public may be granted access, including lobby and sales areas.
2. "Lobby" and "lobby space" shall mean those areas where members of the public may enter and present identification prior to accessing sales areas.
3. "Lobby entry doors" shall mean any authorized entry doors that allow entry to the lobby from an outdoor or non-public space.
4. "Sales area" shall mean the floor area where cannabis or cannabis products are displayed for public viewing and where sales transactions occur.
5. "Secured space" shall mean all spaces where public access is restricted, and shall include all areas of the business other than lobby areas and sales areas.

**Deleted: ¶**

¶

**Fencing¶**

Exterior fencing shall consist of 8-foot-high wrought iron with hooks facing out on all perimeter fence lines, or an alternative design as approved by the Director or his/her designee, and shall be provided for all exterior secured spaces and business services areas, excluding street frontage and public parking areas.¶

All fencing shall be based in concrete, asphalt or a similar hard surface material.¶



**ORDINANCE NO. 753**

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF SUISUN CITY, CALIFORNIA, APPROVING A TAX ON COMMERCIAL CANNABIS ACTIVITIES BY ADDING CHAPTER 3.44 (COMMERCIAL CANNABIS TAX) TO TITLE 3 (REVENUE AND FINANCE) OF THE SUISUN CITY CODE**

**WHEREAS**, the City of Suisun City (“City”) is a general law city located in the County of Solano, State of California; and

**WHEREAS**, pursuant to subdivision (b) of Section 2 of Article XIII C of the California Constitution and Sections 53720 *et seq.* of the Government Code, the City’s City Council (“City Council”) has the authority to impose a general tax upon submission of the tax to the voters of the City and approval thereof by a majority of the voters voting on the tax at an election consolidated with a regularly scheduled general election for members of the City Council; and

**WHEREAS**, in 1996, California voters approved Proposition 215, the Compassionate Use Act (“CUA”), codified as Health and Safety Code §11362.5, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of cannabis for medical purposes; and

**WHEREAS**, in 2003, the California legislature enacted Senate Bill 420, the Medical Marijuana Program Act (“MMPA”), codified as Health & Safety Code §§ 11362.7 *et seq.*, and as later amended, to clarify the scope of the CUA relating to the possession and cultivation of cannabis for medical purposes, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

**WHEREAS**, in 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established a comprehensive regulatory and licensing scheme for commercial medical cannabis operations; and

**WHEREAS**, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was approved by California voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial recreational (adult-use) cannabis operations, and which also legalized limited personal recreational cannabis use, possession, and cultivation; and

**WHEREAS**, on June 27, 2017, Governor Brown signed Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of the MCRSA and the AUMA; and

**WHEREAS**, on May 29, 2018, the City adopted Ordinance No. 750, adding Chapter 18.49 to the Suisun City Code and thereby establishing a commercial cannabis regulatory program in the City; and

1       **WHEREAS**, Suisun City Code Chapter 18.49, as adopted by Ordinance No. 750 and  
2 in its current form, authorizes commercial cannabis cultivation (except outdoor cultivation),  
3 manufacturing, distribution, testing, and retail sales businesses (delivery businesses and one  
4 storefront dispensary business) to operate in the City, subject to issuance of the requisite State  
5 license and City-issued commercial cannabis business permit, and to continuing compliance  
6 with Suisun City Code Chapter 18.49 and other applicable state and local laws and regulations;  
7 and

8       **WHEREAS**, there is currently no City tax in effect for medicinal or adult-use  
9 commercial cannabis operations of any type; and

10       **WHEREAS**, MAUCRSA and AUMA do not preempt local taxation of cannabis  
11 operations; and

12       **WHEREAS**, the City Council finds that tax revenue from commercial cannabis  
13 operations can provide funds for additional City services to protect and promote the general  
14 health and welfare of the citizens of the City; and

15       **WHEREAS**, although the City Council does not desire, nor does it intend by this  
16 ordinance, to allow any commercial cannabis uses in the City other than those currently allowed  
17 pursuant to Suisun City Code Chapter 18.49, it does desire to seek voter approval for cannabis  
18 taxes applicable both to currently allowed commercial cannabis uses and to other commercial  
19 cannabis uses that may be allowed in the future; and

20       **WHEREAS**, the City Council desires that a cannabis tax be submitted to the voters for  
21 approval so that every person conducting a commercial cannabis operation in the City shall pay  
22 a commercial cannabis receipts tax of up to 15% of its proceeds, regardless of whether such  
23 operation has a valid permit pursuant to the Suisun City Code, and/or a commercial cannabis  
24 square footage tax of up to \$25 per square foot of space utilized for commercial cannabis  
25 activities, regardless of whether such operation has a valid permit pursuant to the Suisun City  
26 Code, and that the commercial cannabis square footage tax shall generally be adjusted on an  
27 annual basis for inflation based on the consumer price index; and

28       **WHEREAS**, the City Council desires that the cannabis tax revenue generated pursuant  
to this Ordinance, if approved by the voters, may be spent for unrestricted general revenue  
purposes.

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF SUISUN CITY,  
CALIFORNIA DO HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.     RECITALS**

The foregoing recitals are true and correct, and are incorporated herein by reference.

**SECTION 2.     CHAPTER 3.44 (COMMERCIAL CANNABIS TAX) IS  
HEREBY ADDED TO TITLE 3 (REVENUE AND FINANCE) OF THE SUISUN CITY  
CODE AS FOLLOWS:**

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**Chapter 3.44                    COMMERCIAL CANNABIS TAX**

- Section 3.44.010            Definitions.
- Section 3.44.020            Commercial Cannabis Tax Imposed.
- Section 3.44.030            Purpose, Applicability, and Operation of Commercial Cannabis Tax.
- Section 3.44.040            Returns and Remittances.
- Section 3.44.050            Failure to Pay Commercial Cannabis Tax.
- Section 3.44.060            Refunds.
- Section 3.44.070            Enforcement.
- Section 3.44.080            Debts; Deficiencies; Determinations; Hearings.
- Section 3.44.090            Administration.
- Section 3.44.100            Conflicts.
- Section 3.44.110            Amendments.

**Section 3.44.010            Definitions.**

- A. The definitions contained in Chapter 18.49 of the Suisun City Code shall apply to this chapter, unless otherwise expressly provided herein or the context otherwise requires.
- B. Notwithstanding subsection (A), the following terms shall have the following meanings for purposes of this chapter:
  - 1. “Cannabis accessories” has the definition set forth in Health & Safety Code Section 11018.2, as may be amended.
  - 2. “Due date” means the date a tax return or tax payment is due to be remitted to the City pursuant to this chapter.
  - 3. “Proceeds” means the gross revenue of a commercial cannabis operation, whether received in money or otherwise, generated from the sale of cannabis or cannabis products or the performance of any act or service from which a charge is made or a credit allowed, if such act is done as part of or in connection with the sale of cannabis or cannabis products, or if such act otherwise constitutes commercial cannabis activity or is done in the course of commercial cannabis activities, including but not limited to testing and distribution of cannabis or cannabis products. “Proceeds” does not include revenue generated from the sale of cannabis accessories. “Proceeds” includes all receipts, cash and property of any kind or nature, consideration of any nature, without any deduction therefrom on account of the cost of property sold, the cost of materials used, labor or services costs, interest paid or payable or losses or other expenses whatsoever. Excluded from Proceeds are any taxes required by law to be added to the purchase and collected from the consumer or purchaser, such part of the sales price of any property returned by the purchaser to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in Proceeds. Proceeds may also exclude any such other

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amounts that may be determined by the Tax Administrator as not being included in Proceeds pursuant to administrative rulings or instructions provided by the Tax Administrator.

“Remit” means to personally deliver a tax return and tax payment as appropriate to the City, or to mail a tax return and tax payment as appropriate via certified mail, return receipt requested, sufficiently in advance so as to ensure actual receipt by the City on or before the due date.

- 4. “Space utilized for commercial cannabis activities” means any area in a building or structure, or outdoor space as may be allowed, including floor space and other surface area (including the surface area occupied by all layers of stacking, in the context of cultivation), used or designated for use by a commercial cannabis operation for cultivation, manufacturing, testing, distribution, or sales of cannabis or cannabis products, or otherwise used or designated for use for commercial cannabis activities. For a building or structure with more than one (1) floor, “space utilized for commercial cannabis activities” shall include all floors of the building or structure. “Space utilized for commercial cannabis activities” does not include outdoor space not actively used for commercial cannabis activities (patios, parking, landscaping, etc.), and does not include indoor areas such as restrooms, kitchens, and employee break rooms which are used strictly to accommodate the personal needs of the employees or other personnel of a commercial cannabis operation. Space utilized for commercial cannabis activities shall be calculated in square feet and measured using clearly identifiable boundaries, including all of the space within the boundaries. Space utilized for commercial cannabis activities may be noncontiguous but each unique area included in the total calculation shall be separated by an identifiable boundary including, but not limited to, interior walls, shelves, and greenhouse walls. In the context of cultivation, space utilized for commercial cannabis activities includes all designated area that will be used in the germination, vegetative, pre-flowering, flowering or harvesting phases of cultivation (including nursery areas and areas that will contain mature plants) at any time. Space utilized for commercial cannabis activities shall be determined by the Tax Administrator, in his or her sole discretion, in accordance with this definition.
- 5. “Stacking” means cultivating cannabis plants on platforms or tables and stacking them in multiple layers on top of each other.
- 6. “Tax” means the tax imposed by this chapter.
- 7. “Tax Administrator” means the City’s City Manager, or his or her designee.

**Section 3.44.020 Commercial Cannabis Tax Imposed.**

- A. Commercial Cannabis Receipts Tax. Every person conducting a commercial cannabis operation in the City, regardless of whether such operation has a valid permit pursuant to Suisun City Code Chapter 18.49, shall pay a commercial cannabis receipts tax of up to fifteen percent (15%) of the proceeds of the commercial cannabis operation.

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- B. Commercial Cannabis Square Footage Tax. Every person conducting a commercial cannabis operation in the City, regardless of whether such operation has a valid permit pursuant to Suisun City Code Chapter 18.49, shall pay a commercial cannabis square footage tax of up to twenty-five dollars (\$25) per square foot per year for space utilized for commercial cannabis activities. The commercial cannabis square footage tax shall be adjusted annually on July 1 of each year after the effective date of this chapter based on the Consumer Price Index (“CPI”) for all urban consumers in the San Francisco-Oakland-Hayward areas as published by the United States Government Bureau of Labor Statistics. However, no such adjustment shall decrease any tax imposed by this chapter, unless approved by the City Council.
- C. The tax rates of the commercial cannabis receipts tax and the commercial cannabis square footage tax shall automatically be set at the maximum rates specified in this section unless established otherwise by resolution of the City Council.
- D. The due date for tax payments is 45 days after the conclusion of each calendar quarter, except as otherwise expressly stated in this chapter.
- E. The commercial cannabis square footage tax, which is calculated on an annual basis, shall be pro-rated as necessary to facilitate the quarterly payments required by this chapter.

**Section 3.44.030 Purpose, Applicability, and Operation of Commercial Cannabis Tax**

- A. Purpose of Tax. The revenue generated by the commercial cannabis receipts tax and commercial cannabis square footage tax imposed by this chapter may be spent for unrestricted general revenue purposes.
- B. The tax is in addition to all other taxes imposed by the Suisun City Code, including, but not limited to, business license taxes pursuant to Title 5.
- C. Neither establishment nor payment of the tax shall constitute or be construed as authorization of any commercial cannabis operation that is not authorized pursuant to Suisun City Code Chapter 18.49. However, the tax is intended to apply both to commercial cannabis operations that are currently allowed under Suisun City Code Chapter 18.49 and to any potential future commercial cannabis operations that the City Council may subsequently allow by ordinance.
- D. The City Council may set and thereafter tax at lower rates than the maximum rates set forth in this chapter, may establish exemptions, incentives, or other reductions, may impose penalties and interest charges, and may make determinations of tax due for failure to pay the tax in a timely manner, to the fullest extent allowed under state law and the Suisun City Code. No action by the City Council under this section shall prevent the City Council from later increasing or restoring the taxes to higher rates up to the maximum rates authorized by this chapter, or from removing or altering any exemption, incentive, reduction, or other action under this section, and no such action shall require voter approval.
- E. The taxes imposed by this chapter are not sales or use taxes and shall not be calculated or assessed as such. The taxes shall not be separately identified or

1 otherwise specifically assessed or charged to any individual, consumer or customer;  
2 rather, the taxes are imposed upon the commercial cannabis operation.

3 **Section 3.44.040 Returns and Remittances.**

4 The taxes imposed by this chapter shall be due and payable as follows:

- 5
- 6 A. Each commercial cannabis operation owing tax, on or before the due date for each  
7 calendar quarter, shall prepare and remit to the Tax Administrator a tax return  
8 reflecting the total proceeds of, and the amount of tax owed by, the commercial  
9 cannabis operation for said calendar quarter. At the time the tax return is filed, the  
10 full amount of the tax owed for said calendar quarter shall be remitted to the City.
- 11 B. For commercial cannabis operations which commence during the pendency of a  
12 given calendar quarter, the operation's initial tax return and tax payment shall be  
13 remitted within 45 days of the conclusion of the first full calendar quarter, and shall  
14 be pro-rated as necessary to provide for payment of the initial partial quarter plus  
15 the first full quarter during which the operation was in business.
- 16 C. All tax returns shall be prepared and remitted using forms provided by the Tax  
17 Administrator, and shall include all information deemed necessary by the Tax  
18 Administrator to determine the amount of tax due.
- 19 D. Tax returns and payments for all outstanding taxes owed to the City are immediately  
20 due to the Tax Administrator upon cessation of a commercial cannabis operation for  
21 any reason.
- 22 E. Notwithstanding any other provision of this chapter, whenever any payment,  
23 statement, report, request or other communication is received by the Tax  
24 Administrator after the due date, but is in an envelope bearing a postmark reflecting  
25 that it was mailed prior to the due date, and the Tax Administrator is provided with  
26 substantial proof that it was in fact properly mailed prior the due date and its non-  
27 receipt by the Tax Administrator was due to no fault of the taxpayer, the Tax  
28 Administrator may regard such payment, statement, report, request, or other  
communication as having been timely received.
- F. Notwithstanding any other provision of this chapter, if the date that would normally  
be the due date falls on a Friday, Saturday, Sunday, or a federal holiday, the due  
date shall be the next regular business day on which the City Hall is open to the  
public following the date that would otherwise have been the due date.
- G. Except as otherwise specifically provided in this chapter, a tax payment that is not  
remitted on or before the due date becomes, and shall be deemed, delinquent  
commencing the day after the due date.
- H. The Tax Administrator is not required to send any delinquency or other notice or  
bill to any person for any tax payment required pursuant to this chapter to be deemed  
delinquent, or for any penalty or interest established pursuant to this chapter to  
apply. Failure to send such a notice or bill shall not affect the entitlement of the City

1 to collect any delinquent tax or associated penalties or interest pursuant to this  
2 chapter.

3 **Section 3.44.050 Failure to Pay Commercial Cannabis Tax.**

4 Any person who fails or refuses to pay any tax on or before the due date shall incur  
5 penalties and interest as follows, and shall be liable for payment of said penalties and  
6 interest in addition to the delinquent tax amount and any other amounts as may be  
7 authorized by law:

- 8 A. A penalty of up to twenty-five percent (25%) of any tax amount that becomes  
9 delinquent, which penalty shall attach immediately and automatically upon the  
10 amount becoming delinquent.
- 11 B. An additional penalty of up to twenty-five percent (25%) of any delinquent tax  
12 amount remaining unpaid after the conclusion of one calendar quarter after the  
13 amount became delinquent, which penalty shall attach immediately and  
14 automatically at that time.
- 15 C. Interest, at a rate not to exceed fifteen percent (15%) per year, which shall accrue on  
16 all delinquent tax amounts and outstanding penalties. Interest on delinquent tax  
17 amounts shall be calculated from the date the tax became delinquent. Interest on  
18 outstanding penalties shall be calculated from the date the penalties attached.
- 19 D. The penalty and interest rates shall automatically be set at the maximum rates  
20 specified in this section unless established otherwise by resolution of the City  
21 Council.
- 22 E. Whenever a check is submitted for a tax payment required by this chapter, and the  
23 check is subsequently returned unpaid by the bank upon which the check is drawn,  
24 and the check is not redeemed prior to the due date, the taxpayer will be liable for  
25 the delinquent tax amount plus the penalties and interest provided for in this section.
- 26 F. The tax obligations imposed by this chapter shall commence on, and shall be  
27 calculated from, the effective date of this chapter.
- 28 G. The Tax Administrator may waive the penalties, but not the interest, imposed by  
this section upon any commercial cannabis operation if the commercial cannabis  
operation provides evidence satisfactory to the Tax Administrator that failure to pay  
the tax in a timely fashion was due to circumstances beyond the control of the  
operation and occurred notwithstanding the exercise of ordinary care and the  
absence of willful neglect, and the operation paid the delinquent tax and accrued

1 interest owed to the City in full prior to applying to the Tax Administrator for a  
2 penalty waiver. Notwithstanding the foregoing, no such waiver pursuant to this  
section shall be granted more than once during any twenty-four (24) month period.

3 **Section 3.44.060 Refunds.**

- 4 A. No refund shall be made of any tax collected pursuant to this chapter, except as  
5 provided in this section.
- 6 B. No refund of any tax collected pursuant to this chapter shall be made because of the  
7 discontinuation, dissolution, or other termination of any commercial cannabis  
8 operation.
- 9 C. Whenever the amount of any tax, penalty, or interest imposed pursuant to this  
10 chapter has been overpaid, paid more than once, or erroneously or illegally collected  
11 or received by the City, such amount shall be refunded to the taxpayer upon the  
12 taxpayer's filing of a written claim for the refund to the Tax Administrator.
- 13 D. Any commercial cannabis operation entitled to a refund pursuant to this section may  
14 elect in writing to have the refund applied as a credit against the operation's  
commercial cannabis taxes for the next reporting period.
- 15 E. The Tax Administrator shall have the right to examine and audit all the books and  
16 business records of a refund claimant as necessary to determine the entitlement of  
17 the claimant to the refund requested. If the Tax Administrator has insufficient  
18 information with which to determine entitlement to a refund, and the refund claimant  
19 refuses to allow examination of its books and business records as necessary to make  
20 such determination after request by the Tax Administrator, no refund shall be made  
for so long as, and to the extent that, the Tax Administrator lacks sufficient  
information to make the determination of entitlement.
- 21 F. The Tax Administrator shall initiate a refund of any tax which has been overpaid or  
22 erroneously collected whenever the overpayment or erroneous collection is  
23 identified by a City audit of tax receipts.
- 24 G. In the event that any tax imposed by this chapter was erroneously paid or collected,  
25 and the error is attributable to the City, the entire amount of the tax erroneously paid  
26 shall be refunded to the claimant without deduction for administrative costs incurred  
27 in doing so. If the error is attributable to the claimant, the City shall deduct, from  
28 the amount erroneously paid or collected, the amount necessary to cover expenses  
its administrative expenses of processing the refund, and shall refund the remaining  
amount to the claimant.



**Section 3.44.070 Enforcement.**

- 1
- 2 A. Failure to pay the taxes or file the returns required by this chapter is unlawful and a  
3 violation of this chapter, punishable as set forth in this section and elsewhere in this  
4 Code, in addition to any and all other penalties and remedies available to the City at  
5 law.
- 6 B. Any violation of any provision of this chapter or any administrative rule or  
7 regulation promulgated hereunder, and any knowing or intentional  
8 misrepresentation made to the Tax Administrator regarding any material fact  
9 concerning the operation or administration of this chapter or any obligation pursuant  
10 to this chapter, constitutes a misdemeanor. Notwithstanding the foregoing, the City  
11 Prosecutor, in his or her discretion, may elect to charge and prosecute any violation  
12 as an infraction in lieu of a misdemeanor.
- 13 C. The City's remedies pursuant to this chapter, other applicable provisions of this  
14 code, and other applicable law are cumulative. The City's administrative or criminal  
15 punishment, prosecution or conviction of any person or operation for failure to pay  
16 any required tax pursuant to this chapter shall not preclude any civil action or  
17 remedy by or of the City for recovery of any unpaid tax, penalties or interest owed  
18 by said person or operation pursuant to this chapter. The initiation or pursuit of a  
19 civil action or remedy by the City shall not preclude the availability of any criminal  
20 or administrative remedy for any violation of this chapter or state law requiring the  
21 payment of all taxes.
- 22 D. It shall be the duty of the Tax Administrator to enforce each and all of the provisions  
23 of this chapter. The Tax Administrator shall have the power to audit and examine  
24 all books and records of commercial cannabis operations, including both state and  
25 federal income tax returns, California sales tax returns, logs, receipts, bank records,  
26 or other evidence documenting the proceeds of the operation, or any person engaged  
27 in the conduct of an operation, for the purpose of ascertaining the amount of tax, if  
28 any, required to be paid by the provisions of this chapter, and for the purpose of  
verifying any statement or representation made by any person pursuant to the  
provisions of this chapter. If any such person or operation, after written demand by  
the Tax Administrator, refuses to make available for audit, examination or  
verification such books, records, or equipment as requested, the Tax Administrator  
may, after full consideration of all information available to the Tax Administrator  
concerning the activities or operations of the refusing party, make a determination  
of tax due in the manner provided in Section 3.44.080.
- E. The Tax Administrator shall have the power to enter onto the premises of a  
commercial cannabis operation upon reasonable notice to the commercial cannabis  
operation at least once per calendar quarter for the purposes of determining space

utilized for cultivation cannabis activities, to review items requested in subsection D of this section or as otherwise needed for enforcement of this chapter.

**Section 3.44.080 Debts; Deficiencies; Determinations; Hearings.**

A. The amount of any delinquent or outstanding tax, penalties, and interest imposed pursuant to this chapter shall be deemed a debt to the City, and any person conducting a commercial cannabis operation without also making payment to the City of any amount of taxes, penalties or interest required by this chapter shall be liable in an action in the name of the City in a court of competent jurisdiction for the amount of the taxes, and penalties and interest which is delinquent or outstanding.

B. If the Tax Administrator is not satisfied that a statement or representation made pursuant to this chapter is correct, or that the amount of tax required to be paid pursuant to this chapter is correctly computed, the Tax Administrator may compute and determine the amount due and make a deficiency determination upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of tax due for a given reporting period may be made. When a commercial cannabis operation ceases business operations, a deficiency determination may be made at any time within three years of such cessation as to any liability arising from the business activities of said operation, whether or not a deficiency determination is issued prior to the date the tax would otherwise be due.

C. Under any of the following circumstances, the Tax Administrator may make and give notice of a determination of the amount of tax owed by a person under this chapter:

1. If the person has not filed any statement or return required by this chapter.
2. If the person has not paid any amount of tax due under this chapter.
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement or return, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of tax due under this chapter.

D. The notice of determination shall separately set forth the amount of any tax known or estimated by the Tax Administrator to be due under each applicable section of this chapter, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of determination.

E. The notice of determination shall be served upon the person either by handing it to him or her personally, or by depositing the notice in the United States mail, postage

1 prepaid, addressed to the person at the address of the commercial cannabis operation  
2 appearing on the face of the business license issued to the person or operation under  
3 this Code or to such other address as he or she shall register with the Tax  
4 Administrator for the purpose of receiving notices provided under this chapter; or,  
5 should the person have no business license and no address registered with the Tax  
6 Administrator, then to such person's or operation's last known address of record.  
7 For purposes of this section, a service by mail is complete at the time of deposit in  
8 the United States mail.

9 F. Within ten (10) days after the date of service of a notice of determination pursuant  
10 to this section, the person may apply in writing to the Tax Administrator for a  
11 hearing on the determination. If such application is not timely made, the tax assessed  
12 by the Tax Administrator shall become final and the right to a hearing shall be  
13 deemed waived and forfeited. If such application is timely made, the hearing shall  
14 be conducted in accordance with applicable law and the following:

15 1. The City Council hereby delegates its authority to conduct hearings pursuant to  
16 this section to an independent hearing officer. The compensation of the hearing  
17 officer shall not depend on any particular outcome of the appeal. The hearing  
18 officer shall have full authority and duty to preside over the hearing on the  
19 determination in the manner set forth herein and as required by law.

20 2. Within thirty (30) days of the receipt of any such application for hearing, the  
21 Tax Administrator shall cause the matter to be set for hearing before the  
22 independent hearing officer, unless a later date is agreed to by the Tax  
23 Administrator and the person requesting the hearing.

24 3. Notice of the hearing shall be given by the Tax Administrator to the person  
25 requesting the hearing not later than five days prior to the date of the hearing.  
26 For good cause, the hearing officer may continue the hearing from time to time.  
27 At the hearing, the applicant may appear and offer evidence to show why the  
28 determination as made by the Tax Administrator should not be confirmed and  
fixed as the tax due. In conducting the hearing, the hearing officer shall not be  
limited by the technical rules of evidence. Failure of the person who applied for  
a hearing on the determination to appear shall not affect the validity of the  
proceedings or any order issued thereon.

4. Upon conclusion of the hearing, or no later than ten (10) days after the  
conclusion of the hearing, the hearing officer shall determine and reassess the  
proper tax to be charged and shall give written notice to the person in the manner  
prescribed in this chapter for giving notice of determination, and the hearing  
officer shall submit his or her decision and the record to the City Clerk. The  
decision of the hearing officer shall be final.

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**Section 3.44.090 Administration.**

The tax administrator may promulgate administrative rules and regulations to implement and administer the provisions of this chapter.

**Section 3.44.100 Conflicts.**

In the event of a direct conflict between any provision(s) of this chapter and any provision(s) of any other chapter of the Suisun City Code, this chapter shall prevail.

**Section 3.44.110 Amendments.**

The City Council may amend this chapter, in any manner that does not result in an increase in the tax rate or otherwise constitute a tax increase for purposes of Article XIII C of the California Constitution, without further voter approval.

**SECTION 3. SEVERABILITY.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unenforceable a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The People of the City of Suisun City hereby declare that they would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unenforceable.

**SECTION 4. CITY COUNCIL AUTHORITY TO AMEND.** Pursuant to Section 9217 of the California Elections Code, the City Council expressly reserves, retains, has, and is granted the right and authority to amend the provisions of this Ordinance to further the purposes and intent of this Ordinance (including but not limited to amendment for more efficient administration as determined by the City Council) in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

**SECTION 5. EFFECTIVE DATE.** Except as may be otherwise mandated pursuant to amendment of applicable provisions of the California Constitution, if a majority of the voters of the City voting at the General Municipal Election on November 6, 2018 vote in favor of this Ordinance, then this Ordinance shall become a valid and binding ordinance of the City, and shall be considered as adopted upon the date that the vote is declared by the City Council of the City, and this Ordinance shall go into effect ten (10) days after that date, pursuant to Election Code section 9217.

**SECTION 6. EXECUTION.** The Mayor of the City is hereby authorized and ordered to attest to the adoption of this Ordinance by the voters of the City by signing where indicated below.

1 I hereby certify that the foregoing Ordinance was PASSED, APPROVED and  
2 ADOPTED by the People of the City of Suisun City, California, voting on the 6th day of  
3 November, 2018.

4 

5 \_\_\_\_\_  
Lori Wilson  
Mayor

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7  
8 **ATTEST**

9 

10 \_\_\_\_\_  
Linda Hobson, CMC  
City Clerk

11  
12  
13 **APPROVED AS TO FORM:**

14 

15 \_\_\_\_\_  
Anthony R. Taylor  
City Attorney

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# Consideration of Recommendations of Cannabis Ad Hoc Committee

City Council

November 26<sup>th</sup>, 2019



# Cannabis Dispensary RFA Process

- Council approves RFA
- City releases Notice of RFA
- 90-day application period
- Staff conducts initial review of applications and presents findings to the City Council
- Council selects a Recommended Operator
- Staff works with Recommended Operator to prepare for final approval
- Staff presents Recommended Operator to City Council for final approval





## Ad Hoc Recommendations

- Minor Amendments to Cannabis Dispensary Request for Applications (RFA)
  - Attachment 1, Exhibits A, B and C
- Set Cannabis Tax Rates by Resolution per Measure C
  - Attachment 2



# Cannabis Dispensary RFA Application

• The RFA application includes the following sections:

- Application Form
- Proposed Location
- Site Control
- Business Plan
- Floor Plan/Elevations
- Qualification of Applicants/Special Qualifications
- Neighborhood Compatibility
- Safety and Security Plan
- Community Benefits
- Labor and Employment
- Air Quality/Odor Control Plan
- Criminal History Check



# Cannabis Dispensary RFA Application

• The RFA application includes the following sections:

- Application Form
- Proposed Location
- Site Control (*minor changes*)
- Business Plan
- Floor Plan/Elevations (*minor changes*)
- Qualification of Applicants/Special Qualifications (*minor changes*)
- Neighborhood Compatibility (*minor changes*)
- Safety and Security Plan
- Community Benefits
- Labor and Employment (*minor changes*)
- Air Quality/Odor Control Plan
- Criminal History Check (*minor changes*)

**See Red-Lined Changes in Attachment 3**



## Ad Hoc

### Recommendation

#### Application Scoring Criteria – 200 points total

- A. Site Control (15 points)
- B. Business Plan (30 points)
- C. Floor Plan/Elevations (25 points)
- D. Qualification of Applicants (20 points)
- E. Neighborhood Compatibility (30 points)
- F. Safety and Security Plan (25 points)
- G. Community Benefits (15 points)
- H. Labor, & Employment (15 points)
- I. Air Quality Control Plan (25 points)

**SEE RED-LINED CHANGES IN ATTACHMENT 3**



## Supplemental Security Measures

Measures established for cannabis dispensaries in addition to security measures required under SCC Chapter 18.49:

- General Security Requirements
- Doors and Access Requirements
- Video Surveillance
- General Lighting Requirements
- Interior Lighting Requirements
- Exterior Lighting Requirements
- Landscaping
- ~~Fencing~~

Ad Hoc

Recommendation

**SEE RED-LINED CHANGES IN ATTACHMENT 3**



## Staff

### Recommendation

## Adopt Council Resolution No. 2019 –

A Resolution of the City Council of the City of Suisun City, California, Approving the Following Documents to Establish a Request for Applications Process for Review and Selection of a Recommended Operator for a Cannabis Storefront Retailer/Dispensary Pursuant to Suisun City Code Section 18.49.160(B):

- (1) Request for Applications Guidelines and Procedures; (2) Supplemental Security Requirements – Cannabis Storefront Retailer/Dispensary; and (3) Notice of Request for Applications – Storefront Retailer/Dispensary.



# City Cannabis Tax

- Suisun City residents approved a Marijuana Business Tax (Measure C) in November 2018
- Measure C set the maximum rates at 15% of gross sales and \$25 per S.F. of commercial cannabis floor area

## Background



# City Cannabis Tax

## Cannabis Retailer/Dispensary (including delivery only):

- \$2.00 per SQFT
- 7% Sales Tax on Gross Receipts; State Medical Identification card will be exempt from tax.

## Not Cannabis Retailer/Dispensary Related:

- \$5.00 per SQFT
- 5% Sales Tax on Gross Receipts

Ad Hoc  
Recommendation





## Staff

### Recommendation

### **Adopt Council Resolution No. 2019 –**

A Resolution of the City Council of the City of Suisun City, California, setting the Tax Rate to be imposed upon Commercial Cannabis Businesses Pursuant to Chapter 3.44 (Commercial Cannabis Regulatory Tax) of Title 3 (Revenue and Finance) of the Suisun City Municipal Code.



## Future Actions:

### Ad Hoc Recommended Future Steps:

- Amend Cannabis related Fees at Public Hearing to better reflect costs
- Amend Cannabis Ordinance to better attract cannabis businesses



Item 10  
Attachment 5

Questions?

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## AGENDA TRANSMITTAL

**MEETING DATE:** November 26, 2019

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**CITY AGENDA ITEM:** Resolution No. 2019\_\_\_: Authorizing the City Manager to Execute Four Lease Agreements with Enterprise Fleet Management, Inc. and Declare Five City Vehicles as Surplus Assets for Auction.

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**FISCAL IMPACT:** When fully implemented, as detailed at the June 4, 2019 City Council meeting, the Lease Agreement with Enterprise Fleet Management, Inc. has a projected average sustainable annual savings of \$23,702 and an overall ten (10) year savings to the City of approximately \$254,352. The cost of the four (4) proposed lease agreements are included in the FY2019-2020 City Budget. The revenue from the sale of the five (5) city vehicles will likely generate a contribution of less than \$10,000 to the General Fund.

---

**BACKGROUND:** On June 4, 2019 the City Council authorized the City Manager to execute a Master Lease Agreement (Agreement) with Enterprise Fleet Management, Inc. for the systematic replacement of City vehicles. The City currently owns and maintains forty-four (48) vehicles used by City departments to provide public services, twenty-one (21) of which are assigned to the Police Department. The average age of these vehicles is now eleven (11) years and many are well-beyond their intended useful life. Staff performed an internal analysis and determined that a significant investment of approximately \$500,000 per year for the next five years would be required to overhaul the entire City fleet. As the City does not have a dedicated Fleet Manager, staff is leveraging both the industry expertise and purchasing power of Enterprise Fleet Management, Inc. to augment City Staff. Staff continues to evaluate City operations in search of innovative ways to maximize efficiencies, optimize use of staff resources, and explore all opportunities to realize operational and capital expenditure cost savings.

The Enterprise Fleet Management Program (Program) provides a consistent preventive maintenance cycle and substantially reduces repair expenses and minimizes vehicle downtime. Lease cycles for Program vehicles are sixty (60) months. At the end of the lease cycle, the City will have the option to continue utilizing each vehicle in the City fleet (an approximate \$400 service charge will be due at the end of the lease for each vehicle) or can exchange the equity in the vehicle for a new replacement vehicle in a renewed lease (likely at a lower cost due to equity transfer). Enterprise provides a full maintenance program for all leased vehicles which includes 24-hour roadside assistance (does not cover tires and brakes) which can all be performed using local and/or preferred auto service providers in Enterprise's eligible provider network.

The Agreement with Enterprise Fleet Management, Inc. has provided staff support in equipping and tracking our vehicle orders. Since June Staff has utilized the Agreement to begin to reverse the trend of an aging and inefficient fleet by incremental and scheduled replacement of City vehicles. Enterprise provides an online Fleet Management tool for access to fleet information that is very user friendly.

---

**PREPARED BY:**  
**APPROVED BY:**

Matt Medill, Public Works Director  
Greg Folsom, City Manager

**STAFF REPORT:** On June 4, 2019 Council authorized the City Manager to enter into the Agreement with Enterprise for the immediate addition of one (1) vehicle within the Police Department, and one (1) vehicle within the Fire Department, and that Enterprise perform fleet management activities including procurement and disposal, and maintenance of City vehicles as approved by the City Manager.

In the weeks following the meeting, two (2) Public Works trucks started to exhibit signs of major needed repair work (repair estimates exceeded \$5,000). In consideration of the imminent catastrophic failure of the service trucks, the excessive repair estimates coupled with the old vehicle ages, and the six (6) month procurement lead time the City Manager signed contracts for two (2) replacement Ford F-350 trucks for maintenance.

To date, the City has contracted with Enterprise Fleet Management for the procurement of four (4) vehicles. The Police Department procured a Toyota Tacoma for Code Enforcement delivered September 25, 2019. The Fire Department procured a Chevy Tahoe for Fire Department delivered November 15, 2019. Public Works procured two (2) replacement Ford F-350 trucks for maintenance delivered November 15, 2019. The City does not get charged for vehicles until the delivery date.

The following summary table shows the lease cost for the vehicles ordered to date:

<b>Enterprise Fleet Management Program</b>						
<b>Vehicles Ordered to Date</b>						
<b>Department</b>	<b>Year</b>	<b>Manufacturer</b>	<b>Model</b>	<b>Total Monthly Lease Payment</b>	<b>Initial Charges (Upfitting, First Month Payment &amp; Tax)</b>	<b>Lease Term (months)</b>
Fire Department	2019	Chevy	Tahoe	\$1,630.88	\$37,290.51	60
Police Department	2019	Toyota	Tacoma	\$700.45	\$3,388.92	60
Public Works	2019	Ford	F-350	\$808.92	\$1,240.34	60
Public Works	2019	Ford	F-350	\$808.98	\$1,240.44	60

Staff plans to incrementally replace the City fleet through the Program with vehicle orders approximately every six (6) months with Council approval. As the vehicle procurement process and upfitting takes approximately six (6) months, it is imperative that staff stay on schedule to minimize exorbitant fleet repair costs.

Staff has identified the next round of vehicles for order as described below:

- **Two 2020 Police Interceptor Utility Base Hybrids** - The Police Department has two patrol Police Interceptor vehicles with Ford leases expiring on September 1, 2020 and needs to place the order now to ensure delivery of the new two (2) leased Enterprise Police Interceptor Utility Hybrid vehicles before September 1, 2020.
- **2020 Chrysler Voyager** - Public Works has identified the need to replace a Ford Explorer. The 2002 Ford Explorer has deferred maintenance needs and repairs are costly, and the vehicle is 18 years old and does not have the safety features or efficiency included in the newer 2020 vehicle. The new passenger van will allow for more passengers than the Explorer SUV. This pool vehicle is highly utilized each day by Public Works and is also shared with Development Services and the IT group. The new passenger van can serve as a pool vehicle for other departments and City Hall staff when not utilized by Public Works.
- **2020 Ford Transit Cargo Van** - Public Works has identified the need for a new maintenance cargo van to replace a GMC Sonoma and Dodge Van. The Building Maintenance worker currently uses both the Sonoma and the Dodge Van both has thousands of dollars in deferred maintenance and are well beyond their useful life. Neither the Sonoma nor the van serve the needs of building maintenance. The van does not have adequate storage and the Sonoma leaves the tools exposed to the elements. The new 2020 Ford Transit Cargo Van will be equipped with the storage and tools to better equip our City Building Maintenance worker to be more efficient without making multiple trips with two ill-equipped vehicles. In addition to the increase utility of the cargo van, the new 2020 vehicle will include advanced passenger safety features not included on the 18 and 21 year old vehicles.

The following summary table shows the lease cost and upfitting down payment for the next round of vehicle leases. The lease payment includes vehicle maintenance.

<b>Enterprise Fleet Management Program</b>						
<b>Staff Recommended Vehicles for Lease</b>						
<b>Department</b>	<b>Year</b>	<b>Manufacturer</b>	<b>Model</b>	<b>Total Monthly Lease Payment</b>	<b>Down Payment Required for Upfitting</b>	<b>Lease Term (months)</b>
Police Department	2020	Ford	Police Interceptor Utility Hybrid	\$966.65	\$10,737.99	60
Police Department	2020	Ford	Police Interceptor Utility Hybrid	\$966.65	\$10,737.99	60

Public Works	2020	Chrysler	Voyager	\$554.92	\$0.00	60
Public Works	2020	Ford	Transit Cargo Van	\$864.32	\$4,038.00	60

Additionally, Public Works needs to declare the Ford F-150 and Ford E-350 trucks as surplus assets for auction as the replacement F-350 trucks were delivered on November 15, 2019. Both the Ford F-150 and E-350 have significant engine damage and were identified by staff as beyond their useful life.

Public Works also needs to declare the 1999 GMC Sonoma, 2002 Dodge Van, and 2002 Ford Explorer as surplus as they have significant deferred maintenance needed costly repairs. Upon approval, Public Works will be taking five (5) outdated and underutilized vehicles to auction.

The following summary table shows the five (5) vehicles recommended for declaration of surplus assets and for auction. Please note this list does not include the two (2) Police Interceptors that will be returned to Ford as the termination of the lease agreement in September 2020. Please see Attachment 8 for photos of City vehicles recommended for declaration of surplus assets and for auction.

<b>City Vehicles Recommended for Declaration of Surplus Assets and for Auction.</b>					
<b>Department</b>	<b>Year</b>	<b>Manufacturer</b>	<b>Model</b>	<b>Mileage</b>	<b>Reason</b>
Public Works	1999	GMC	Sonoma Truck	108,971	Excessive Maintenance Required
Public Works	2002	Dodge	Cargo Van	37,149	Excessive Maintenance Required
Public Works	2002	Ford	E-350 Truck	58,929	Engine Failure & Excessive Maintenance Required
Public Works	2002	Ford	Explorer SUV	72,103	Excessive Maintenance Required
Public Works	2010	Ford	F-150 Truck	72,644	Engine Failure & Excessive Maintenance Required

Staff recommends that the Council authorize the City Manager to execute the lease of four (4) additional vehicles under the Master Equity Lease agreement including two (2) Police Interceptor Utility Hybrids, one (1) Ford Transit Cargo van, and one (1) Chrysler Voyager passenger van; and furthermore, staff recommends that the Council declare one (1) 1999 GMC Sonoma, one (1) 2002 Dodge Cargo Van, one (1) 2002 Ford E-350 truck, one (1) 2002 Ford Explorer SUV, and one (1) 2010 Ford F-150 truck as surplus assets for auction.



**RECOMMENDATION:** Resolution No. 2019\_\_\_: Authorizing the City Manager to Execute Four Lease Agreements with Enterprise Fleet Management, Inc. and Declare Five City Vehicles as Surplus Assets for Auction.

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**ATTACHMENTS:**

1. Resolution No. 2019\_\_\_: Authorizing the City Manager to Execute Four Lease Agreements with Enterprise Fleet Management, Inc. and Declare Five City Vehicles as Surplus Assets for Auction.
2. Lease Schedule for 2019 Toyota Tacoma
3. Lease Schedules for 2019 Chevy Tahoe and Ford F-350s
4. Lease Rate Quote for 2020 Ford Police Interceptor Utility Base Hybrids
5. Upfit Quote for 2020 Ford Police Interceptor Utility Base Hybrids
6. Lease Rate Quote for 2020 Chrysler Voyager L
7. Lease Rate Quote for 2020 Ford Transit 350 Cargo Base High Roof Van
8. Upfit Quote for 2020 Ford Transit 350 Cargo Base High Roof Van
9. Photos of City Vehicles for Declaration of Surplus Assets
10. Enterprise Fleet Management PowerPoint Presentation

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**RESOLUTION NO. 2019-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
AUTHORIZING THE CITY MANAGER TO EXECUTE FOUR LEASE  
AGREEMENTS WITH ENTERPRISE FLEET MANAGEMENT, INC. AND  
DECLARE FIVE CITY VEHICLES AS SURPLUS ASSETS FOR AUCTION**

**WHEREAS**, on June 4, 2019 the City Council authorized the City Manager to execute an agreement with Enterprise Fleet Management for the replacement of City vehicles, and take other actions as necessary to implement the program; and

**WHEREAS**, on June 4, 2019 the City Council provided staff direction to periodically provide City Council with updates on the Enterprise Fleet Management Program and request authorization when significant vehicle lease agreements are planned; and

**WHEREAS**, to date the City has contracted with Enterprise Fleet Management for the procurement of four (4) vehicles including a 2019 Toyota Tacoma, 2019 Chevy Tahoe, and two (2) Ford F-350 pickup trucks; and

**WHEREAS**, the outgoing fleet is less reliable, more expensive to manage and repair, emits greater pollution than newer vehicles, and does not take advantage of improved safety equipment that comes standard on new vehicles; and

**WHEREAS**, the Enterprise Fleet Management systematic replacement of the existing city vehicle fleet with newer more efficient and less maintenance intensive vehicles will realize City cost savings; and

**WHEREAS**, staff has identified the need for four (4) new vehicles for lease including two (2) 2020 Police Interceptor Utility Hybrid Sport Utility Vehicles, one (1) 2020 Ford Transit Cargo Van, and one (1) 2020 Chrysler Voyager Passenger Van; and

**WHEREAS**, staff has identified five (5) Public Works City vehicles requiring excessive maintenance and an average age of 17 years in service to be declared as surplus assets for auction including a 1999 Chevy Sonoma truck, 2002 Dodge Cargo Van, 2002 Ford E-350 truck, 2002 Ford Explorer Sport Utility Vehicle; and a 2010 Ford F-150 truck; and

1 **NOW, THEREFORE, BE IT RESOLVED** the Suisun City Council hereby authorizes the City  
2 Manager to Execute Four Lease Agreements with Enterprise Fleet Management, Inc. and  
3 Declare Five City Vehicles as Surplus Assets for Auction.

4 **PASSED AND ADOPTED** at a Regular Meeting of the City Council of the City of  
5 Suisun City held on Tuesday the 26<sup>th</sup> day of November 2019 by the following vote:

6 **AYES:** Councilmembers: \_\_\_\_\_  
7 **NOES:** Councilmembers: \_\_\_\_\_  
8 **ABSENT:** Councilmembers: \_\_\_\_\_  
8 **ABSTAIN:** Councilmembers: \_\_\_\_\_

9 **WITNESS** my hand and the seal of said City this 26th day of November 2019.

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Donna Pock, CMC  
Deputy City Clerk

Supplemental to and part of Master Equity Lease Agreement date: 06/06/2019

<b>1. Lessee Name</b>	City of Suisun City - Police	<b>Delivery Date</b>	09/25/2019
<b>Address</b>	701 Civic Center Blvd	<b>Customer#</b>	596290
<b>City</b>	SUISUN CITY	<b>State</b>	CA
<b>ATTN</b>		<b>Postal Code</b>	94585
<b>Driver</b>		<b>Alternate Driver</b>	Jeremy Crone
<b>Address</b>	701 Civic Center Blvd	<b>Garage County</b>	SOLANO
<b>City</b>	SUISUN CITY	<b>State</b>	CA
		<b>Postal Code</b>	94585

**2. Lease Term** Commencing on the delivery date of the vehicle and ending 60 months after the first full monthly rental payment date with an option to continue month-to-month for an unlimited period of time.

**3. Vehicle Description**

<b>Year</b>	2019	<b>Make</b>	Toyota	<b>Model</b>	Tacoma
<b>Series</b>	SR (A6) 4x2 Access Cab 127.4 in. WB				
<b>License #</b>		<b>Unit #</b>	237C5J	<b>Replacement Unit #</b>	
		<b>VIN#</b>	5TFRX5GN2KX155046		

**4. Monthly Rental and Other Payments Due** \*\*\* **Report is based on** \*\*\*  
**4A. Calculation of Monthly Rental** \*\*\* **Delivery/Activation Date** \*\*\*

\$35,279.44	Capitalized Price of Vehicle
\$0.00	Initial License Fee
\$0.00	License and Certain Other Charges
\$0.00	Other
\$0.00	Extended Mechanical Service Program
\$0.00	Less Gain Applied From Prior Unit
\$2,351.44	Less Capitalized Price Reduction
<u>\$32,928.00</u>	Total Capitalized Amount (Delivered Price)
\$477.46	Depreciation Reserve @1.45%
\$131.82	Monthly Lease Charge
<b>\$609.28</b>	<b>Total Monthly Rental Excluding Additional Services</b>

**Additional Services**

\$40.14	Full Maintenance <sup>1</sup>	<b>Contract Miles</b>	<u>50,000</u>	<b>Overmileage Charge</b>	<u>\$0.0010</u> Per Mile
	<b>Incl: # Brake Sets (1 Set = 1Axle)</b>	<u>0</u>	<b># Tires</b>	<u>0</u>	<b>Loaner Vehicle Not Included</b>
	Master Policy Enrollment Fees				
\$0.00	Physical Damage Management			Comp/Collision Deductible	<u>0/0</u>
\$0.00	Commercial Automobile Liability Enrollment				
	Liability Limit	\$0.00			
\$649.42	Monthly Rental Sub-Total				
<u>\$51.03</u>	Sales Tax	<u>8.3750</u>	State	<u>CA</u>	
<b>\$700.45</b>	<b>Total Monthly Rental Including Additional Services</b>				

**4B. Initial Charges**

\$140.10	Pro-Rated Rental
\$700.45	First Month's Rental
\$0.00	Security Deposit
\$2,351.44	Capitalized Price Reduction
\$196.93	Sales Tax on Capitalized Price Reduction
\$0.00	Tax on Gain On Prior
\$0.00	Tax on Incentive (Taxable Incentive Total : \$0.00 )
\$0.00	License and Certain Other Charges
\$0.00	Aftermarket Equipment
<u>\$0.00</u>	Other
<b>\$3,388.92</b>	<b>Total Initial Charges</b>

**4C. Service Charge** \$400.00 Service Charge Due at Lease Termination

**4D. Reduced Book Value** \$4,280.40 Reduced Book Value at Lease Termination

Quote based on estimated annual mileage of **10,000**

**Special Provisions**

As set forth in the Master Open - End (Equity) Lease Agreement, the terms and provisions contained in this schedule shall be conclusive and binding on Lessee unless Lessee objects in writing to the same within ten (10) days after the date of delivery of the vehicle.

Enterprise FM Trust, a Delaware statutory trust, is the owner of the vehicle covered by this Schedule. Enterprise FM Trust (not Enterprise Fleet Management) is and shall be deemed to be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle. All rental and other payments owed by the Lessee with respect to such vehicle under the Master Open - End (Equity) Lease Agreement shall be paid to Enterprise Fleet Management in its capacity as the servicer for Enterprise FM Trust. All references in Sections 11(a) and 12 of the Master Open - End (Equity) Lease Agreement to the "Lessor" shall include any servicer(s) and/or other agent(s) for or of Enterprise FM Trust.

<sup>1</sup>The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this [Invoice/Schedule/Quote], all such maintenance services are to be performed by Enterprise Fleet Management, Inc., and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc.; provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc.

**Aftermarket Equipment Totals**

Description	(B)illed or (C)apped	Price
<b>Total Billed</b>		<b>\$0.00</b>
Sierra Truck and Van Q290702019 Install Hitch and wiring	C	\$557.45
Wattco Reference # TSFTQ1175-A: Lightbar, Tailgate Warning, Grille Warning, Lighting Controls - Control head location TBD, Toolbox, Installation of customer provided item	C	\$8,883.59
<b>Total Capitalized</b>		<b>\$9,441.04</b>
<b>Total</b>		<b>\$9,441.04</b>

**Other Totals**

Description	(B)illed or (C)apped	Price
<b>Total Billed</b>		<b>\$0.00</b>
<b>Total Capitalized</b>		<b>\$0.00</b>
<b>Total</b>		<b>\$0.00</b>

\*\*\* Report is based on \*\*\*  
\*\*\* Delivery/Activation Date \*\*\*

Supplemental to and part of Master Equity Lease Agreement date: 06/06/2019

<b>1. Lessee Name</b>	City of Suisun City - Public Works	<b>Delivery Date</b>	11/15/2019
<b>Address</b>	701 Civic Center Blvd	<b>Customer#</b>	596288
<b>City</b>	SUISUN CITY	<b>State</b>	CA
<b>ATTN</b>		<b>Postal Code</b>	94585
<b>Driver</b>		<b>Alternate Driver</b>	1FT8W3B66KEG48307
<b>Address</b>	701 Civic Center Blvd	<b>Garage County</b>	SOLANO
<b>City</b>	SUISUN CITY	<b>State</b>	CA
		<b>Postal Code</b>	94585

**2. Lease Term** Commencing on the delivery date of the vehicle and ending 60 months after the first full monthly rental payment date with an option to continue month-to-month for an unlimited period of time.

**3. Vehicle Description**

<b>Year</b>	2019	<b>Make</b>	Ford	<b>Model</b>	F-350
<b>Series</b>	XL 4x4 SD Crew Cab 8 ft. box 176 in.				
<b>License #</b>		<b>Unit #</b>	237ZVN	<b>Replacement Unit #</b>	
		<b>VIN#</b>	1FT8W3B66KEG48307		

**4. Monthly Rental and Other Payments Due**

<b>4A. Calculation of Monthly Rental</b>	<b>*** Report is based on ***</b>	<b>*** Delivery/Activation Date ***</b>
\$38,152.72 Capitalized Price of Vehicle		
\$0.00 Initial License Fee		
\$0.00 License and Certain Other Charges		
\$400.00 Courtesy Delivery Fee		
\$0.00 Extended Mechanical Service Program		
\$0.00 Less Gain Applied From Prior Unit		
\$0.00 Less Capitalized Price Reduction		
<u>\$38,552.72</u> Total Capitalized Amount (Delivered Price)		
\$578.29 Depreciation Reserve @1.50%		
\$138.43 Monthly Lease Charge		
<b><u>\$716.72</u> Total Monthly Rental Excluding Additional Services</b>		

**Additional Services**

\$32.17 Full Maintenance <sup>1</sup>	<b>Contract Miles</b>	<u>25,000</u>	<b>Overmileage Charge</b>	<u>\$0.0010</u> Per Mile
<b>Incl: # Brake Sets (1 Set = 1Axle)</b>	<u>0</u>	<b># Tires</b>	<u>0</u>	<b>Loaner Vehicle Not Included</b>
Master Policy Enrollment Fees				
\$0.00 Physical Damage Management			Comp/Collision Deductible	<u>0/0</u>
\$0.00 Commercial Automobile Liability Enrollment				
Liability Limit	\$0.00			
\$748.89 Monthly Rental Sub-Total				
<u>\$60.03</u> Sales Tax	<u>8.3750</u>	State	<u>CA</u>	
<b><u>\$808.92</u> Total Monthly Rental Including Additional Services</b>				

**4B. Initial Charges**

\$431.42 Pro-Rated Rental	
\$808.92 First Month's Rental	
\$0.00 Security Deposit	
\$0.00 Capitalized Price Reduction	
\$0.00 Sales Tax on Capitalized Price Reduction	
\$0.00 Tax on Gain On Prior	
\$0.00 Tax on Incentive (Taxable Incentive Total : \$0.00 )	
\$0.00 License and Certain Other Charges	
\$0.00 Aftermarket Equipment	
<u>\$0.00</u> Other	
<b><u>\$1,240.34</u> Total Initial Charges</b>	

**4C. Service Charge** \$400.00 Service Charge Due at Lease Termination  
**4D. Reduced Book Value** \$3,855.32 Reduced Book Value at Lease Termination

Quote based on estimated annual mileage of **5,000**

**Special Provisions**

As set forth in the Master Open - End (Equity) Lease Agreement, the terms and provisions contained in this schedule shall be conclusive and binding on Lessee unless Lessee objects in writing to the same within ten (10) days after the date of delivery of the vehicle.

Enterprise FM Trust, a Delaware statutory trust, is the owner of the vehicle covered by this Schedule. Enterprise FM Trust (not Enterprise Fleet Management) is and shall be deemed to be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle. All rental and other payments owed by the Lessee with respect to such vehicle under the Master Open - End (Equity) Lease Agreement shall be paid to Enterprise Fleet Management in its capacity as the servicer for Enterprise FM Trust. All references in Sections 11(a) and 12 of the Master Open - End (Equity) Lease Agreement to the "Lessor" shall include any servicer(s) and/or other agent(s) for or of Enterprise FM Trust.

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**Aftermarket Equipment Totals**

Description	(B)illed or (C)apped	Price
<b>Total Billed</b>		<b>\$0.00</b>
Sierra Truck and Van dtd 3/27/19 back up sensors, low pro tool box, amber beacon, 10k warnn wrench	C	\$3,761.20
<b>Total Capitalized</b>		<b>\$3,761.20</b>
<b>Total</b>		<b>\$3,761.20</b>

**Other Totals**

Description	(B)illed or (C)apped	Price
<b>Total Billed</b>		<b>\$0.00</b>
Courtesy Delivery Fee	C	\$400.00
<b>Total Capitalized</b>		<b>\$400.00</b>
<b>Total</b>		<b>\$400.00</b>

\*\*\* Report is based on \*\*\*  
\*\*\* Delivery/Activation Date \*\*\*



**Prepared For:** City of Suisun City, California  
Medill, Matt

**Date** 11/20/2019  
**AE/AM** KW3/KEB

**Unit #**

**Year** 2020 **Make** Ford **Model** Police Interceptor Utility  
**Series** Base All-wheel Drive

**Vehicle Order Type** Ordered **Term** 60 **State** CA **Customer#** 572961

\$ 59,749.98	Capitalized Price of Vehicle <sup>1</sup>
\$ 0.00 *	Sales Tax <u>0.0000%</u> <b>State</b> <u>CA</u>
\$ 0.00 *	Initial License Fee
\$ 0.00 *	Registration Fee
\$ 350.00 *	Other:Courtesy Delivery Fee
\$ 10,737.99 *	Capitalized Price Reduction
\$ 899.31 *	Tax on Capitalized Price Reduction
\$ 0.00	Gain Applied From Prior Unit
\$ 0.00 *	Tax on Gain On Prior
\$ 0.00 *	Security Deposit
\$ 0.00 *	Tax on Incentive( Taxable Incentive Total : \$0.00 )
<b>\$ 49,011.99</b>	<b>Total Capitalized Amount (Delivered Price)</b>
\$ 710.67	Depreciation Reserve @ <u>1.4500%</u>
<b>\$ 183.65</b>	<b>Monthly Lease Charge (Based on Interest Rate - Subject to a Floor)<sup>2</sup></b>

**All language and acknowledgments contained in the signed quote apply to all vehicles that are ordered under this signed quote.**

**Order Information**

<b>Driver Name</b>	
<b>Exterior Color</b>	(0 P) Agate Black
<b>Interior Color</b>	(0 I) Charcoal Black w/Unique HD Cloth Front
<b>Lic. Plate Type</b>	Exempt
<b>GVWR</b>	0

**\$ 894.32 Total Monthly Rental Excluding Additional Services**

**Additional Fleet Management**

Master Policy Enrollment Fees

\$ 0.00 Commercial Automobile Liability Enrollment  
Liability Limit \$0.00

\$ 0.00 Physical Damage Management

Comp/Coll Deductible 0 / 0

\$ 0.00 Full Maintenance Program<sup>3</sup> Contract Miles 0  
Incl: # Brake Sets (1 set = 1 Axle) 0

OverMileage Charge \$ 0.0000 Per Mile

# Tires 0 Loaner Vehicle Not Included

**\$ 0.00 Additional Services SubTotal**

\$ 74.90 Sales Tax 8.3750%

**State** CA

**\$ 969.22 Total Monthly Rental Including Additional Services**

\$ 6,371.79 Reduced Book Value at 60 Months

\$ 400.00 Service Charge Due at Lease Termination

Quote based on estimated annual mileage of 15,000  
(Current market and vehicle conditions may also affect value of vehicle)  
(Quote is Subject to Customer's Credit Approval)  
Notes

Enterprise FM Trust will be the owner of the vehicle covered by this Quote. Enterprise FM Trust (not Enterprise Fleet Management) will be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle.

**ALL TAX AND LICENSE FEES TO BE BILLED TO LESSEE AS THEY OCCUR.**

Lessee hereby authorizes this vehicle order, agrees to lease the vehicle on the terms set forth herein and in the Master Equity Lease Agreement and agrees that Lessor shall have the right to collect damages in the event Lessee fails or refuses to accept delivery of the ordered vehicle. Lessee certifies that it intends that more than 50% of the use of the vehicle is to be in a trade or business of the Lessee.

**LESSEE** City of Suisun City, California  
**BY**

**TITLE**

**DATE**

\* INDICATES ITEMS TO BE BILLED ON DELIVERY.

<sup>1</sup> Capitalized Price of Vehicle May be Adjusted to Reflect Final Manufacturer's Invoice. Lessee Hereby Assigns to Lessor any Manufacturer Rebates And/Or Manufacturer Incentives Intended for the Lessee, Which Rebates And/Or Incentives Have Been Used By Lessor to Reduce the Capitalized Price of the Vehicle.

<sup>2</sup> Monthly Lease Charge Will Be Adjusted to Reflect the Interest Rate on the Delivery Date (Subject to a Floor).

<sup>3</sup> The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this [Invoice/Schedule/Quote], all such maintenance services are to be performed by Enterprise Fleet Management, Inc., and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc.; provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc.

**Aftermarket Equipment Total**

Description	(B)illed or (C)apped	Price
Wattco QJUCQ1016-B	C	\$ 21,475.98
<b>Total Aftermarket Equipment Billed</b>		\$ 0.00
<b>Total Aftermarket Equipment Capitalized</b>		\$ 21,475.98
<b>Aftermarket Equipment Total</b>		\$ 21,475.98

**VEHICLE INFORMATION:**

2020 Ford Police Interceptor Utility Base All-wheel Drive - US  
Series ID: K8A

**Pricing Summary:**

	<b>INVOICE</b>	<b>MSRP</b>
Base Vehicle	\$ 39,396.00	\$ 40,615.00
Total Options	\$ 2,323.00	\$ 2,470.00
Destination Charge	\$ 1,195.00	\$ 1,195.00
<b>Total Price</b>	<b>\$ 42,914.00</b>	<b>\$ 44,280.00</b>

**SELECTED COLOR:**

Exterior: UM - (0 P) Agate Black  
Interior: 96 - (0 I) Charcoal Black w/Unique HD Cloth Front Bucket Seats w/Vinyl Rear

**SELECTED OPTIONS:**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>INVOICE</b>	<b>MSRP</b>
119WB	119" Wheelbase	STD	STD
153	Front License Plate Bracket	NC	NC
17T	Switchable Red/White Lighting in Cargo Area	\$ 48.00	\$ 50.00
18D	Global Lock / Unlock Feature	NC	NC
425	50 State Emission System	STD	STD
43D	Dark Car Feature	\$ 24.00	\$ 25.00
44B	Transmission: 10-Speed Automatic	Included	Included
500A	Order Code 500A	NC	NC
51S	Dual (Driver & Passenger) LED Spot Lamps (Unity)	\$ 583.00	\$ 620.00
59B	Keyed Alike - 1284x	\$ 48.00	\$ 50.00
60A	Grille LED Lights, Siren & Speaker Pre-Wiring	Included	Included
60R	Noise Suppression Bonds (Ground Straps)	\$ 94.00	\$ 100.00
66A	Front Headlamp Lighting Solution	\$ 841.00	\$ 895.00
68G	Rear-Door Controls Inoperable	\$ 70.00	\$ 75.00
76D	Underbody Deflector Plate	\$ 315.00	\$ 335.00
76R	Reverse Sensing System	\$ 258.00	\$ 275.00
87R	Rear View Camera	NC	NC
9	Unique HD Cloth Front Bucket Seats w/Vinyl Rear	Included	Included
942	Daytime Running Lamps	\$ 42.00	\$ 45.00
96_01	(0 I) Charcoal Black w/Unique HD Cloth Front Bucket Seats w/Vinyl Rear	NC	NC
99W	Engine: 3.3L V6 Direct-Injection Hybrid System	Included	Included
PAINT	Monotone Paint Application	STD	STD
STDAX	3.73 Axle Ratio	Included	Included
STDGV	GVWR: TBD	Included	Included
STDRD	Radio: AM/FM/MP3 Capable	Included	Included
STDTR	Tires: 255/60R18 AS BSW	Included	Included
STDWL	Wheels: 18" x 8" 5-Spoke Painted Black Steel	Included	Included
UM_01	(0 P) Agate Black	NC	NC
VIEW	Electrochromic Rear View Mirror	Included	Included

**CONFIGURED FEATURES:**

**Body Exterior Features:**

Number Of Doors 4  
Rear Cargo Door Type: liftgate  
Driver And Passenger Mirror: power remote manual folding side-view door mirrors  
Convex Driver Mirror: convex driver and passenger mirror  
Spoiler: rear lip spoiler  
Skid Plates: skid plates  
Door Handles: black  
Front And Rear Bumpers: body-coloured front and rear bumpers with black rub strip  
Front Tow Hooks: 1 front tow hooks  
Front License Plate Bracket: front license plate bracket  
Body Material: galvanized steel/aluminum body material  
: class III trailering with hitch  
Body Side Cladding: body-coloured bodyside cladding  
Grille: black grille

**Convenience Features:**

Air Conditioning automatic dual-zone front air conditioning  
Air Filter: air filter  
Cruise Control: cruise control with steering wheel controls  
Trunk/Hatch/Door Remote Release: power cargo access remote release  
Power Windows: power windows with driver and passenger 1-touch down  
1/4 Vent Rear Windows: power rearmost windows  
Steering Wheel: steering wheel with manual tilting, manual telescoping  
Day-Night Rearview Mirror: day-night rearview mirror  
Auto-dimming Rearview Mirror: auto-dimming rearview mirror  
Driver and Passenger Vanity Mirror: driver and passenger-side visor mirrors  
Overhead Console: mini overhead console with storage  
Glove Box: locking glove box  
Driver Door Bin: driver and passenger door bins  
Dashboard Storage: dashboard storage  
Driver Footrest: driver's footrest  
Retained Accessory Power: retained accessory power  
Power Accessory Outlet: 2 12V DC power outlets

**Entertainment Features:**

radio AM/FM stereo with seek-scan  
Speed Sensitive Volume: speed-sensitive volume  
Steering Wheel Radio Controls: steering-wheel mounted audio controls  
Speakers: 8 speakers  
Internet Access: Ford Fleet Telematics internet access  
1st Row LCD: 2 1st row LCD monitor  
Wireless Connectivity: wireless phone connectivity  
Antenna: integrated roof antenna

**Lighting, Visibility and Instrumentation Features:**

Headlamp Type projector beam LED low/high beam headlamps  
Front Wipers: variable intermittent speed-sensitive wipers wipers  
Front Windshield Visor Strip: front windshield visor strip  
Rear Window wiper: fixed interval rear window wiper with heating wiper park  
Rear Window Defroster: rear window defroster  
Tinted Windows: deep-tinted windows  
Dome Light: dome light with fade  
Front Reading Lights: front and rear reading lights  
Variable IP Lighting: variable instrument panel lighting  
Display Type: analog display  
Tachometer: tachometer  
Low Tire Pressure Warning: tire specific low-tire-pressure warning  
Park Distance Control: rear parking sensors  
Trip Computer: trip computer  
Trip Odometer: trip odometer  
Water Temp Gauge: water temp. gauge  
Engine Hour Meter: engine hour meter

Clock: in-radio display clock  
Systems Monitor: systems monitor  
Check Control: redundant digital speedometer  
Rear Vision Camera: rear vision camera  
Oil Pressure Warning: oil-pressure warning  
Water Temp Warning: water-temp. warning  
Battery Warning: battery warning  
Lights On Warning: lights-on warning  
Key in Ignition Warning: key-in-ignition warning  
Low Fuel Warning: low-fuel warning  
Low Washer Fluid Warning: low-washer-fluid warning  
Door Ajar Warning: door-ajar warning  
Trunk Ajar Warning: trunk-ajar warning  
Brake Fluid Warning: brake-fluid warning

**Safety And Security:**

ABS four-wheel ABS brakes  
Number of ABS Channels: 4 ABS channels  
Brake Assistance: brake assist  
Brake Type: four-wheel disc brakes  
Vented Disc Brakes: front and rear ventilated disc brakes  
Daytime Running Lights: daytime running lights  
Spare Tire Type: full-size spare tire  
Spare Tire Mount: spare tire mounted inside under cargo  
Driver Front Impact Airbag: driver and passenger front-impact airbags  
Driver Side Airbag: seat-mounted driver and passenger side-impact airbags  
Overhead Airbag: curtain 1st and 2nd row overhead airbag  
Knee Airbag: knee airbag  
Occupancy Sensor: front passenger airbag occupancy sensor  
Height Adjustable Seatbelts: height adjustable front seatbelts  
Seatbelt Pretensioners: front seatbelt pre-tensioners  
3Point Rear Centre Seatbelt: 3 point rear centre seatbelt  
Side Impact Bars: side-impact bars  
Tailgate/Rear Door Lock Type: tailgate/rear door lock included with power door locks  
Rear Child Safety Locks: rear child safety locks  
Electronic Stability: electronic stability stability control with anti-roll  
Traction Control: ABS and driveline traction control  
Front and Rear Headrests: manual adjustable front head restraints  
Rear Headrest Control: 3 rear head restraints

**Seats And Trim:**

Seating Capacity max. seating capacity of 5  
Front Bucket Seats: front bucket seats  
Number of Driver Seat Adjustments: 8-way driver and passenger seat adjustments  
Reclining Driver Seat: manual reclining driver and passenger seats  
Driver Lumbar: manual driver and passenger lumbar support  
Driver Height Adjustment: power height-adjustable driver and passenger seats  
Driver Fore/Aft: power driver and passenger fore/aft adjustment  
Driver Cushion Tilt: power driver and passenger cushion tilt  
Rear Seat Type: rear 35-30-35 split-bench seat  
Rear Folding Position: rear seat fold-forward seatback  
Leather Upholstery: cloth front seat upholstery  
Rear Seat Material: vinyl rear seat upholstery  
Headliner Material: full cloth headliner  
Floor Covering: full vinyl/rubber floor covering  
Dashboard Console Insert, Door Panel Insert Combination: metal-look instrument panel insert, door panel insert, console insert  
Shift Knob Trim: urethane shift knob  
Interior Accents: metal-look interior accents  
Cargo Space Trim: carpet cargo space  
Trunk Lid: plastic trunk lid/rear cargo door  
Cargo Tie Downs: cargo tie-downs  
Cargo Light: cargo light  
Cargo Tray: cargo tray/organizer

**Standard Engine:**

Engine 285-hp, 3.3-liter V-6 (regular gas)  
Standard Transmission:  
Transmission 10-speed automatic w/ OD

**ESTIMATE**



Phone: 707-435-9233 Fax: Email:  
jcoleman@wattco.net

Date	Reference #
09/25/19	JUICQ1016-B

Fed ID # 01-0627221 DUNS # 068678015

**CUSTOMER:**

**Suisun City Police Department**

Jeremy Crone  
701 Civic Center Blvd.  
Suisun City, CA 94585-2693

**Phone:**  
**Fax:** (707) 422-8074  
**Cell:** (707) 590-0179  
**E-Mail:** jcrone@suisun.com

**SHIP TO:**

**Suisun City Police Department**

Jeremy Crone  
701 Civic Center Blvd.  
Suisun City, CA 94585-2693

**Phone:**  
**Fax:** (707) 422-8074

Account Rep	P.O. Number
Jeff Coleman	

Ship Via	Terms
Best Way	Due on receipt

Qty	Part #	Description	Unit Price	Ext. Price
<b>2020 Ford PIU Patrol Hybrid</b>				
<b>Lightbar and Siren Controller</b>				
1	GB8DEDE	LEGACY WC 48" RW/BW/RW/BW;48", 4 Two Color Red, Blue, Amber and/or White	\$2,750.00	\$2,750.00
1	CCSRNT5	CARBIDE SIREN W/CANPORT & T/A;Same as CCSRN5, Except with Traffic Advisor™ Module	\$0.00	\$0.00
1	CC5K1	CenCom Carbide, Installation Kit for CCSRN5 Series for 2016-2017 Ford Interceptor Utility, Ford Interceptor Sedan and F	\$0.00	\$0.00
1	CANCTL7	Optional Control Heads for CenCom Carbide, Includes 3 Section Control Head and 21 Push-Buttons, 4-Position Slide Switch, Microphone with Extens	\$0.00	\$0.00
1	SA315P	SA315P SPEAKER, BLACK PLASTIC;Speaker, Nylon Composite	\$229.60	\$229.60
1	SAK52	SA-315 MT KIT FORD EXPLORER D;Ford Police Interceptor Utility, 2013-2017, Driver Side Lower Grille (Will not Work with Factory Option 52B, Enhanced PTU Cooler)	\$28.70	\$28.70
1	PE215	PE215- Whelen Opticom Emitter Installed on Pushbumper	\$400.40	\$400.40
1	EXT15	3/C EXT. CABLE 15' AMP/AMP;Fifteen Foot Extension Cable with AMP Mate-N-Lok? Connectors	\$28.70	\$28.70
1	VTX609R	VERTEX SUPER-LED LIGHT RED;Omni Directional Lighthouse, Red, Blue, Amber or White, 9' Cable	\$94.50	\$94.50
1	VTX609B	VERTEX SUPER-LED LIGHT BLUE;Omni Directional Lighthouse, Red, Blue, Amber or White, 9' Cable	\$94.50	\$94.50
1	C-VS-0618-INUT	2020 Ford Interceptor Utility Specific Flat Console	\$431.80	\$431.80
1	C-CUP2-I	CON,ACSY,CUPHLDR,IM,4MS,DUAL,	\$37.49	\$37.49
1	C-EB25-XTL-1P	1-Piece Equipment Mounting Bracket, 2.5" Mounting Space, Fits Motorola XTL2500, XTL5000-05, APX-7500,	\$0.00	\$0.00



Qty	Part #	Description	Unit Price	Ext. Price
1	C-EB40-CCS-1P	1-Piece Equipment Mounting Bracket, 4" Mounting Space, Fits Whelen Cencom CCSRN, CCSRNTA, MPC03	\$0.00	\$0.00
5	C-FP-2	PLT,2MS,	\$0.00	\$0.00
1	C-DMM-2018	Dash Mount for 2020 Ford Interceptor Utility Vehicle	\$285.83	\$285.83
1	TSD-101	DEVMT,MNTR,TOUCH,SCREEN,	\$1,040.73	\$1,040.73
1	NA-2000035	Ikey Backlit Keyboard	\$355.00	\$355.00
1	WK0514ITU20H	Window Barrier Steel Horizontal	\$228.65	\$228.65
1	QK2121ITU20	Full Transport Replacement Seat	\$1,104.15	\$1,104.15
1	DK0100ITU20	Door Panel TPO Black Polymer	\$228.65	\$228.65
1	PK1130ITU20TM	10XL Coated Poly Partition	\$747.15	\$747.15
1	PK0123ITU202ND	12VS 2ND Expanded Metal Partition	\$381.65	\$381.65
1	BK2019ITU16	PB450L4 - WHELEN ION	\$730.15	\$730.15
1	FK0400ITU16	PB5 PB300/400 Fender Wraps	\$347.65	\$347.65
1	GK10342UHKSSCA XL	Dual T-Rail Mount 2 Universal XL , Handcuff Key Override	\$373.15	\$373.15
1	TK0841ITU20	Cargo Storage System – DSE – BSN	\$1,427.15	\$1,427.15
1	C-TTP-INUT-200	TRNK,TOP,PLT,200LBF,INUT,13-17,SP	\$448.08	\$448.08
1	C-TTP-INUT-2	TRNK,BTTM,PLT,INUT,13-17,SP	\$226.87	\$226.87
1	KNM01029-K4	Replacement rubber mat used in C16, D21, F13 and other small module style K9 units	\$116.88	\$116.88
1	22052	Streamlight Charge Sleeve Assembly	\$10.00	\$10.00
1	22050	Streamlight Charge Cord DC	\$10.00	\$10.00
1	FLASHLIGHT	FLASHLIGHT	\$145.00	\$145.00
2	Sharkee Kit	Sharkee Kit	\$278.00	\$556.00
1	B-7615	Blue Sea ATD Auto Timer	\$114.00	\$114.00
1	INSTALL HARNESS	INSTALL HARNESS	\$625.00	\$625.00
1	93F2796	Durakool A1-003 Tilt Switch	\$0.00	\$0.00
1	93F2797	Durakool 2023 Mounting Clip	\$0.00	\$0.00
1	PD-B11	Protector Fuse Panel	\$95.00	\$95.00
3	MMSU-1	Mag Mic	\$34.95	\$104.85





Qty	Part #	Description	Unit Price	Ext. Price
1	Install-PKG	Install Package	\$125.00	\$125.00
		<b>Install</b>		
		<b>Also Installing Customer Supplied Modem and (2) radios</b>		
		<b>Also running power for Computer to rear (where the dock would go in the future) and USB/HDMI/LAN cables from console to rear</b>		
1	Labor	Shop Labor to install above equipment	\$5,320.00	\$5,320.00
			<b>SubTotal</b>	\$19,242.28
			<b>Sales Tax</b>	\$1,683.70
			<b>Shipping</b>	\$550.00
			<b>Total</b>	<b>\$21,475.98</b>

**Prices are valid for 30 days from date of quote unless otherwise specified**

PLEASE READ: THIS INVOICE MAY BE FOR SHIPMENT OF A PARTIAL ORDER-NO RETURNS ON PLASTIC PARTS OR CUSTOM ORDERED NON-STOCK PARTS-NO RETURNS WITHOUT APPROVAL AND AN RMA# WILL BE ACCEPTED! ALL SHORTAGES, DAMAGE OR RETURN CLAIMS MUST BE MADE WITHIN 10 DAYS OF INVOICE DATE. NO EXCEPTIONS. A COPY OF THE INVOICE AND RMA PAPERWORK MUST BE SHIPPED WITH RETURNS AND ALL RETURNS MUST HAVE AUTHORIZATION. ALL RETURNS ARE SUBJECT TO A 30% RESTOCKING FEE. INTEREST WILL BE CHARGED AT A RATE OF 1.5% EACH MONTH ON ACCOUNTS OVER 30 DAYS. PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE. PLEASE REMIT

**PLEASE REMIT PAYMENT TO: WATTCO - 2230 Cordelia Road - Fairfield, CA 94534**

**Interest will be charged at the rate of 1 1/2% each month on accounts over 30 days.**

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**Prepared For:** City of Suisun City, California  
Medill, Matt

**Date** 11/20/2019  
**AE/AM** KW3/KEB

**Unit #** 238293  
**Year** 2020 **Make** Chrysler **Model** Voyager  
**Series** L Passenger Van

**Vehicle Order Type** Ordered **Term** 60 **State** CA **Customer#** 572961

\$ 26,552.00	Capitalized Price of Vehicle <sup>1</sup>
\$ 0.00 *	Sales Tax <u>0.0000%</u> <b>State</b> <u>CA</u>
\$ 0.00 *	Initial License Fee
\$ 0.00 *	Registration Fee
\$ 400.00	Other:Courtesy Delivery Fee
\$ 0.00	Capitalized Price Reduction
\$ 0.00	Tax on Capitalized Price Reduction
\$ 0.00	Gain Applied From Prior Unit
\$ 0.00 *	Tax on Gain On Prior
\$ 0.00 *	Security Deposit
\$ 0.00 *	Tax on Incentive( Taxable Incentive Total : \$0.00 )
<u>\$ 26,952.00</u>	Total Capitalized Amount (Delivered Price)
\$ 390.80	Depreciation Reserve @ <u>1.4500%</u>
<u>\$ 95.64</u>	Monthly Lease Charge (Based on Interest Rate - Subject to a Floor) <sup>2</sup>

**All language and acknowledgments contained in the signed quote apply to all vehicles that are ordered under this signed quote.**

**Order Information**

<b>Driver Name</b>
<b>Exterior Color</b> (0 P) Bright White Clearcoat
<b>Interior Color</b> (0 I) Alloy/Black w/Cloth Bucket Seats
<b>Lic. Plate Type</b> Exempt
<b>GVWR</b> 0

**\$ 486.44 Total Monthly Rental Excluding Additional Services**

**Additional Fleet Management**

Master Policy Enrollment Fees

\$ 0.00 Commercial Automobile Liability Enrollment  
Liability Limit \$0.00

\$ 0.00 Physical Damage Management

Comp/Coll Deductible 0 / 0

\$ 29.17 Full Maintenance Program<sup>3</sup> Contract Miles 25,000  
Incl: # Brake Sets (1 set = 1 Axle) 0

OverMileage Charge \$ 0.0000 Per Mile

# Tires 0

Loaner Vehicle Not Included

\$ 29.17 **Additional Services SubTotal**

\$ 40.74 Sales Tax 8.3750%

**State** CA

\$ 556.35 **Total Monthly Rental Including Additional Services**

\$ 3,504.00 Reduced Book Value at 60 Months

\$ 400.00 Service Charge Due at Lease Termination

Quote based on estimated annual mileage of 5,000  
(Current market and vehicle conditions may also affect value of vehicle)  
(Quote is Subject to Customer's Credit Approval)  
Notes

Enterprise FM Trust will be the owner of the vehicle covered by this Quote. Enterprise FM Trust (not Enterprise Fleet Management) will be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle.

**ALL TAX AND LICENSE FEES TO BE BILLED TO LESSEE AS THEY OCCUR.**

Lessee hereby authorizes this vehicle order, agrees to lease the vehicle on the terms set forth herein and in the Master Equity Lease Agreement and agrees that Lessor shall have the right to collect damages in the event Lessee fails or refuses to accept delivery of the ordered vehicle. Lessee certifies that it intends that more than 50% of the use of the vehicle is to be in a trade or business of the Lessee.

**LESSEE** City of Suisun City, California

<b>BY</b>	<b>TITLE</b>	<b>DATE</b>
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\* INDICATES ITEMS TO BE BILLED ON DELIVERY.

<sup>1</sup> Capitalized Price of Vehicle May be Adjusted to Reflect Final Manufacturer's Invoice. Lessee Hereby Assigns to Lessor any Manufacturer Rebates And/Or Manufacturer Incentives Intended for the Lessee, Which Rebates And/Or Incentives Have Been Used By Lessor to Reduce the Capitalized Price of the Vehicle.

<sup>2</sup> Monthly Lease Charge Will Be Adjusted to Reflect the Interest Rate on the Delivery Date (Subject to a Floor).

<sup>3</sup> The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this [Invoice/Schedule/Quote], all such maintenance services are to be performed by Enterprise Fleet Management, Inc., and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc.; provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc.

**VEHICLE INFORMATION:**

2020 Chrysler Voyager L Passenger Van - US  
Series ID: RUCE53

**Pricing Summary:**

	<b>INVOICE</b>	<b>MSRP</b>
Base Vehicle	\$ 26,812.00	\$ 26,985.00
Total Options	\$ 485.00	\$ 545.00
Destination Charge	\$ 1,495.00	\$ 1,495.00
<b>Total Price</b>	<b>\$ 28,792.00</b>	<b>\$ 29,025.00</b>

**SELECTED COLOR:**

Exterior: PW7 - (0 P) Bright White Clearcoat  
Interior: XP - (0 I) Alloy/Black w/Cloth Bucket Seats

**SELECTED OPTIONS:**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>INVOICE</b>	<b>MSRP</b>
27B	Quick Order Package 27B	NC	NC
APA	Monotone Paint Application	STD	STD
CEQ	Black Seats	NC	NC
DFH	Transmission: 9-Speed 948TE Automatic	STD	STD
ERC	Engine: 3.6L V6 24V VVT UPG I w/ESS	STD	STD
H7	Cloth Bucket Seats	STD	STD
HAK	Air Conditioning w/3 Zone Temp Control	\$ 396.00	\$ 445.00
HBB	Rear Air Conditioning w/Heater	Included	Included
NAS	50 State Emissions	NC	NC
PW7_01	(0 P) Bright White Clearcoat	NC	NC
SDA	Normal Duty Suspension	STD	STD
STDAX	TBA Axle Ratio	STD	STD
TMK	Tires: 235/65R17 BSW AS	STD	STD
UAG	Radio: Uconnect 4 w/7" Display	STD	STD
WFU	Wheels: 17" x 7.5" Steel	STD	STD
XCH	2 Additional Key Fobs	\$ 89.00	\$ 100.00
XP_02	(0 I) Alloy/Black w/Cloth Bucket Seats	NC	NC
Z1A	GVWR: TBA	STD	STD

**CONFIGURED FEATURES:**

**Body Exterior Features:**

Number Of Doors: 4  
Rear Driver Door: sliding rear passenger doors  
Rear Cargo Door Type: liftgate  
Driver And Passenger Mirror: power remote heated manual folding side-view door mirrors  
Spoiler: rear lip spoiler  
Door Handles: black  
Front And Rear Bumpers: body-coloured front and rear bumpers  
Front Bumper Insert: black front bumper insert  
Front License Plate Bracket: front license plate bracket  
Body Material: galvanized steel/aluminum body material  
Grille: black w/chrome surround grille

**Convenience Features:**

Air Conditioning: automatic dual-zone front air conditioning  
Air Filter: air filter  
Rear Air Conditioning: rear air conditioning with separate controls  
Cruise Control: cruise control with steering wheel controls  
Power Windows: power windows with driver 1-touch down  
1/4 Vent Rear Windows: power rearmost windows  
Remote Keyless Entry: keyfob (all doors) remote keyless entry  
Illuminated Entry: illuminated entry  
Integrated Key Remote: integrated key/remote  
Auto Locking: auto-locking doors  
Passive Entry: Keyless Enter 'n Go proximity key  
Trunk FOB Controls: keyfob trunk/hatch/door release  
Steering Wheel: steering wheel with manual tilting, manual telescoping  
Day-Night Rearview Mirror: day-night rearview mirror  
Driver and Passenger Vanity Mirror: illuminated driver and passenger-side visor mirrors  
Front Cupholder: front and rear cupholders  
Floor Console: partial floor console with box  
Overhead Console: mini overhead console with storage  
Glove Box: locking glove box  
Driver Door Bin: driver and passenger door bins  
Rear Door Bins: rear door bins  
IP Storage: bin instrument-panel storage  
Driver Footrest: driver's footrest  
Retained Accessory Power: retained accessory power  
Power Accessory Outlet: 2 12V DC power outlets

**Entertainment Features:**

radio: AM/FM stereo with seek-scan  
Radio Data System: radio data system  
Voice Activated Radio: voice activated radio  
Speed Sensitive Volume: speed-sensitive volume  
Speakers: 6 speakers  
1st Row LCD: 1 1st row LCD monitor  
Wireless Connectivity: wireless phone connectivity  
Antenna: integrated roof antenna

**Lighting, Visibility and Instrumentation Features:**

Headlamp Type: delay-off projector beam halogen headlamps  
Front Wipers: variable intermittent wipers  
Rear Window wiper: fixed interval rear window wiper  
Rear Window Defroster: rear window defroster  
Tinted Windows: deep-tinted windows  
Dome Light: dome light with fade  
Front Reading Lights: front reading lights  
Ignition Switch: ignition switch light  
Variable IP Lighting: variable instrument panel lighting  
Display Type: analog display  
Tachometer: tachometer  
Voltmeter: voltmeter

Compass: compass  
Exterior Temp: outside-temperature display  
Low Tire Pressure Warning: tire specific low-tire-pressure warning  
Trip Computer: trip computer  
Trip Odometer: trip odometer  
Oil Pressure Gauge: oil pressure gauge  
Water Temp Gauge: water temp. gauge  
Oil Temp Gauge: oil temperature gauge  
Transmission Oil Temp Gauge: transmission oil temp. gauge  
Clock: in-radio display clock  
Systems Monitor: systems monitor  
Check Control: redundant digital speedometer  
Rear Vision Camera: rear vision camera  
Oil Pressure Warning: oil-pressure warning  
Water Temp Warning: water-temp. warning  
Battery Warning: battery warning  
Lights On Warning: lights-on warning  
Key in Ignition Warning: key-in-ignition warning  
Low Fuel Warning: low-fuel warning  
Low Washer Fluid Warning: low-washer-fluid warning  
Door Ajar Warning: door-ajar warning  
Trunk Ajar Warning: trunk-ajar warning  
Brake Fluid Warning: brake-fluid warning  
Turn Signal On Warning: turn-signal-on warning  
Transmission Fluid Temperature Warning: transmission-fluid-temperature warning

**Safety And Security:**

ABS four-wheel ABS brakes  
Number of ABS Channels: 4 ABS channels  
Brake Assistance: brake assist  
Brake Type: four-wheel disc brakes  
Vented Disc Brakes: front ventilated disc brakes  
Daytime Running Lights: daytime running lights  
Driver Front Impact Airbag: driver and passenger front-impact airbags  
Driver Side Airbag: seat-mounted driver and passenger side-impact airbags  
Overhead Airbag: curtain 1st, 2nd and 3rd row overhead airbag  
Knee Airbag: knee airbag  
Occupancy Sensor: front passenger airbag occupancy sensor  
Height Adjustable Seatbelts: height adjustable front and rear seatbelts  
Seatbelt Pretensioners: front seatbelt pre-tensioners  
Side Impact Bars: side-impact bars  
Perimeter Under Vehicle Lights: remote activated perimeter/approach lights  
Tailgate/Rear Door Lock Type: tailgate/rear door lock included with power door locks  
Rear Child Safety Locks: rear child safety locks  
Ignition Disable: Sentry Key immobilizer  
Panic Alarm: panic alarm  
Electronic Stability: electronic stability  
Traction Control: ABS and driveline traction control  
Front and Rear Headrests: manual adjustable front head restraints with tilt  
Rear Headrest Control: 2 rear head restraints  
3rd Row Headrests: 3 fixed third row head restraints

**Seats And Trim:**

Seating Capacity max. seating capacity of 7  
Front Bucket Seats: front bucket seats  
Number of Driver Seat Adjustments: 6-way driver and passenger seat adjustments  
Reclining Driver Seat: manual reclining driver and passenger seats  
Driver Height Adjustment: manual height-adjustable driver and passenger seats  
Driver Seat Mounted Armrest: driver and passenger seat mounted armrests  
Driver Fore/Aft: manual driver and passenger fore/aft adjustment  
Rear Seat Type: rear manual reclining 60-40 split-bench seat  
Rear Folding Position: rear seat tumble forward  
Rear Seat Mounted Armrests: rear seat mounted armrest  
3rd Row Seat Type: fixed third row manual 60-40 split-bench seat

3rd Row Electric Control: Stow 'n Go fold into floor third row seat

Leather Upholstery: cloth front and rear seat upholstery

Headliner Material: full cloth headliner

Floor Covering: full carpet floor covering

Dashboard Console Insert, Door Panel Insert Combination: coloured instrument panel insert, door panel insert, console insert

Shift Knob Trim: metal-look shift knob

Floor Mats: carpet front floor mats

Interior Accents: piano black/metal-look interior accents

Cargo Space Trim: carpet cargo space

Trunk Lid: plastic trunk lid/rear cargo door

Cargo Mats: carpet cargo mat

Cargo Tie Downs: cargo tie-downs

Concealed Cargo Storage: concealed cargo storage

Air Compressor: tire mobility kit

**Standard Engine:**

Engine 287-hp, 3.6-liter V-6 (regular gas)

**Standard Transmission:**

Transmission 9-speed automatic w/ OD

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**Prepared For:** City of Suisun City - Public Works  
Medill, Matt

**Date** 11/20/2019  
**AE/AM** KW3/KEB

**Unit #**

**Year** 2020 **Make** Ford **Model** Transit-350 Cargo  
**Series** Base Rear-wheel Drive High Roof Ext. Van 148 in. WB

**Vehicle Order Type** Ordered **Term** 60 **State** CA **Customer#** 596288

\$ 45,926.32	Capitalized Price of Vehicle <sup>1</sup>
\$ 0.00	* Sales Tax <u>0.0000%</u> <b>State</b> <u>CA</u>
\$ 0.00	* Initial License Fee
\$ 0.00	* Registration Fee
\$ 400.00	Other:Courtesy Delivery Fee
\$ 4,038.00	* Capitalized Price Reduction
\$ 338.18	* Tax on Capitalized Price Reduction
\$ 0.00	Gain Applied From Prior Unit
\$ 0.00	* Tax on Gain On Prior
\$ 0.00	* Security Deposit
\$ 0.00	* Tax on Incentive( Taxable Incentive Total : \$0.00 )
<u>\$ 42,288.32</u>	Total Capitalized Amount (Delivered Price)
\$ 613.18	Depreciation Reserve @ <u>1.4500%</u>
<u>\$ 155.34</u>	Monthly Lease Charge (Based on Interest Rate - Subject to a Floor) <sup>2</sup>

All language and acknowledgments contained in the signed quote apply to all vehicles that are ordered under this signed quote.

**Order Information**

<b>Driver Name</b>
<b>Exterior Color</b> (0 P) Oxford White
<b>Interior Color</b> (0 I) Dark Palazzo w/Vinyl Front Bucket Seats
<b>Lic. Plate Type</b> Exempt
<b>GVWR</b> 0

**\$ 768.52 Total Monthly Rental Excluding Additional Services**

**Additional Fleet Management**

Master Policy Enrollment Fees

\$ 0.00 Commercial Automobile Liability Enrollment  
Liability Limit \$0.00

\$ 0.00 Physical Damage Management

\$ 31.34 Full Maintenance Program<sup>3</sup> Contract Miles 25,000  
Incl: # Brake Sets (1 set = 1 Axle) 0

Comp/Coll Deductible 0 / 0

OverMileage Charge \$ 0.0000 Per Mile

# Tires 0

Loaner Vehicle Not Included

\$ 31.34 **Additional Services SubTotal**

\$ 64.36 Sales Tax 8.3750%

**State** CA

\$ 864.22 **Total Monthly Rental Including Additional Services**

\$ 5,497.52 Reduced Book Value at 60 Months

\$ 400.00 Service Charge Due at Lease Termination

Quote based on estimated annual mileage of 5,000  
(Current market and vehicle conditions may also affect value of vehicle)  
(Quote is Subject to Customer's Credit Approval)  
Notes

Enterprise FM Trust will be the owner of the vehicle covered by this Quote. Enterprise FM Trust (not Enterprise Fleet Management) will be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle.

**ALL TAX AND LICENSE FEES TO BE BILLED TO LESSEE AS THEY OCCUR.**

Lessee hereby authorizes this vehicle order, agrees to lease the vehicle on the terms set forth herein and in the Master Equity Lease Agreement and agrees that Lessor shall have the right to collect damages in the event Lessee fails or refuses to accept delivery of the ordered vehicle. Lessee certifies that it intends that more than 50% of the use of the vehicle is to be in a trade or business of the Lessee.

**LESSEE** City of Suisun City - Public Works

**BY** \_\_\_\_\_ **TITLE** \_\_\_\_\_ **DATE** \_\_\_\_\_

\* INDICATES ITEMS TO BE BILLED ON DELIVERY.

<sup>1</sup> Capitalized Price of Vehicle May be Adjusted to Reflect Final Manufacturer's Invoice. Lessee Hereby Assigns to Lessor any Manufacturer Rebates And/Or Manufacturer Incentives Intended for the Lessee, Which Rebates And/Or Incentives Have Been Used By Lessor to Reduce the Capitalized Price of the Vehicle.

<sup>2</sup> Monthly Lease Charge Will Be Adjusted to Reflect the Interest Rate on the Delivery Date (Subject to a Floor).

<sup>3</sup> The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this [Invoice/Schedule/Quote], all such maintenance services are to be performed by Enterprise Fleet Management, Inc., and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc.; provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc.

**Aftermarket Equipment Total**

Description	(B)illed or (C)apped	Price
Wattco QJUICQ1005-B dtd 9/17/19 estimate	C	\$ 7,956.32
<b>Total Aftermarket Equipment Billed</b>		\$ 0.00
<b>Total Aftermarket Equipment Capitalized</b>		\$ 7,956.32
<b>Aftermarket Equipment Total</b>		\$ 7,956.32

**VEHICLE INFORMATION:**

2020 Ford Transit-350 Cargo Base Rear-wheel Drive High Roof Ext. Van 148 in. WB - US  
Series ID: W3X

**Pricing Summary:**

	<b>INVOICE</b>	<b>MSRP</b>
Base Vehicle	\$ 40,380.00	\$ 42,505.00
Total Options	\$ 1,935.00	\$ 2,125.00
Destination Charge	\$ 1,495.00	\$ 1,495.00
<b>Total Price</b>	<b>\$ 43,810.00</b>	<b>\$ 46,125.00</b>

**SELECTED COLOR:**

Exterior: YZ - (0 P) Oxford White  
Interior: VK - (0 I) Dark Palazzo w/Vinyl Front Bucket Seats

**SELECTED OPTIONS:**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>INVOICE</b>	<b>MSRP</b>
101A	Order Code 101A	NC	NC
148WB	148" Wheelbase	STD	STD
153	Front License Plate Bracket	STD	STD
17B	Fixed Rear & Passenger-Side Cargo Door Glass	\$ 228.00	\$ 250.00
21P	Dark Palazzo Gray Vinyl Bucket Seats w/Armrests	\$ 41.00	\$ 45.00
425	50-State Emissions System	STD	STD
44U	Transmission: 10-Spd Automatic w/OD & SelectShift	Included	Included
53B	Heavy-Duty Trailer Tow Package	\$ 442.00	\$ 485.00
53D	Tow/Haul Mode w/Trailer Wiring Provisions	Included	Included
58U	Radio: AM/FM Stereo	Included	Included
60C	Cruise Control w/Adjustable Spd Limiting Device (ASLD)	\$ 296.00	\$ 325.00
67D	Trailer Brake Controller (TBC)	\$ 368.00	\$ 405.00
67E	Large Center Console	Included	Included
68B	Remote Start	\$ 451.00	\$ 495.00
86F	2 Additional Keys (4 Total)	\$ 68.00	\$ 75.00
90B	Rearview Mirror	Included	Included
942	Daytime Running Lights	\$ 41.00	\$ 45.00
998	Engine: 3.5L PFDi V6 Flex-Fuel	Included	Included
HITCH	Frame Mounted Hitch Receiver	Included	Included
PAINT	Monotone Paint Application	STD	STD
STDGV	GVWR: 9,500 lbs	Included	Included
STDTR	Tires: 235/65R16C 121/119 R AS BSW	Included	Included
STDWL	Wheels: 16" Silver Steel w/Black Hubcap	Included	Included
V	Vinyl Front Bucket Seats	Included	Included
VK_02	(0 I) Dark Palazzo w/Vinyl Front Bucket Seats	NC	NC
X4L	4.10 Limited-Slip Axle Ratio	Included	Included
YZ_01	(0 P) Oxford White	NC	NC

**CONFIGURED FEATURES:**

Body Exterior Features:

Number Of Doors 3  
Rear Cargo Door Type: split swing-out  
Driver And Passenger Mirror: power remote manual folding side-view door mirrors  
Convex Driver Mirror: convex driver and passenger mirror  
Door Handles: black  
Front And Rear Bumpers: black front and rear bumpers  
Front License Plate Bracket: front license plate bracket  
Body Material: fully galvanized steel body material  
: class III trairling with harness, hitch, brake controller  
Body Side Cladding: black bodyside cladding  
Grille: black grille

Convenience Features:

Air Conditioning manual air conditioning  
Cruise Control: cruise control with steering wheel controls  
Power Windows: power windows with driver 1-touch down  
Remote Keyless Entry: keyfob (all doors) remote keyless entry  
Illuminated Entry: illuminated entry  
Integrated Key Remote: integrated key/remote  
Auto Locking: auto-locking doors  
Remote Engine Start: remote engine start  
Steering Wheel: steering wheel with manual tilting, manual telescoping  
Day-Night Rearview Mirror: day-night rearview mirror  
Emergency SOS: emergency communication system  
Front Cupholder: front cupholder  
Floor Console: full floor console with box  
Overhead Console: full overhead console with storage  
Glove Box: locking glove box  
Driver Door Bin: driver and passenger door bins  
IP Storage: bin instrument-panel storage  
Driver Footrest: driver's footrest  
Power Accessory Outlet: 2 12V DC power outlets

Entertainment Features:

radio AM/FM stereo with seek-scan  
Steering Wheel Radio Controls: steering-wheel mounted audio controls  
Speakers: 8 speakers  
Internet Access: FordPass Connect 4G LTE WiFi internet access  
1st Row LCD: 1 1st row LCD monitor  
Wireless Connectivity: wireless phone connectivity  
Antenna: fixed antenna

Lighting, Visibility and Instrumentation Features:

Headlamp Type aero-composite halogen headlamps  
Auto-Dimming Headlights: Ford Co-Pilot360 - Auto High Beam auto high-beam headlights  
Front Wipers: variable intermittent wipers  
Tinted Windows: light-tinted windows  
Dome Light: dome light with fade  
Front Reading Lights: front reading lights  
Variable IP Lighting: variable instrument panel lighting  
Display Type: analog display  
Tachometer: tachometer  
Low Tire Pressure Warning: low-tire-pressure warning  
Trip Odometer: trip odometer  
Lane Departure Warning: lane departure  
Forward Collision Alert: forward collision  
Water Temp Gauge: water temp. gauge  
Clock: in-radio display clock  
Rear Vision Camera: rear vision camera  
Oil Pressure Warning: oil-pressure warning  
Water Temp Warning: water-temp. warning  
Battery Warning: battery warning

Lights On Warning: lights-on warning  
Key in Ignition Warning: key-in-ignition warning  
Low Fuel Warning: low-fuel warning  
Door Ajar Warning: door-ajar warning  
Trunk Ajar Warning: trunk-ajar warning  
Brake Fluid Warning: brake-fluid warning

**Safety And Security:**

ABS four-wheel ABS brakes  
Number of ABS Channels: 4 ABS channels  
Brake Assistance: brake assist  
Brake Type: four-wheel disc brakes  
Vented Disc Brakes: front ventilated disc brakes  
Daytime Running Lights: daytime running lights  
Spare Tire Type: full-size spare tire  
Spare Tire Mount: underbody mounted spare tire w/crankdown  
Driver Front Impact Airbag: driver and passenger front-impact airbags  
Driver Side Airbag: seat-mounted driver and passenger side-impact airbags  
Overhead Airbag: Safety Canopy System curtain 1st row overhead airbag  
Occupancy Sensor: front passenger airbag occupancy sensor  
Height Adjustable Seatbelts: height adjustable front seatbelts  
Seatbelt Pretensioners: front seatbelt pre-tensioners  
Side Impact Bars: side-impact bars  
Tailgate/Rear Door Lock Type: tailgate/rear door lock included with power door locks  
Ignition Disable: SecuriLock immobilizer  
Panic Alarm: panic alarm  
Electronic Stability: electronic stability stability control with anti-roll  
Traction Control: ABS and driveline traction control  
Front and Rear Headrests: manual adjustable front head restraints  
Break Resistant Glass: break resistant glass

**Seats And Trim:**

Seating Capacity max. seating capacity of 2  
Front Bucket Seats: front bucket seats  
Number of Driver Seat Adjustments: 4-way driver and passenger seat adjustments  
Reclining Driver Seat: manual reclining driver and passenger seats  
Driver Seat Mounted Armrest: driver and passenger seat mounted armrests  
Driver Fore/Aft: manual driver and passenger fore/aft adjustment  
Leather Upholstery: vinyl front seat upholstery  
Headliner Material: front cloth headliner  
Floor Covering: front vinyl/rubber floor covering  
Dashboard Console Insert, Door Panel Insert Combination: metal-look instrument panel insert, door panel insert, console insert  
Shift Knob Trim: urethane shift knob  
Cargo Tie Downs: cargo tie-downs  
Cargo Light: cargo light

**Standard Engine:**

Engine 275-hp, 3.5-liter V-6 (regular gas)

**Standard Transmission:**

Transmission 10-speed automatic w/ OD and PowerShift automatic

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# ESTIMATE



Fed ID # 01-0627221 DUNS # 068678015

Phone: 707-435-9233 Fax: Email:  
jcoleman@wattco.net

Date	Reference #
09/13/19	JUICQ1005-B

**CUSTOMER:**

**Enterprise Fleet Management**  
Tori McKenna  
2633 Camino Ramon, Ste 400  
San Ramon, CA 94583

**Phone:** (925) 359-6551  
**Fax:**  
**Cell:**  
**E-Mail:** Tori.McKenna@efleets.com

**SHIP TO:**

**Enterprise Fleet Management**  
Tori McKenna  
2633 Camino Ramon, Ste 400  
San Ramon, CA 94583

**Phone:** (925) 359-6551  
**Fax:**

Account Rep	P.O. Number
Jeff Coleman	

Ship Via	Terms
Best Way	

Qty	Part #	Description	Unit Price	Ext. Price
<b>Suisun City 2020 Ford Transit 350</b>				
<b>Interior</b>				
1	5156TH148	BASE SHELVING PKG, TRANSIT 148 HIG ROOF	\$2,780.91	\$2,780.91
1	60-132	WDW SCRNF,FDTR,M/H,CS RRDR	\$88.64	\$88.64
1	60-133	WDW SCRNF,FDTR,M/H,SS RRDR	\$88.64	\$88.64
<b>Vehicle Tracking</b>				
1	GUIDEPOINT	VEHICLE TRACKING & RECOVERY SYSTEM	\$862.75	\$862.75
<b>Vise</b>				
1	HDV-5	Heavy-Duty 5" Vise	\$134.80	\$134.80
1	SVM-11	Slide Out Vise Mount	\$172.60	\$172.60
<b>Inverter</b>				
1	450-2000-0	INVERTER, 2000W,12V, 120VAC SP 2000	\$1,481.30	\$1,481.30
1	BS-7721	BS-7721 Blue Sea - Mega Amp Safety Fuse Block - Weatherproof	\$14.43	\$14.43
1	WATTCO Install Kit	WATTCO Install Kit	\$125.00	\$125.00
1	WATTCO Labor	WATTCO Shop Labor to install the above equipment	\$2,327.25	\$2,327.25
			<b>SubTotal</b>	<b>\$8,076.32</b>
			<b>Sales Tax</b>	<b>\$0.00</b>
			<b>Shipping</b>	<b>\$0.00</b>
			<b>Total</b>	<b>\$8,076.32</b>



Qty	Part #	Description	Unit Price	Ext. Price
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**Prices are valid for 30 days from date of quote unless otherwise specified**

PLEASE READ: THIS INVOICE MAY BE FOR SHIPMENT OF A PARTIAL ORDER-NO RETURNS ON PLASTIC PARTS OR CUSTOM ORDERED NON-STOCK PARTS-NO RETURNS WITHOUT APPROVAL AND AN RMA# WILL BE ACCEPTED! ALL SHORTAGES, DAMAGE OR RETURN CLAIMS MUST BE MADE WITHIN 10 DAYS OF INVOICE DATE. NO EXCEPTIONS. A COPY OF THE INVOICE AND RMA PAPERWORK MUST BE SHIPPED WITH RETURNS AND ALL RETURNS MUST HAVE AUTHORIZATION. ALL RETURNS ARE SUBJECT TO A 30% RESTOCKING FEE. INTEREST WILL BE CHARGED AT A RATE OF 1.5% EACH MONTH ON ACCOUNTS OVER 30 DAYS. PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE. PLEASE REMIT

**PLEASE REMIT PAYMENT TO: WATTCO - 2230 Cordelia Road - Fairfield, CA 94534**

**Interest will be charged at the rate of 1 1/2% each month on accounts over 30 days.**



**City Vehicles Recommended for Declaration of Surplus Assets and Auction**



**1999 GMC Sonoma Truck (21 years old)**



**2002 Dodge Cargo Van (18 years old)**



**2002 Ford E-350 Truck (18 years old)**



**2002 Ford Explorer SUV (18 years old)**



**2010 Ford F-150 Truck (10 years old)**

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# Fleet Management Program

## *Council Update*

*and*

## *Staff Recommendations*



# Vehicles Ordered to Date

- **2019 Chevy Tahoe SUV** fully equipped for the newly created Fire Division Chief position. Dedicated command vehicle for the new Division Chief.
- **2019 Toyota Tacoma pickup truck** fully equipped for the Police Department Code Enforcement Division. Dedicated vehicle for third Code Enforcement Officer.
- **Two (2) 2019 Ford F-350 pickup trucks** fully equipped for the Public Works Department Maintenance needs. Replaced two (2) trucks requiring extensive repairs.

Enterprise Fleet Management Program						
Vehicles Ordered to Date						
Department	Year	Make	Model	Total Monthly Lease Payment	Initial Charges (Upfitting, First Month Payment & Tax)	Lease Term (months)
487 Fire Department	2019	Chevy	Tahoe	\$1,630.88	\$37,290.51	60
Police Department	2019	Toyota	Tacoma	\$700.45	\$3,388.92	60
Public Works	2019	Ford	F-350	\$808.92	\$1,240.34	60
Public Works	2019	Ford	F-350	\$808.98	\$1,240.44	60



# Recommended Vehicles for Lease

- **Two (2) 2020 Police Interceptor Utility Base Hybrids**
- **2020 Chrysler Voyager**
- **2020 Ford Transit Cargo Van**



# 2020 Police Interceptor Utility Base Hybrid (2)

The Police Department has two patrol 2015 Police Interceptor vehicles with Ford leases expiring on September 1, 2020 and needs to place the order now to ensure delivery of the new two (2) leased Enterprise Police Interceptor Utility Hybrid vehicles before September 1, 2020.





# 2020 Chrysler Voyager

Public Works has a 2002 Ford Explorer with deferred costly maintenance needs and does not have the safety features or efficiency included in the newer 2020 vehicle. The passenger van allows more passengers and more functionality. This is a pool vehicle highly utilized each day by Public Works, Development Services, IT Services, and City Hall Staff.







# 2020 Ford Transit Cargo Van

The Public Works Building Maintenance Worker uses both the Sonoma and the Dodge Van. Both vehicles are beyond their useful lives and do not adequately serve the building maintenance needs. The new 2020 Ford Transit Cargo Van will be equipped with vehicle tracking and recovery system, shelving, and power inverter. In addition to the increased utility of the cargo van, the new 2020 vehicle will include advanced passenger safety features not included on the 18 and 21 year old vehicles.

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Enterprise Fleet Management Program Staff Recommended Vehicles for Lease						
Department	Year	Make	Model	Total Monthly Lease Payment	Initial Charges (Upfitting, First Month Payment & Tax)	Lease Term (months)
Police Department 492	2020	Ford	Police Interceptor Utility Hybrid	\$966.65	\$10,737.99	60
Police Department	2020	Ford	Police Interceptor Utility Hybrid	\$966.65	\$10,737.99	60
Public Works	2020	Chrysler	Voyager	\$554.92	\$0.00	60
Public Works	2020	Ford	Transit Cargo Van	\$864.32	\$4,038.00	60



# Recommended Vehicles to Declare as Surplus Assets



**1999 GMC Sonoma Truck**



**2002 Dodge Cargo Van**



**2010 Ford F-150 Truck**



**2002 Ford E-350 Truck**



**2002 Ford Explorer SUV**

Vehicles Recommended for Declaration of Surplus Assets						
Department	Year	Make	Model	Mileage	Reasons for Replacement	Item #
Public Works	1999	GMC	Sonoma Truck	108,971	Complete Disrepair (Beyond Useful Life)	Attachment 10
Public Works	2002	Dodge	Cargo Van	37,149	Complete Disrepair (Beyond Useful Life)	
Public Works	2002	Ford	E-350 Truck	58,929	Engine, Interior Destroyed, Glow Plugs, Faulty Gauges, Inoperable Safety Lights, A/C Defroster Inoperable (\$10,000)	
Public Works	2002	Ford	Explorer SUV	72,103	Alignment & Suspension, Fuel System Issues, Window inoperable (\$3,000)	
Public Works	2010	Ford	F-150 Truck	72,644	Internal Engine Failure (\$7,500)	



# Recommendation

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Approve Resolution No. 2019-\_\_:  
Authorizing the City Manager to Execute  
Four (4) Lease Agreements with Enterprise  
Fleet Management, Inc. and Declare Five  
(5) City Vehicles as Surplus Assets for  
Auction.