

CITY COUNCIL
Lori Wilson, Mayor
Alma Hernandez, Mayor Pro-Tem
Jane Day
Michael J. Hudson
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, DECEMBER 21, 2021

5:30 P.M.

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

NOTICE

Pursuant to Government Code Section 54953, subdivision (b), and in accordance with the provisions of SB 361 (2021), the following Council/Successor Agency/Housing Authority meeting includes teleconference participation by: Council/Board Members Jane Day, Michael Hudson, Wanda Williams, Mayor Pro Tem Alma Hernandez, and Mayor/Chair Lori Wilson. Teleconference locations are on file at City Hall, 701 Civic Center Blvd., Suisun City, CA 94585.

THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH REQUIRES MASKING FOR ALL INDOOR PUBLIC SETTINGS. MEMBERS OF THE PUBLIC ARE REQUIRED TO WEAR FACE MASKS WHILE IN CITY FACILITIES, IF YOU DO NOT HAVE A FACE MASK, ONE WILL BE PROVIDED FOR YOU.

THE CITY COUNCIL HAS RESUMED IN-PERSON MEETINGS IN ADDITION TO ZOOM. A LIMITED NUMBER OF SEATS ARE AVAILABLE, TO RESERVE A SEAT PLEASE CONTACT THE CITY CLERK AT clerk@suisun.com OR 707 421-7302.

ZOOM MEETING INFORMATION:

WEBSITE: <https://zoom.us/join>

MEETING ID: 893 7544 5879

CALL IN PHONE NUMBER: (707) 438-1720

**REMOTE PUBLIC COMMENT IS AVAILABLE FOR THE CITY COUNCIL MEETING
BY EMAILING CLERK@SUISUN.COM (PRIOR TO 4pm) OR
VIA WEBSITE OR PHONE APPLICATION, ZOOM**

*(If attending the meeting via phone press *9 to raise your hand and *6 to unmute/mute for public comment.)*

ROLL CALL

Council Members

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.)

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.)

CLOSED SESSION

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

1. **PERSONNEL MATTERS**

Pursuant to California Government Code Section 54957(b)(1) et seq. the Suisun City Council will hold a Closed Session for the purpose of Public Employee Performance Evaluation: City Manager

2. **CONFERENCE WITH LABOR NEGOTIATOR**

Pursuant to Government Code Section 54957.6

Agency negotiator: City Manager

Employee organizations:

Unrepresented Employees;

SCEA (Suisun City Employees' Association);

SCMPEA (Suisun City Management and Professional Employees' Association).

SCPOA (Suisun City Police Officers Association).

CONVENE OPEN SESSION

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

ADJOURNMENT

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 - Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA;
 - Joe Nelson Center, 611 Village Drive, Suisun City, CA;
 - 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 December 21, 2021 was posted and available for review, in compliance with the Brown Act.

CITY COUNCIL
Lori Wilson, Mayor
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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, DECEMBER 21, 2021

6:30 P.M.

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

NOTICE

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(Next Ord. No. – 790)

(Next City Council Res. No. 2021 – 127)

Next Suisun City Council Acting as Successor Agency Res. No. SA2021 - 07)

(Next Housing Authority Res. No. HA2021 – 05)

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

ROLL CALL

Council / Board Members

Pledge of Allegiance

Invocation

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.)

REPORTS: (Informational items only)

1. City Manager/Executive Director/Staff

PRESENTATION/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. Council Consideration and possible action to adopt Resolution No. 2021-__: A Resolution of the City Council of the City of Suisun City proclaiming a local emergency persists and authorizing the use of remote teleconference meeting procedures by the City's legislative bodies, as authorized by government code section 54953(e) *et seq.*, through January 20, 2022 – (Folsom: gfolson@suisun.com).
3. Council Adoption of Ordinance No. 789: Amending Chapter 13.14 Public Art in Title 13, Public Services to the Suisun City Municipal Code (Introduced and Reading Waived on December 7, 2021) – (Lofthus: klofthus@suisun.com).
4. Council Adoption of Resolution No. 2021-__: Authorizing the Director of Recreation, Parks, and Marina Department (RPM) to accept grant funds from Solano Community Foundation-United Way Health Endowment Fund - (Lofthus: klofthus@suisun.com).
5. Council Adoption of Resolution No. 2021-__: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with McKim Corporation for the New Railroad Avenue Pavement Rehabilitation Project – (Vue: nvue@suisun.com).
6. Council Adoption of Resolution No. 2021-__: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with VSS International, Inc. for the Asphalt Rubber Cape Seal and Traffic Calming Project – (Vue: nvue@suisun.com).
7. Council Receive and File SB-165 Annual Reports for Community Facilities Districts No. 1, Community Facilities Districts No. 2, and Community Facilities Districts No. 3, to Comply with the Local Agency Special Tax Bond and Accountability Act – (Vue: nvue@suisun.com).
8. Council Adoption of Resolution No. 2021-__: Authorizing the Purchase of Two Cardiac Monitors from Zoll Medical Corporation – (Renucci: grenucci@suisun.com).
9. Council Adoption of Resolution No. 2021-__: Authorizing the City Manager to Execute a Professional Services Agreement with Cooperative Personnel Services, dba CPS HR Consulting (CPS HR) for Contract Personnel Services – (Folsom: gfolson@suisun.com).

10. Council Consider Resolution No. 2021-____: Approving a Funding and Use Agreement between Solano Transportation Authority and City of Suisun City for the Implementation of the Downtown Suisun City Mobility Hub – (Folsom: gfolson@suisun.com).
11. Approval of National Opioid Settlements - – (Folsom: gfolson@suisun.com).
 1. Approve Settlement Participation Form for the City’s participation in the National Opioid Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation.
 2. Approve Settlement Participation Form for the City’s participation in the National Opioid Settlement with Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.
 3. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement.
 4. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement.
 5. Adopt a Resolution approving and authorizing the City Manager to execute the documents identified in Recommendation Nos. 1 through 4.
 6. Authorize the City Manager to carry out all necessary acts such that the City can participate in the National Opioid Settlements, including, but not limited to, the transmittal of the executed documents in Recommendation Nos. 1 through 4 (as necessary and applicable).
12. Council Adoption of Resolution No. 2021-____: Authorizing the City Manager to Execute all Necessary Documents to Accept a Donation of Real Property for Property Located at 605 Highway 12 (Solano County Assessor’s Parcel Numbers 00032-042-720; 740 and 790) – (Kearns: jkearns@suisun.com).

Suisun City Council Acting as Successor Agency

13. Successor Agency Adoption of Resolution No. SA 2021-____: Receiving and Accepting a Recognized Obligation Payment Schedule 2022/23 (ROPS) for the Period of July 1, 2022 through June 30, 2023 – (Deol: ideol@suisun.com).
14. Successor Agency Adoption of Resolution No. SA 2021-____: Authorizing the Executive Director to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with Ashria LLC for the Transfer of Approximately 3.49 Acres Located on Civic Center Boulevard (Solano County Assessor’s Parcel Numbers 0032-091-170; 180; 190; and 200) - (Kearns jkearns@suisun.com).

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

15. 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 December 7, 2021 - (Skinner: askinner@suisun.com).

16. Selection of Chavan & Associates, LLP as the City's/Agency/Authority's new Financial Auditors - (Deol: ideol@suisun.com).

- a. Adopt Resolution No. 2021-___: A Resolution of the City Council of the City of Suisun City Approving a Professional Services Contract with Chavan & Associates, LLP to be the City's outside Financial Auditors.
- b. Adopt Resolution No. RA 2021-___: A Resolution of the Suisun City Council Acting as the Successor Agency to the Redevelopment Agency of the City of Suisun City Approving a Professional Services Contract with Chavan & Associates, LLP to be the Agency's outside Financial Auditors.
- c. Adopt Resolution No. HA 2021-___: A Resolution of the Board of Directors of the Suisun City Housing Authority Approving a Professional Services Contract with Chavan & Associates, LLP to be the Authority's outside Financial Auditors.

PUBLIC COMMENTS

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PUBLIC HEARING

City Council

17. Council Introduction and Waive Reading of Ordinance No. ___: Amending Chapter 2.20 Planning Commission of the Suisun City Municipal Code – (Kearns: jkearns@suisun.com).
18. Council Consideration of the Following for the Historic Waterfront Business Improvement District - (Lofthus: klofthus@suisun.com).
 - a. Council Adoption of Resolution No. 2021-___: Reauthorizing and Renewing the Historic Waterfront Business Improvement District and the Assessment Levy for the District; and
 - b. Council Adoption of Resolution No. 2021-___: Approving the Proposed Calendar-Based Fiscal Year 2022 Operating Budget for the Suisun City Historic Waterfront Business Improvement District.

GENERAL BUSINESS

City Council

19. Council Adoption of Resolution 2021-___: Adopting Certain Findings and the Policy Directives to Implement the Sales and Use of Safe and Sane Fireworks for 2022 as Provided in Chapter 8.04 of the Suisun City Code – (Renucci: grenucci@suisun.com).
20. Council Consider of Resolution No. 2021-___: A resolution authorizing the City Manager to enter into a funding agreement to extend FAST bus routes 5 and 6 in Suisun City at 100% through March 2022 and at a 75% reduction from April through December 2022 – (Folsom: gfolson@suisun.com).

REPORTS: (Informational items only)

21. Council Updates

- a. Council/Boardmembers
- b. Mayor

22. Non-Discussion Items

ADJOURNMENT

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Consideration and possible action to adopt Resolution No. 2021-__: A Resolution of the City Council of the City of Suisun City proclaiming a local emergency persists and authorizing the use of remote teleconference meeting procedures by the City's legislative bodies, as authorized by government code section 54953(e) *et seq.*, through January 20, 2022.

FISCAL IMPACT: None.

STRATEGIC PLAN: Provide Good Governance

BACKGROUND: A number of laws have changed since the beginning of the COVID pandemic related to the Brown Act as it relates to teleconferenced public meetings, both from Governor Newsom's Executive Orders and recently from the enactment of Assembly Bill 361, which took effect October 1, 2021, allowing continued remote teleconference meetings without traditional Brown Act compliance, provided certain findings can be made related to the ongoing state of emergency and subject to adherence to certain new noticing and public participation requirements.

The City, as all public agencies in California, must now invoke and adhere to AB 361 and its modifications on certain elements of remote public meetings, or else revert to traditional Brown Act compliance. The major change associated with continuing remote meetings under AB 361 is that the public must now be allowed to make comments in real-time during the public comment period, either telephonically or electronically (such as by Zoom). No physical location for public comment need be provided.

The other major change is that all public agencies, if they want to continue to conduct public meetings remotely, must adopt a resolution every 30 days making the findings of necessity to do so and affirming the measures in place to allow remote public comments by the public.

On October 19, 2021 the City of Suisun City passed a resolution proclaiming that a local emergency persists and authorizing the transition to use of remote teleconference meeting procedures by City's the legislative bodies, as authorized by government code section 54953(e) *et seq.*, for the initial period of October 19, 2021 through November 18, 2021.

STAFF REPORT: This is a recurring resolution, after 30 days following the initial invocation of AB 361, continued reliance on AB 361 for subsequent meetings requires the following:

1. Either the "state of emergency" must remain active, or state or local officials have imposed or recommended measures to promote social distancing; and
2. No later than 30 days after teleconferencing for the first time under AB 361 rules, and every 30 days thereafter, the legislative body, by majority vote, finds that it has reconsidered the circumstances of the state of emergency and at least one of the following circumstances exist:

PREPARED/APPROVED BY:

Greg Folsom, City Manager

- The state of emergency continues to impact the ability of the members to meet safely in person; or
- State or local officials continue to impose recommended measures to promote social distancing

Continued reliance on AB 361 will require adoption of a new resolution making the required findings every 30 days.

STAFF RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2021- ____: A Resolution of the City Council of the City of Suisun City proclaiming a local emergency persists and authorizing the transition to use of remote teleconference meeting procedures by City's the legislative bodies, as authorized by government code section 54953(e) et seq., through January 20, 2022.

ATTACHMENTS:

1. Resolution 2021-____ A Resolution of the City Council of the City of Suisun City proclaiming a local emergency persists and authorizing the transition to use of remote teleconference meeting procedures by City's the legislative bodies, as authorized by government code section 54953(e) et seq., through January 20, 2022.

RESOLUTION NO. 2021-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY PROCLAIMING A LOCAL EMERGENCY PERSISTS AND AUTHORIZING THE TRANSITION TO USE OF REMOTE TELECONFERENCE MEETING PROCEDURES BY CITY'S THE LEGISLATIVE BODIES, AS AUTHORIZED BY GOVERNMENT CODE SECTION 54953(E) *ET SEQ.*, THROUGH JANUARY 20, 2022

WHEREAS, the City Council of the City of Suisun City is committed to preserving and nurturing public access, transparency, observation and participation in its meetings and the meetings of each of its legislative bodies; and

WHEREAS, all meetings of the City's legislative bodies are open and public, as required by the Ralph M. Brown Act, codified as Government Code sections 54950 *et seq.*, so that any member of the public may attend, participate, and observe the City's legislative bodies conduct their business; and

WHEREAS, the Brown Act, as amended by Assembly Bill 361 (2021), amending Government Code section 54953(e) *et seq.*, allows for remote teleconferencing observation and participation in meetings by members of a legislative body and members of the public, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, the initial required condition is a declaration of a state of emergency by the Governor pursuant to the California Emergency Services Act, Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state and within the boundaries of the City, as provided in Government Code section 8558; and

WHEREAS, on March 4, 2020, pursuant to Government Code Section 8625, Governor Newsom declared the existence of a state of emergency for the State of California, in response to the outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19); and

WHEREAS, on March 16, 2020, the City's Director of Emergency Services declared a local emergency for the City pursuant to Chapter 2.32 of the Suisun City Municipal Code, finding that conditions of extreme peril to the safety of persons and property have arisen within the City as a result of the COVID-19 virus and that these conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, on March 17, 2020, the City Council adopted Resolution No. 2020-40, ratifying the Director of Emergency Services' declaration of local emergency; and

WHEREAS, Government Code section 54953(e) further requires that state or local officials have imposed or recommended measures to promote social distancing; or, the legislative body of the City finds that meeting in person would present imminent risk to the health and safety of attendees; and

1 **WHEREAS**, the Council hereby finds that such emergency conditions now exist in
2 the City, such that meeting in person for the meetings of the legislative bodies of the City
3 would present imminent risk to the health and safety of attendees as a result of the increased
4 risk of the spread of the COVID-19 virus among those in attendance; and

5 **WHEREAS**, the Council hereby finds that the state of emergency due to the COVID-
6 19 virus and the conditions related thereto has caused, and will continue to cause, conditions
7 of extreme peril to the safety of persons within the City that are likely to be beyond the
8 control of services, personnel, equipment, and facilities of the City, and thereby affirms,
9 authorizes, and proclaims that the existence of a local emergency persists throughout the City,
10 and ratifies the proclamation of state of emergency by the Governor of the State of California;
11 and

12 **WHEREAS**, the Council hereby finds that, as a consequence of the existing local
13 emergency, the legislative bodies of the City shall conduct their meetings without compliance
14 with Government Code section 54953(b)(3), and shall instead comply with the remote
15 teleconference meeting requirements as authorized by Government Code section 54953(e) *et*
16 *seq.*; and

17 **WHEREAS**, the Council affirms that it will allow for observation and participation by
18 Councilmembers and the public by allowing limited in-person attendance, as well as allowing
19 public participation and comment in real time via Zoom or by telephone, in an effort to
20 protect the constitutional and statutory rights of all attendees.

21 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN CITY**
22 **FINDS, RESOLVES, AND ORDERS AS FOLLOWS:**

23 Section 1. The Recitals set forth above are true and correct and are incorporated herein
24 Resolution by reference.

25 Section 2. The Council hereby recognizes and affirms the existence and conditions of
26 a state of emergency as proclaimed by the Governor, the existence of emergency conditions in
27 the City, and affirms, authorizes, and proclaims that the existence of a local emergency
28 persists throughout the City.

29 Section 3. The Council hereby ratifies the Governor of the State of California's
30 Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

31 Section 4. Further, the Council finds that holding the meetings of the City's legislative
32 bodies in person with no limitations to attendance would present imminent risk to the health
33 and safety of attendees as a result of the increased risk of the spread of the COVID-19 virus
34 among those in attendance, as required by Government Code section 54953(e) *et seq.*

35 Section 5. The City Manager and legislative bodies of the City are hereby authorized
36 and directed to take all actions necessary to carry out the intent and purpose of this Resolution
37 including, conducting open and public meetings in accordance with Government Code section
38 54953(e) and other applicable provisions of the Brown Act.

Section 6. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) January 20, 2022, or (ii) such time the Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City may continue to teleconference without compliance with Government Code section 54953(b)(3).

PASSED AND ADOPTED at the Regular Meeting of the City Council of the City of Suisun City duly held on December 21, 2021, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Council Adoption of Ordinance No. 789: Amending Chapter 13.14 Public Art in Title 13, Public Services to the Suisun City Municipal Code.

FISCAL IMPACT: The previous adoption of a Percent for the Arts Program will generate revenue to fund public art in Suisun City. These revenues are dedicated funds that can only be used to enhance public art within the City.

STRATEGIC PLAN IMPACT: Develop Sustainable Economy

BACKGROUND: During the January 19, 2021 City Council meeting this item was on the agenda as a discussion and direction. With positive feedback and direction, the item was referred back to the Recreation, Parks, Marina, and Arts Commission (RPMA) for further consideration. On April 21, 2021, RPMA unanimously approved the revised changes presented. A Public Hearing was held in August of this year with the City Council adopting the addition of Chapter 13.14 Public Art in Title 13, Public Services to the Suisun City Municipal Code.

STAFF REPORT: After adoption, staff found language that could be confusing to those required to fulfill their obligations under this chapter. There are no changes to the fee structure of this code nor any additions or exclusions of who would be required to pay necessary funds under this code.

A notice of public hearing, including a summary of proposed ordinance, was published as a legal notice in the Daily Republic newspaper. City Council held a public hearing on December 7, 2021.

RECOMMENDATION: It is recommended that the City Council Adopt Ordinance No. 789: Amending Chapter 13.14 Public Art in Title 13, Public Services to the Suisun City Municipal Code.

ATTACHMENTS:

1. Ordinance No. 789: Amending Chapter 13.14 Public Art to Title 13, Public Services to the Suisun City Municipal Code
2. Chapter 13.14 Public Art

PREPARED BY:

Kris Lofthus, Recreation, Parks, and Marina Director

REVIEWD/APPROVED BY:

Greg Folsom, City Manager

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ORDINANCE NO. 789

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITY OF SUISUN CITY, CALIFORNIA, AMENDING CHAPTER 13.14 PUBLIC ART TO TITLE 13, PUBLIC SERVICES TO THE SUISUN CITY MUNICIPAL CODE

WHEREAS, the City of Suisun City adopted a Public Art Policy to enrich visual environment, integrate the creative thinking of artists into public construction projects, and provide a means for citizens and visitors to enjoy and experience cultural diversity; and

WHEREAS, the displays of public art on private property shall be approved by the City, and in the event the developer does not wish to City to have design and content approval, they may instead contribute and in-lieu public art fee; and

WHEREAS, the amendment of this chapter is to make language consistent and transparent to the guidelines, procedures, and standards for the integration of public art into new private projects throughout the City of Suisun City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN CITY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council finds that the above recitals are true and correct and are incorporated as though fully set forth herein.

SECTION 2. Ordinance. The Ordinance is hereby adopted by the amendment of Chapter 13.14 "PUBLIC ART" in Title 13 of the Suisun City Municipal Code to read in its entirety as shown in Exhibit "A" attached hereto and incorporated herein by this reference.

SECTION 3 Severability and Validity. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Suisun City hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that anyone or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 4. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after its adoption following second reading.

SECTION 5. Publication. In accordance with Section 36933 of the Government Code of the State of California, whis ordinance shall be posted in three (3) public places within the City prescribed by ordinance within fifteen (15) days after its passage, there being no newspaper of general circulation printed and published within the City.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council
of the City of Suisun City, California, on this ____ day of _____ 2021.

Lori D. Wilson, Mayor

ATTEST:

Anita Skinner
City Clerk

APPROVED AS TO FORM
AND LEGAL CONTENT:

Aleshire & Wynder, LLP

CERTIFICATION

I, Anita Skinner, City Clerk of the City of Suisun City and ex-officio Clerk of the City
Council of said City, do hereby certify that the above and foregoing ordinance was introduced
at a regular meeting of the said City Council held on December 7, 2021 and passed and adopted
at a regular meeting of said City Council held on December 21, 2021, by the following vote:

AYES: Councilmembers: _____
NOES: Councilmembers: _____
ABSENT: Councilmembers: _____
ABSTAIN: Councilmembers: _____

WITNESS my hand and the seal of said City this ____ day of _____ 2021.

Anita Skinner
City Clerk

Attachment 2

Chapter 13.14 Public Art

13.14.010 Purpose.

A. The purpose of this chapter is to authorize the establishment of guidelines, procedures and standards for the integration of public art into new development projects throughout the City of Suisun City. Public art on public projects installed pursuant to this chapter shall be governed by the City's Public Art Policy.

B. Public art plays an important role in increasing the understanding and enjoyment of art by the community. Art is more accessible and visible to people when displayed in public areas. A key feature of public artwork is the importance of integrating art into the urban fabric of the City in order to enrich and enhance its physical attractiveness. Public art transforms spaces and makes a valuable contribution to our appreciation of the City and the quality of public places. In addition, public art located in public places reflects the unique environment and cultural identity of the City to visitors and to residents of Suisun City. It often provides a link with our history and can contribute to development of tourism.

C. To achieve these goals, public art should be integrated into development projects citywide. For best results, consideration of public art should be integrated into project planning at the earliest possible stage.

D. In the event of a conflict between the Public Art Policy and this chapter, the provisions of the chapter shall govern.

13.14.020 Definitions.

The following definitions apply to this chapter:

- A. "Addition" means an extension, expansion, or increase in floor area or height of a building or structure.
- B. "Alteration" means any construction, remodel, rehabilitation of, or improvement to, an existing structure other than repair or addition.
- C. "Artist" means a person who has a reputation among peers as a person of artistic excellence, through a record of exhibitions, public commissions, sale of works, or educational attainment as judged by the reviewing body with final design review authority for the development project.
- D. "Construction cost" means the total cost of a development project. Construction costs shall be based on construction and site improvement costs as declared on all building permit applications, and shall include, but not be limited to, all grading, site improvement, building, plumbing, mechanical, and electrical permit applications for the project.
- E. "Developer" means the person or entity that is financially and legally responsible for the planning, development, and construction of a development project, who may, or may not, be the owner of the subject property.
- F. "Development" or "development project" means a project involving the construction of any new residential, commercial (including office and retail uses), industrial or light industrial, or mixed use buildings, the construction of tenant improvements, any addition to an existing building, or the rehabilitation, renovation, remodeling, or improvement of an

Attachment 2

existing building. Tenant improvement construction cost shall be calculated on a per-tenant basis.

1. “Nonresidential development” means a project with a construction cost of \$250,000 or more, and involving: (1) the construction of any new commercial (including office and retail uses), industrial or light industrial development, including the nonresidential portion of a mixed use development; (2) tenant improvements to a unit in a nonresidential development; (3) an addition to an existing nonresidential building or structure; or (4) the alteration of an existing nonresidential building or structure.
 2. “Residential development” means any new multi-home or multi-unit housing project, including the residential portion of mixed use developments.
 3. “Development” or “development project” shall not include any of the following:
 - a. Repair or reconstruction of building or structures, which have been damaged by fire, flood, wind, earthquake, or other calamity;
 - b. Historic preservation or restoration;
 - c. Seismic retrofit or flood protection projects work items;
 - d. Fire sprinkler installation;
 - e. Any maintenance, upgrade, or repair of an existing building, structure, or equipment, necessary for its optimal condition or operation;
 - f. Solar (photovoltaic) system installations.
- G. “Director” means the Recreation, Parks, & Marina Director, and shall include their designee.
- H. “In lieu public art contribution” means the dollar amount equal to 1.5% (one and one-half percent) of the construction cost. In the case of a mixed-use project, the in lieu public art contribution shall equal 1.5% (one and one-half percent) of the construction cost of the nonresidential component of the development on a pro rata basis. By way of example, the in lieu public art contribution for a 15,000 square foot mixed use project with a 2,000 square foot commercial space component, with a construction cost of \$350/square foot would be \$10,500, calculated as follows: $0.015 \times 350 \times 2000 = 10,500$.
- I. “Installation date” means the actual date on which installation of the public art is completed.
- J. “Public art” means an original work of a permanent nature in any variety of media produced by an artist, including but not limited to sculpture, murals, photography, and original works of graphic art, water features, neon, glass, mosaics, or any combination of forms of media, furnishing or fixtures permanently affixed to the building or its grounds, or a combination thereof, and may include architectural features of the building such as decorative handrails, stained glass and other functional features which have been enhanced to be visually appealing. City commissioned public art may also include pieces as identified above which may be moved from time to time as a gallery collection and placed in public buildings such as City Hall, the Joe Nelson Community Center and other publicly accessible facilities.

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Public art does not include the following:

1. Art objects that are mass-produced or of standard design;
 2. Landscape architecture and landscape gardening except where these elements are designed by the artist and are an integral part of the work of art;
 3. Works of art not visible to the public;
 4. Logos or corporate identity.
- K. “Public art fund” means a fund established and maintained by the City of Suisun City for the purpose of funding public art and cultural programming consistent with the adopted Public Art Policy.
- L. “Public Art Policy” means the Marina, Parks, & Recreation Department’s Public Art Policy, as adopted by City Council resolution, including any amendments or successor policies thereto.
- M. “Public place” means any exterior area on public or private property, which is clearly visible to the public. If located on private property, the area must be clearly visible from adjacent public property such as a street or other public thoroughfare, sidewalk, or path.
- N. “Residential development park enhancement set-aside” means the dollar amount equal to 0.5% (half of one percent) of the total construction cost of the residential development. In the case of a mixed-use project, the park enhancement set-aside shall be 0.5% (half of one percent) of the construction cost of the residential component of the development on a pro rata basis. By way of example, the residential development park enhancement set-aside for a 20,000 square foot mixed use project with a 15,000 square foot residential space component, with a construction cost of \$500/square foot would be \$30,000, calculated as follows: $0.005 \times 400 \times 15,000 = 30,000$.
- O. “Repair” means the reconstruction or renewal of any part of an existing building for the purpose of its maintenance.

13.14.030 Public art requirement imposed on nonresidential developments.

- A. Any new nonresidential or mixed use development project in the City is required to include a public art component. The public art shall be displayed in a manner that will enhance its enjoyment by the general public.
- B. The cost of the public art, or in lieu public art contribution, must be equal at least to 1.5% (one and one-half percent) of the construction cost of the development, for a maximum value of \$250,000. In case of mixed use developments, the public art requirement shall be based on the construction cost of the nonresidential portion of the development only.
- C. The developer has the following options to meet the requirement:
 1. Locate the public art on the project site in a public place.
 2. Request that the reviewing body with final review authority for the development project consider placement of a developer-funded art piece on public property at a location approved by the Recreation, Parks, Marina, and Arts Commission. Public art to be placed on public property is subject to design review and approval by the

Attachment 2

City Council. The public art will be donated to the City. The total cost of the public art shall include a maintenance fee, in the amount of 15% of the 1.5% of the construction cost of the development. The City shall hold the maintenance fee in a separate project-specific account, and the funds shall be used exclusively for the maintenance of the specific work.

3. Pay an in lieu public art contribution, which shall be deposited in the Public Art Fund. The in lieu public art contribution shall be paid by the developer at the time of building permit issuance; or
 4. Developers may elect to install public art that has a value lower than the public art contribution requirement and make an in lieu public art contribution for the balance.
- C. Prior to obtaining a building permit, the developer shall demonstrate compliance with the requirements of this chapter in one of the following ways:
1. Payment of the full amount of the in lieu public art contribution; or
 2. Written proof to the Director of a contract to commission or purchase and install the required public art. Such proof shall be accompanied by a performance security, in an amount of 10% of the total public art contribution, which will be refunded following installation. If the public art is not completed within one year of the issuance of the certificate of occupancy, the deposit shall be forfeited and an in lieu public art contribution shall be required.
- D. Prior to the issuance of the certificate of occupancy, the developer shall provide the city with proof of installation of the required public art on the development site, unless the developer has entered into an agreement and submitted a performance security consistent with subsection (C)(2).
- E. The owner of the development project shall hold title to all public art installed on private property. Each successive owner shall be responsible for the custody, protection, and maintenance of such works of art. The works of art must be maintained in good condition and free of graffiti for the life of the piece.
- F. If the development project's owner wishes to replace any public art installed pursuant to this chapter, the following requirements shall be met before the art is replaced:
1. The cost of the replacement shall be equal to, or greater than, the initial cost (adjusted for time) of the existing public art to be removed.
 2. The location of the replacement public art shall meet the requirement for public visibility in effect at the time of the replacement.
 3. The replacement public art shall conform, in every respect, to all standards in effect at the time of the replacement.
 4. The replacement public art shall be installed within 180 days of the removal of the existing public art piece, unless the period is extended by the Director.

13.14.040 Residential development park enhancement set-aside.

Any new residential or mixed use development project in the City that is required to install a park shall be subject to a residential development park enhancement set-aside for the purpose of

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including art elements within the required park. In case of mixed use developments, the residential development park enhancement set-aside amount shall be based on the construction cost of the residential portion of the development only. The park enhancement set-aside shall be applied to art elements for park amenities such as benches, shade sails, picnic tables, pathways, garbage cans, play structures, bicycle racks, and signage.

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Council Adoption of Resolution No. 2021-___: Authorizing the Director of Recreation, Parks, and Marina Department (RPM) to accept grant funds from Solano Community Foundation-United Way Health Endowment Fund.

FISCAL IMPACT: Grant award of \$5,000.

STRATEGIC PLAN IMPACT: Ensure Fiscal Solvency

BACKGROUND: The Recreation, Parks, and Marina (RPM) Department submitted a grant application seeking financial assistance from the Solano Community Foundation to support senior programs in the Suisun City community.

STAFF REPORT: In October 2021, the Recreation, Parks, and Marina Department was notified that their grant application was accepted and approved for funding. RPM was able to demonstrate that COVID-19 has had a devastating effect on seniors in our community. Coupled with the desire of the city council to move senior programs to the Joseph Nelson Community Center which will provide them a larger space for more program offerings, a safer facility to participate in those programs, an adjacent park with walking path, and a dedicated staff member to see to their needs, the Solano Community Foundation funded the request. These funds will be utilized to purchase new equipment for senior programs and to host a welcome event at the Joseph Nelson Community Center.

STAFF RECOMMENDATION: Adopt Resolution Authorizing the Director of Recreation, Parks, and Marina Department (RPM) to accept grant funds from Solano Community Foundation-United Way Health Endowment Fund.

ATTACHMENTS:

1. Resolution No. 2021-___: Authorizing the Director of Recreation, Parks, and Marina Department (RPM) to accept grant funds from Solano Community Foundation-United Way Health Endowment Fund

PREPARED BY:
APPROVED BY:

Kris Lofthus, Recreation, Parks, & Marina Director
Greg Folsom, City Manager

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY,
CALIFORNIA, ACCEPTING GRANT FUNDS FROM SOLANO COMMUNITY
FOUNDATION-UNITED WAY HEALTH ENDOWMENT FUND**

WHEREAS, Solano Community Foundation provides annual grants to support community efforts; and

WHEREAS, Suisun City Recreation, Parks and Marina Department provides programming for seniors that are meant to enrich, enhance, and provide social engagement; and

WHEREAS, Senior programs are being moved to the Joseph Nelson Community Center for expansion of programs, a safer environment, with park amenities adjacent to the center; and

WHEREAS, COVID-19 has had a devastating effect on seniors in our community and restoring a gathering place for them is essential for this population to thrive; and

WHEREAS, This grant will enable the Recreation, Parks, and Marina Department to provide the senior with much needed equipment and a special event welcoming them back to regular programming;

NOW, THEREFORE, BE IT RESOLVED, The City Council authorizes the Recreation, Parks, and Marina Director to accept a Solano Community Foundation-United Way Health Endowment grant in the amount of \$5,000 on behalf of the City of Suisun City, a public entity established under the laws of the State of California.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

AYES:	Council Members:	_____
NOES:	Council Members:	_____
ABSENT:	Council Members:	_____
ABSTAIN:	Council Members:	_____

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Council Adoption of Resolution No. 2021-____: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with McKim Corporation for the New Railroad Avenue Pavement Rehabilitation Project.

FISCAL IMPACT: The New Railroad Avenue Pavement Rehabilitation Project (Project), Federal Project No. STPL-5032(034), would have no fiscal impact on the General Fund. City Public Works Engineering staff applied for and the City was awarded a One Bay Area Grant (OBAG) allocation in the amount of \$491,000 from the California Department of Transportation for of this Project. Engineering staff also applied for, and the City was awarded a Transportation Development Act Article 3 (TDA 3) allocation in the amount of \$124,675 from the Solano Transportation Authority (STA) for this Project. The total of the two allocations is \$615,675 and is to be utilized for the construction phase. No local match is required from either grant program.

STRATEGIC PLAN: Provide Good Governance, Enhance Environment.

BACKGROUND: On July 21, 2020, the City Council authorized the City Manager to execute a professional services agreement on the City's behalf with Bellecci & Associates for the Project. Bellecci & Associates completed the construction documents in March 2021, and Caltrans did not issue the City approval to start the construction phase until July 2021.

Project scope includes, but is not limited to the following:

- Base failure repairs, asphalt grinding, 2" asphalt overlay on eastbound Railroad Avenue from Village Drive to Sunset Avenue, as well as upgrading curb ramps to ADA-compliant curb ramps within this eastbound street segment.
- Base failure repairs on eastbound Railroad Avenue from Birchwood Court to Village Drive.
- Upgrading the existing bicycles lanes to buffered bicycles lane on both sides of Railroad Avenue from Marina Boulevard to Sunset Avenue.

STAFF REPORT: On Friday, October 29, 2021, and on Sunday, November 7, 2021, the construction bid documents for the Project were advertised in the Daily Republic newspaper.

Bids were opened on November 23, 2021, at 2:00 PM, at which time seven (7) bids were received and read aloud. The bid submitted by McKim Corporation represents the lowest bid received for the Project and was determined by staff to be a responsive bid. The seven bids received for the Project are as follows:

<u>Company</u>	<u>Total</u>
<i>Engineer's Estimate</i>	\$ 614,036.00
McKim Corporation.....	\$ 464,176.67

PREPARED BY:
REVIEWED BY:
APPROVED BY:

Nick Lozano, Associate Engineer
 Nouae Vue, Public Works Director
 Greg Folsom, City Manager

JV Lucas Paving, Inc.....	\$ 494,859.10
Graniterock.....	\$ 574,154.30
Vintage Paving Company, Inc.....	\$ 574,802.10
Maggiora & Ghilotti, Inc.....	\$ 584,584.00
Team Ghilotti, Inc.....	\$ 692,063.00
Martin Brothers Construction, Inc.....	\$ 705,992.35

Given that the construction budget will be enough to cover the construction contract for this Project, staff recommends awarding the construction contract in the amount of \$464,176.67 to McKim Corporation for the New Railroad Avenue Project No. STPL-5032(034), including a 20% contingency (\$92,835.33), for a maximum construction cost of \$557,012.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2021-__: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with McKim Corporation for the New Railroad Avenue Pavement Rehabilitation Project.

ATTACHMENTS:

1. Resolution No. 2021-__: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with McKim Corporation for the New Railroad Avenue Pavement Rehabilitation Project.
2. Project Location Map.

RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSTRUCTION
CONTRACT ON THE CITY'S BEHALF WITH McKIM CORPORATION FOR THE
NEW RAILROAD AVENUE PAVEMENT REHABILITATION PROJECT**

WHEREAS, the City's New Railroad Avenue Pavement Rehabilitation (Project) has been awarded a One Bay Area Grant (OBAG) grant allocation in the amount of \$491,100 and Transportation Development Act Article 3 (TDA 3); and

WHEREAS, the OBAG and TDA 3 allocations cover construction of the Project, including City staff charges and other associated construction costs; and

WHEREAS, the Project will include base failure repairs, asphalt grinding, 2" asphalt overlay on eastbound Railroad Avenue from Village Drive to Sunset Avenue, as well as upgrading accessible curb ramps to meet current standards within this eastbound street segment; and

WHEREAS, the Project will also include base failure repairs on eastbound Railroad Avenue from Birchwood Court to Village Drive; and

WHEREAS, the Project will also include upgrading the existing bicycles lanes to buffered bicycles lane on both sides of Railroad Avenue from Marina Boulevard to Sunset Avenue; and

WHEREAS, seven (7) bids were received on November 23, 2021, by 2:00 pm, at which time the bids were opened and read aloud; and

WHEREAS, McKim Corporation provided the lowest responsive bid of \$464,176.67; and

WHEREAS, the low bid submitted by McKim Corporation was determined by City staff to be a responsive bid; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Suisun City authorizes the City Manager to enter into a construction contract on behalf of the City with McKim Corporation for the New Railroad Avenue Pavement Rehabilitation Project, Federal project No. STPL-5032(034) in the amount of \$464,176.67, including a 20% contingency (\$92,835.33) for a total project construction cost of \$557,012, and to take any and all necessary and appropriate actions to implement this contract.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of
Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk

New Railroad Avenue Pavement Rehabilitation Project
Location Map

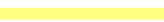


LEGEND:

PAVEMENT RESURFACING, EASTBOUND LANES ONLY



5' WIDE BICYCLE LANE WITH 2' WIDE STRIPED BUFFER ZONES, BOTH SIDES OF STREET



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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Council Adoption of Resolution No. 2021-____: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with VSS International, Inc. for the Asphalt Rubber Cape Seal and Traffic Calming Project.

FISCAL IMPACT: There would be no impact to the General Fund. The City will fund the resurfacing portion of the Asphalt Rubber Cape Seal and Traffic Calming Project (Project) with Senate Bill 1 (SB1) allocations and the traffic calming portion with Transportation Funds for Clean Air (TFCA) allocations. The estimated available SB1 fund for FY 2021-22 is \$993,648, while the available TFCA allocation for construction is \$80,920. The total construction budget will be \$1,074,568, which is the sum of said two allocations. Since the annual project budget is currently \$516,400 and since the disbursement of funds for the project will not occur until March 2022 at the earliest, the required budget amendment will be included in the FY 2021-2022 mid-year budget amendment.

STRATEGIC PLAN: Provide Good Governance, Ensure Public Safety, and Enhance the Environment.

BACKGROUND: The City of Suisun City is responsible for the maintenance of nearly 153 lane miles of roadway with over 13 million square feet of pavement. The goal of the Suisun City Pavement Management Program is to maintain the city's pavement in the best condition possible given the available funding. Each year, preventive maintenance treatments are performed on various city streets. These treatment projects are intended to extend the life of the pavement and avoid costlier repair or replacement of streets. Road reconstruction is only considered when preventive maintenance treatments are no longer cost-effective or feasible. The cost of reconstructing a street can exceed ten times the cost of performing a preventative maintenance treatment.

On May 4, 2021, the City Council approved Resolution 2021-41 approving the list of roadway projects for Fiscal Year 2021-22 to comply with the requirements of SB1 and staff submitted the adopted Resolution to the California Transportation Commission prior to July 10, 2021, to meet funding requirement. The list of projects includes a resurfacing project and curb ramp upgrades to comply with the Americans with Disabilities Act (ADA) for Village Drive from Highway 12 to Railroad Avenue and for Whispering Bay Lane from Francisco Drive to Josiah Circle.

Willdan Engineering completed the construction documents in early May 2021, and the construction documents were advertised on May 14, 2021 at various plan rooms and various paving contractors including contractors who bid on the 2018 Asphalt Rubber Cape Seal Project. However, no bids were received at the bid opening date in June, which is typically the start of the construction/paving season. In order to get favorable bids, staff advertised the project near the end of the 2021 construction season for a construction start no later than July 5, 2022.

PREPARED BY:
REVIEWED BY:
APPROVED BY:

Nick Lozano, Associate Engineer
 Nouae Vue, Public Works Director
 Greg Folsom, City Manager

Project scope includes, but is not limited to the following:

- Digout repairs and asphalt rubber cape seal. This work also includes surface preparation streets, removal, and replacement of curb ramps to meet accessibility requirements, protection of existing utilities and pavement delineation.
- Restriping Village Drive to include buffered bicycle lanes.
- Traffic calming improvements (rectangular rapid flashing beacons, high visibility crosswalk, concrete curb bulbout, and curb ramp upgrades) at the existing pedestrian/student crossing on Whispering Bay Lane fronting Crystal Middle School.

STAFF REPORT: On Friday, October 29, 2021, and on Sunday, November 7, 2021, the construction bid documents for the Project were advertised in the Daily Republic newspaper.

Bids were opened on November 18, 2021, at 2:00 PM, at which time two (2) bids were received and read aloud. The bid submitted by VSS International, Inc. represents the lowest bid received for the Project, and was determined by staff to be a responsive bid. The two bids received for the Project are as follows:

<u>Company</u>	<u>Total</u>
<i>Engineer's Estimate</i>	\$ 499,804.00
VSS International, Inc.....	\$ 736,436.00
Pavement Coatings Co.....	\$ 861,275.00

The Engineer's Estimate is lower than the submitted bids amounts because the unit prices used in the Engineer's Estimate have been found to be outdated and do not reflect the cost increases in materials and labor in the current construction market. Staff recommends awarding the construction contract in the amount of \$736,436 to VSS International, Inc. given the fact that the construction budget will be enough to cover the construction contract costs for this Project, including a 10% contingency (\$73,644), for a maximum construction cost of \$810,080.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2021-__: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with VSS International, Inc. for the Asphalt Rubber Cape Seal and Traffic Calming.

ATTACHMENTS:

1. Resolution No. 2021-__: Authorizing the City Manager to Enter into a Construction Contract on the City's Behalf with VSS International, Inc. for the Asphalt Rubber Cape Seal and Traffic Calming.
2. Project Location Map.

RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSTRUCTION
CONTRACT ON THE CITY'S BEHALF WITH VSS INTERNATIONAL, INC. FOR
THE ASPHALT RUBBER CAPE SEAL AND TRAFFIC CALMING PROJECT**

WHEREAS, the City is responsible for the maintenance of nearly 153 lane miles of roadway with over 13 million square feet of pavement; and

WHEREAS, on May 4, 2021, the City Council approved Resolution 2021-41 approving the list of roadway projects for Fiscal Year 2021-22; and

WHEREAS, the list of projects includes a resurfacing project and curb ramp upgrades to comply with the Americans with Disabilities Act (ADA) for Village Drive from Highway 12 to Railroad Avenue and for Whispering Bay Lane from Francisco Drive to Josiah Circle; and

WHEREAS, the construction documents for the Asphalt Rubber Cape Seal and Traffic Calming Project (Project) were advertised on Friday, October 29, 2021, and on Sunday, November 7, 2021; and

WHEREAS, two (2) sealed bid proposals were received by the City on November 18, 2021, by 2:00 pm, and the bids were opened and read aloud; and

WHEREAS, VSS International, Inc. provided the lowest responsive bid of \$736,436; and

WHEREAS, the low bid submitted by VSS International, Inc. was determined by City staff to be a responsive bid; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Suisun City authorizes the City Manager to enter into a construction contract on behalf of the City with VSS International, Inc. for the Asphalt Rubber Cape Seal and Traffic Calming Project in the amount of \$736,436, including a 10% contingency (\$73,644) for a total construction cost of \$810,080, and to take any and all necessary and appropriate actions to implement this contract.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

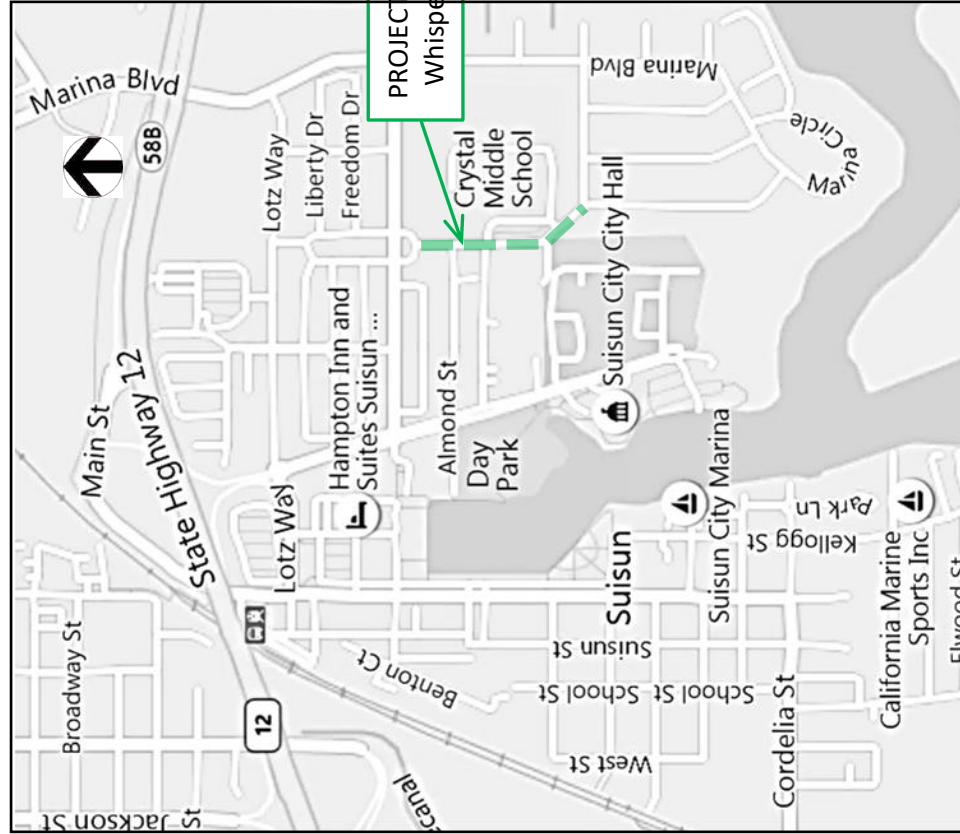
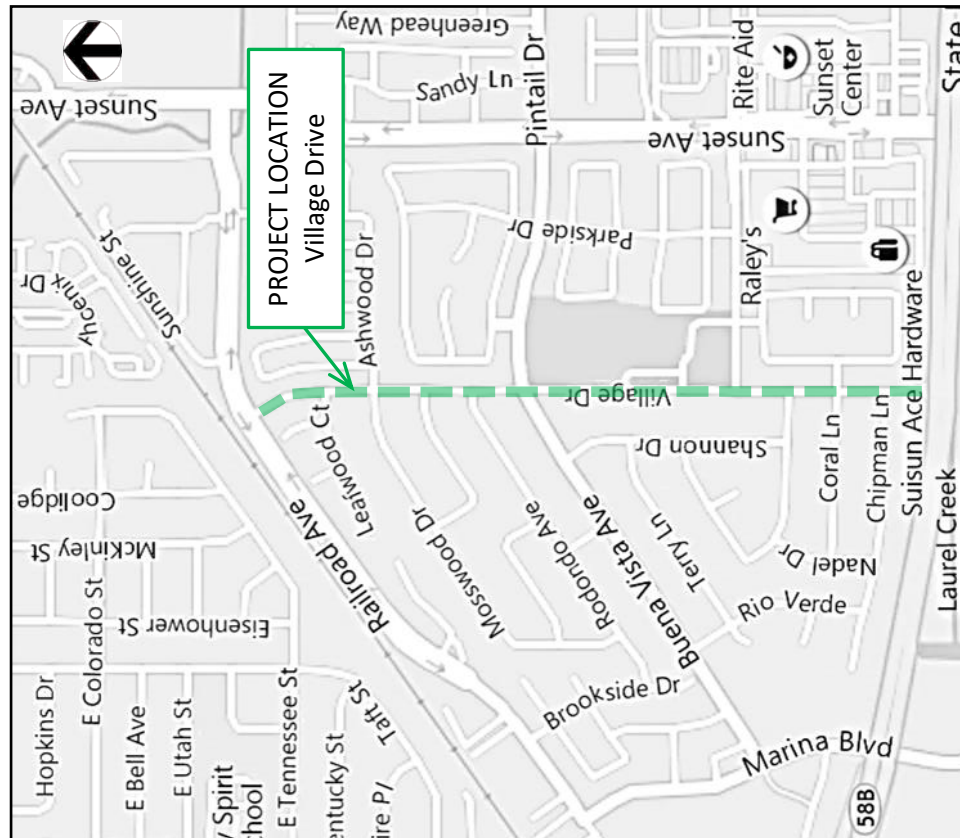
AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk

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Location Map Asphalt Rubber Cape Seal and Traffic Calming Project Village Drive and Whispering Bay Ln



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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Receive and File SB-165 Annual Reports for Community Facilities Districts No. 1, Community Facilities Districts No. 2, and Community Facilities Districts No. 3, to Comply with the Local Agency Special Tax Bond and Accountability Act.

FISCAL IMPACT: There is no discernable impact to the General Fund from the filing of this report.

STRATEGIC PLAN IMPACT: Provide Good Governance.

BACKGROUND: The Local Agency Special Tax Bond and Accountability Act (the “Act”), enacted by Senate Bill 165, is codified in California Government Code Sections 50075 through 50077.

The Act imposes accountability requirements with respect to any local bond special tax subject to voter approval. These requirements only apply to local agencies that have imposed special taxes or issued bond measures subject to voter approval after January 1, 2001.

Relevant excerpts from California Government Code are provide below:

1. California Government Code, Section 50075.3 states the Chief Fiscal Officer of the levying local agency shall file a report with its governing body no later than January 1, 2002 and at least once a year thereafter. The annual report shall contain both the following: (a) The amount of funds collected and expended; and (b) The status of any project required or authorized to be funded as identified in Section 50075.1(a).
 2. California Government Code, Section 50075.1(a) requires a statement indicating the specific purposes of the special tax.
-

STAFF REPORT: The City currently has three Community Facilities Districts which have imposed special taxes subject to voter approval after January 1, 2001. These Districts are:

- Community Facilities Districts No. 1
- Community Facilities Districts No. 2 (and Tax Zones)
- Community Facilities Districts No. 3

The Chief Fiscal Officer of these Districts hereby submits the annual reports for each of these Districts.

PREPARED BY:
REVIEWED BY:
APPROVED BY:

Amanda Dum, Management Analyst
 Nouae Vue, Public Works Director
 Greg Folsom, City Manager

Community Facilities District No. 1 provides public safety services that consist of those direct and incidental expenses required for the providing of police services within the Community Facilities District No. 1 boundary. In fiscal year 2021, the District collected \$135,467 and expended \$154,652. The cash balance at year end was \$3,809 and the status of the District is on-going.

Community Facilities District No. 2 provides certain police, fire, paramedical, storm drain and landscaping maintenance services. In fiscal year 2021, the District collected \$691,734 and expended \$688,686. The cash balance at year end was \$194,375 and the status of the District is on-going.

Community Facilities District No. 3 provides police services, fire services, paramedical services, services for the maintenance of parks, parkways and open space (landscaping), and services for the maintenance of storm drains. In fiscal year 2021, the District collected \$68,634 and expended \$67,138. The cash balance at year end was \$5,111 and the status of the District is on-going.

RECOMMENDATION: It is recommended that the City Council receive and file SB-165 Annual Reports for Community Facilities Districts No. 1, Community Facilities Districts No. 2, and Community Facilities Districts No. 3 to comply with the Local Agency Special Tax Bond and Accountability Act.

ATTACHMENTS:

1. SB-165 Annual Report for Community Facilities Districts

SENATE BILL 165

Local Agency Special Tax and Bond Accountability Act

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the "Act"). This Act requires that any local special tax subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure adopted on or after January 1, 2001 in accordance with Section 50075.1 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.3 of the California Government Code that states:

"The chief fiscal officer of the levying local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1."

PURPOSE OF THE SPECIAL TAX

The Special Tax is levied to recover the costs of services which may include landscaping, open space services, storm drainage services, neighborhood parks and public safety services for each Community Facilities District (CFD). Specific services may differ for each CFD.

COLLECTIONS AND EXPENDITURES

Special Tax Fund	6/30/2020 Balance	Amount Collected	Expended Amount	6/30/2021 Balance	Service Status
CFD No. 1	\$22,994.53	\$135,467.31	\$154,652.48	\$3,809.36	Ongoing
CFD No. 2 (Citywide)	119.75	619,506.05	619,443.43	182.37	Ongoing
CFD No. 2 (Tax Zone #1)	51,972.88	15,319.71	14,616.09	52,676.50	Ongoing
CFD No. 2 (Tax Zone #2)	19,569.29	9,064.73	7,944.57	20,689.45	Ongoing
CFD No. 2 (Tax Zone #3)	51,473.60	9,245.46	10,719.20	49,999.86	Ongoing
CFD No. 2 (Tax Zone #5)	41,090.03	12,057.99	9,122.33	44,025.69	Ongoing
CFD No. 2 (Tax Zone #6)	27,098.64	26,540.68	26,840.78	26,798.54	Ongoing
CFD No. 3	3,615.88	68,634.39	67,138.97	5,111.30	Ongoing
Totals	\$217,934.60	\$895,836.32	\$910,477.85	\$203,293.07	

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Council Adoption of Resolution No. 2021-__: Authorizing the Purchase of Two Cardiac Monitors from Zoll Medical Corporation.

FISCAL IMPACT: The total cost of the cardiac monitors will not exceed \$75,000.00. The purchase will be funded by American Rescue Plan Act (ARPA) monies as voted upon on November 8th during a special meeting of the Suisun City Council.

STRATEGIC PLAN: Ensure Public Safety, Section 3.9 Elevate the level of Emergency Medical Services (EMS) care (Paramedic).

BACKGROUND: Cardiac monitors are used frequently during EMS response. They allow paramedics to provide advanced monitoring of the electrical activity in the patient's heart, as well as deliver electrical energy to the heart as needed. The purchase of two cardiac monitors will allow the fire department to improve the level of service provided to the citizens of Suisun City.

STAFF REPORT: The purchase of two cardiac monitors will allow the Fire Department to further improve the level of service provided to the citizens of Suisun City. Zoll Corporation has been designated as a sole source vendor, as defined in the Cities purchasing policy, because the Zoll monitors are identical to the units the department currently utilizes.

STAFF RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2021-__: Authorizing the Purchase of Two Cardiac Monitors from Zoll Medical Corporation.

ATTACHMENTS:

1. Council Adoption of Resolution No. 2021-__: Authorizing the Purchase of Two Cardiac Monitors from Zoll Medical Corporation
2. Quote for 2 Zoll Cardiac Devices

PREPARED BY:
REVIEWED AND APPROVED BY:

Greg Renucci, Acting Fire Chief
Greg Folsom, City Manager

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE PURCHASE OF TWO CARDIAC MONITORS FROM ZOLL
MEDICAL CORPORATION**

WHEREAS, the need to acquire two (2) Zoll X Series Monitor/Defibrillators to increase the level of service provided to the citizens of Suisun City has been identified; and

WHEREAS, the local transporting ambulance company, Medic Ambulance, utilizes Zoll monitors, purchasing the same units will ensure continuity of care for the citizens of Suisun City; and

WHEREAS, Zoll Medical Corporation is the only source from which to obtain the Zoll X-Series defibrillators and Zoll Medical Corporation does not utilize the services of any authorized dealers or distributors in the sale of their products; and

WHEREAS, the purchase of the Zoll X-Series will meet Section 3 Ensure Public Safety, item number 9, Evaluate the level of EMS care (Paramedic) of the Suisun City 2020-2025 Strategic Plan.

NOW, THEREFORE, be it here resolved by the City Council of Suisun City does hereby authorize the City Manager, or his designee, to execute the Purchase Agreement to acquire two (2) Zoll X Series Manual Monitor/Defibrillator from Zoll Medical Corporation not to exceed \$75,000.

PASSED AND ADOPTED at a regular meeting of said City Council held on Tuesday, the 21st day of December 2021 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 21th day of December 2021.

Anita Skinner
City Clerk

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Item 8
Attachment 2
ZOLL Medical Corporation
269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Quote No: Q-15026

Suisun City Fire Dept
621 Pintail Dr
Suisun City, CA 94585

ZOLL Customer No: 219931

Greg Renucci
(707) 421-7205
grenucci@suisun.com

Quote No: Q-15026
Version: 2

Issued Date: November 3, 2021
Expiration Date: January 2, 2022

Terms: NET 30 DAYS
FOB: Shipping Point
Freight: Prepay & Add

Prepared by: Kimberly Tanner
EMS Territory Manager
ktanner@zoll.com
+1 9167987644

Item	Contract Reference	Part Number	Description	Qty	List Price	Adj. Price	Total Price
1	1145100	601-2221011-01	X Series Monitor/Defibrillator - 12-Lead ECG, Pacing, NIBP, SpO2, EtCO2, CPR Expansion Pack Includes: 4 trace tri-mode display monitor/ defibrillator/ printer, advisory algorithm, advanced communications package (Wi-Fi, Bluetooth, USB cellular modem capable) USB data transfer capable and large 6.5in (16.5cm) diagonal screen. Accessories Included: MFC cable and CPR connector, A/C power cord, One (1) roll printer paper, 6.6 Ah Li-ion battery, Carry case, Operator Manual, Quick Reference Guide, and One (1)-year EMS warranty. Parameter Details: Real CPR Help - Dashboard display of CPR Depth and Rate for Adult and Pediatric patients, Visual and audio prompts to coach CPR depth (Adult patient only), Release bar to ensure adequate release off the chest, Metronome to coach rate for Adult and Pediatric patients. See-Thru ® CPR artifact filtering • Interpretative 12-Lead ECG (Full 12 ECG lead view with both dynamic and static 12-lead mode display. 12-Lead OneStep ECG cable - includes 4-Lead limb lead cable and removable precordial 6-Lead set) • ZOLL Noninvasive Pacing Technology • Welch Allyn NIBP with Smartcuff. 10 foot Dual Lumen hose and SureBP Reusable Adult Medium Cuff • Masimo Pulse Oximetry with Signal Extraction Technology (SET), Rainbow SET® • EtCO2 Oridion Microstream Technology. Microstream tubing set sold separately •	2	\$38,393.25	\$28,701.75	\$57,403.50
2	1145100	8000-0330	SpO2 Rainbow Reusable Patient Cable: Connects to LNCS Single Use and Reusable Sensors (4 ft)	2	\$303.85	\$206.50	\$413.00
3	1145100	8000-0294	SpO2 LNCS Adult Reusable Sensor (1 each)	2	\$303.85	\$187.00	\$374.00
4	1145100	8000-0580-01	Six hour rechargeable Smart battery	4	\$519.75	\$346.50	\$1,386.00



ZOLL Medical Corporation

269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Suisun City Fire Dept
Quote No: Q-15026

Item	Contract Reference	Part Number	Description	Qty	List Price	Adj. Price	Total Price
5		8778-89044-PP	X Series - Precision Service Plan - 4 Years On-Site At Time of Sale Includes: Annual preventive maintenance, 24% discount on new cables, 24% discount on lithium SurePower Batteries, discount on parameter upgrades, and parts & labor on normal wear and tear. Shipping and use of a Service Loaner during repairs, no charge shipping. Extended warranty is a continuation of the EMS One Year Product Limited Warranty.	2	\$5,740.00	\$5,166.00	\$10,332.00

Subtotal: \$69,908.50

Estimated Tax: \$4,989.54

Total: \$74,898.04

Contract Reference	Description
1145100	

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <http://www.zoll.com/GTC> and for software products can be found at <http://www.zoll.com/SSPTC> and for hosted software products can be found at <http://www.zoll.com/SSHTC>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

1. Delivery will be made 60-90 days after receipt of accepted purchase order.
2. Applicable tax, shipping & handling will be added at the time of invoicing.
3. All purchase orders are subject to credit approval before being accepted by ZOLL.
4. To place an order, please forward the purchase order with a copy of this quotation to esales@zoll.com or via fax to 978-421-0015.
5. All discounts from list price are contingent upon payment within the agreed upon terms.
6. Place your future accessory orders online by visiting www.zollwebstore.com.



ZOLL Medical Corporation

269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Suisun City Fire Dept
Quote No: Q-15026

Order Information (to be completed by the customer)

☐ Tax Exempt Entity (Tax Exempt Certificate must be provided to ZOLL)

☐ Taxable Entity (Applicable tax will be applied at time of invoice)

BILL TO ADDRESS	SHIP TO ADDRESS
Name/Department:	Name/Department:
Address:	Address:
City / State / Zip Code:	City / State / Zip Code:

Is a Purchase Order (PO) required for the purchase and/or payment of the products listed on this quotation?

☐ Yes PO Number: _____ PO Amount: _____
(A copy of the Purchase Order must be included with this Quote when returned to ZOLL)

☐ No (Please complete the below section when submitting this order)

For organizations that do not require a PO, ZOLL requires written execution of this order. The person signing below represents and warrants that she or he has the authority to bind the party for which he or she is signing to the terms and prices in this quotation.

Suisun City Fire Dept

Authorized Signature:

Name: _____
Title: _____
Date: _____

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Council Adoption of Resolution No. 2021-__: Authorizing the City Manager to Execute a Professional Services Agreement with Cooperative Personnel Services, dba CPS HR Consulting (CPS HR) for Contract Personnel Services.

FISCAL IMPACT: The contract is for a not to exceed amount of \$60,500. This funding will be from the General Fund and will be factored into the mid-year budget amendment.

BACKGROUND: The City Manager hired CPS HR in September to fill in for the Human Resources Administrator who went out on maternity leave. The leave was expected to be approximately eight weeks. Due to medical complications, that leave had to be extended and the Human Resources Administrator is currently due to return on January 31, 2022, subject to doctor approval. The current contract for services is for \$32,000 within the City Manager's authority. However, in order to continue to provide Human Resources services for the duration of the expected leave, additional funding is needed to extend the contract.

STAFF REPORT: CPS HR staff have been assisting with personnel issues, facilitating multiple recruitments, and working on creating job classifications for new Fire Department positions. CPS HR staff has also been reviewing Position Description Questionnaires to determine necessity for job classification amendments and potential reclassifications. With the Human Resources Administrator out, existing city staff does not have the expertise or the capacity to do this work without the specialized services that CPS HR provides.

This contract will increase the total contract by up to \$28,500 for a total not to exceed amount of \$60,500. Hopefully the full funding will not be necessary, but it will allow us some flexibility in ensuring this critical work continues during the absence of the Human Resources Administrator.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2021-__: Authorizing the City Manager to Execute a Professional Services Agreement with Cooperative Personnel Services, dba CPS HR Consulting (CPS HR) for Contract Personnel Services.

ATTACHMENTS:

1. Council Adoption of Resolution No. 2021-__: Authorizing the City Manager to Execute a Professional Services Agreement with Cooperative Personnel Services, dba CPS HR Consulting (CPS HR) for Contract Personnel Services.
2. CPS HR Consulting Services Proposal
3. CPS HR First Amendment to Consulting Services Agreement

PREPARED/APPROVED BY:

Greg Folsom, City Manager

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL
SERVICES AGREEMENT WITH CPS HR CONSULTING (CPS HR) FOR
CONTRACT PERSONNEL SERVICES**

WHEREAS, it is essential for the City to have knowledgeable human resource staff; and

WHEREAS, the medical leave of the human resources staff created a need to fill this position; and

WHEREAS, Cooperative Personnel Services, dba CPS HR Consulting, a California Joint Powers Authority, has previously provided personnel related services for Suisun City for an extended period and is familiar with our processes; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Suisun City authorizes the City Manager to execute a Professional Services Agreement on behalf of the City with CPS HR Consulting, a California Joint Powers Authority, for contract human resource services for an amount not to exceed \$60,500.

PASSED AND ADOPTED at a Regular Meeting of said City Council of the City of Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk

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PROPOSAL - REVISED

City of Suisun City

Ongoing Human Resource Consultation

December 6, 2021

Christina Batorski Peacock
Manager, Recruitment Solutions

CPS HR Consulting
2450 Del Paso Road, Suite 220
Sacramento, CA 95834
P: 916-471-3426
cbpeacockr@cpshr.
us Tax ID: 68-0067209
www.cpsr.us



Your Path to Performance

December 6, 2021

Greg Folsom
City Manager
City of Suisun City
701 Civic Center Blvd
Suisun City, CA 94585

Sent via e-mail to gfolson@suisun.com

Dear Mr. Folsom,

CPS HR Consulting ("CPS HR") is excited about continuing our partnership with the City of Suisun City ("City") to provide ongoing human resource consultation. We appreciate this opportunity to submit this revised proposal to reflect additional funding to address the City's key human resources priorities.

With a rich history of assisting government agencies with a full range of human resources services, we at CPS HR are confident that together we can provide expert solutions to meet your needs in a cost-effective manner. We have a deep bench of experts in a broad array of human resources disciplines, long-term experience providing services within the public sector, and an emphasis on quality and value that can be confirmed by our current and past clients.

CPS HR is flexible with the proposed work plan and alternate approaches may be discussed which may in turn change proposed scope and costs. Please feel free to contact me directly by phone at **(916) 471-3426** or by e-mail at CBPeacock@cpshr.us.

Sincerely,



Christina Batorski Peacock
Manager, Recruitment Solutions

About CPS HR Consulting

CPS HR Consulting (CPS HR) has been assisting organizations with their talent management needs since 1985. We have unique expertise in delivering HR management and consulting services, employment testing, and assessment services to government agencies throughout North America.

CPS HR's core competency is its knowledge of and expertise in the public sector. As a public agency, we understand the challenges and issues facing our client base. As a self-supporting public entity, we also understand the need for innovative yet practical results. CPS HR can provide expertise that is unique because we share with our clients a common perspective. There is no competitor in the industry that can make this claim.

CPS HR offers clients a comprehensive range of competitively priced services, all of which can be customized to meet your organization's specific needs. We are committed to supporting and developing strategic organizational leadership and human resource management in the public sector. We offer expertise in the areas of organizational strategy, recruitment and selection, training and development, and organization and workforce management.

CPS HR is a public agency governed by regulations and public sector concerns. We understand what it is to work with and within government. Unlike other public sector organizations, CPS HR is self-supporting. We employ the strategy, innovation, and flexibility found in the private sector to the client's advantage. CPS HR's unique position in the public arena attracts professionals from both public and private sectors who are driven to help the client reach its organization's vision and mission. We work collaboratively with the client to generate solutions that are creative yet practical, to meet the organization "where it is" while also moving it to the next level.

With more than 85 full-time employees as well as 200+ project consultants and technical experts nationwide, CPS HR delivers breakthrough solutions that help public sector organizations impact the communities they serve. CPS HR has worked with more than 1,200 government and public/non-profit clients throughout the United States and Canada.

Our headquarters are located in Sacramento, California. We have regional offices in Austin, TX; Littleton, CO; and Orange County, CA.



ORGANIZATIONAL STRATEGY

+ Workforce Planning

+ Succession Planning

+ Performance
Management

+ Employee
Engagement

+ Change Management

+ Organizational
Assessment, Redesign
& Re-engineering



TESTING, RECRUITMENT & SELECTION

+ Job Analysis

+ Recruitment
Solutions

+ Assessment Center
Services

+ Executive Search

+ Selection Tools
Development

+ Test Administration

+ Test Rental



CLASSIFICATION & COMPENSATION

+ Classification

+ Compensation



TRAINING & DEVELOPMENT

+ Training Courses

+ Training Programs

+ Supervisory Skills

+ Leadership
Development

+ Executive Coaching

+ Accelerated Leader
360° Assessment™



GENERAL HR SERVICES

+ HR On-Demand

+ Complaint
Investigations



LICENSING & CERTIFICATION

+ Testing Services

+ Applicant / Candidate
Management

+ Credential Program
Management

+ Accreditation

Human Resource Consultation Services

In response to the needs described, CPS HR will continue to assign a highly skilled and fully knowledgeable Human Resource Consultant who will be available to provide ongoing HR support for the City of Suisun City. In an effort to best address the City's needs during the duration of this assignment, additional CPS HR Consulting staff may be assigned to perform human resources support on an as-needed basis, dependent upon the specific human resources matters to be addressed.

It is proposed that the assigned Human Resource Consultant work remotely for up to 20 hours per week (on average), for approximately ten (10) additional weeks, to respond to any employee needs and provide best practice recommendations and professional assistance in the following areas:

- Workers Compensation
- Risk Management
- Single Position Classification and Base Pay Compensation Studies
- Labor Relations
- Interpretation and Application of Personnel Rules and MOU provisions
- Performance Management
- Employee Relations
- Act as a SME or facilitator for recruitment and selection activities
- Other HR related tasks or needs as deemed necessary, i.e. full-service recruitment and selection, onboarding, etc.

Project Staffing

Kyla Sinegal, Senior Human Resource Consultant, will continue to be the primary HR consultant assigned to the City. Additional CPS HR staff will also continue to be assigned as needed to provide the City with the greatest level of subject matter expertise for a particular situation. **Lisa Conner will continue to serve as Project Manager.** Ms. Conner and Ms. Sinegal's resumes are provided below.

Lisa Conner, MA, SHRM-SCP

Profile

Ms. Conner has over 18 years of professional human resources experience, performing a wide range of responsibilities, including, but not limited to recruitment and selection activities, classification studies, and audits of County personnel systems against Federal and State merit principles.

Employment History

- Principal Consultant, CPS HR Consulting
- Supervising Human Resources Analyst, County of Sonoma
- Human Resources Analyst III, County of Sonoma
- Senior Consultant, CPS HR Consulting
- Human Resources Analyst III, City of Petaluma
- Technical Advisor, City of Rohnert Park

Professional Experience

- Act as a Project Manager and Consultant on a wide range of professional human resources projects; oversee and supervise a team of human resources professionals
- Provided the full range of supervisory responsibilities to a team of human resources professionals and technical staff within the Recruitment and Classification Division of a centralized Human Resources Department
- Performed in a lead capacity performing the full range of recruitment and selection activities, to ensure a fair, equitable, and merit-based approach to all selection and hiring practices
- Developed and provided training to the public and County employees regarding career development, HR best practices, County recruitment and selection processes, and Civil Service Rule interpretations
- Conducted classification studies; participated in meet and confer sessions; prepared reports of findings to Counties, the Civil Service Commission, and/or the Board of Supervisors
- Lead Consultant for the Approved Local Merit System (ALMS) Counties' audits, to ensure compliance with State and Federal merit principles

Education

- M.A. Sacramento State University, Sacramento, CA – Industrial/Organizational Psychology
- B.A. Lewis and Clark College, Portland, Oregon – Psychology, Music (Minor)

Professional Organizations and Affiliations

- Senior Certified Professional (SHRM-SCP) with the Society for Human Resource Management (SHRM)

Kyla Sinegal

Ms. Sinegal is an experienced Human Resources leader with a demonstrated history of working in the public and private sector. Skilled in Nonprofit Organizations, Administration, Labor Relations, and Management. She has a strong human resources professional with a Bachelor of Business Administration (B.B.A.) focused in Human Resources Management/Personnel Administration.

Employment History

- Senior HR Consultant, CPS HR Consulting
- Human Resource Director, TransForm
- Past President, Governing Board Member, San Lorenzo Unified School District
- Sr. Human Resource Generalist, Ariat International
- Human Resources Manager/ Consultant, Mommy's Bliss Inc.
- Human Resources Specialist, Alameda County Office of Education

Professional Experience

- Oversee and lead the implementation of Human Resources programs and administration.
- Oversee, develop, and review Human Resources policies, programs, and practices.
- Coordinate company use of insurance brokers, insurance carriers, pension administrators, and other outside sources.
- Lead development of department goals, objectives, and systems.
- Develop and administer programs, procedures, and guidelines to help align the workforce with the strategic goals of the organization.
- Facilitate executive, management, and company staff meetings.
- Manage talent acquisition, talent performance, recruitment, selection, hiring, and onboarding.
- Monitor turnover, promotion, and salary data.
- Develop and monitor an annual budget that include Human Resources services, employee recognition and administration.

Education

- B.B.A., California State University - East Bay, Bachelor of Science: Business Administration
- Certificate of completion: Human Resources Management, SHRM Learning System

- Certificate of completion: Human Resources Management, C.A. School Administrator Personnel Institute

Professional Organizations and Affiliations

- Past President, Governing Board Member, San Lorenzo Unified School District, elected member
- Governor, California Association of Black School Educators (CABSE), appointed member
- Past President, Personnel Commissioner for San Lorenzo Unified School District, appointed member

Pricing

CPS HR is proposing the level, description, and rates below with the assumption that services will be provided primarily remotely, with up to one day per week of onsite consultation services (approximately 2.5 hours per week of travel time). Additionally, we estimated approximately 20 hours per week of ongoing HR consultation services, one hour per week of Project Management time and up to one hour of administrative support per week. Based upon these assumptions, it is estimated that professional services will equate to approximately \$2,901.25 per week, plus expenses.

LABOR COST SUMMARY			
Placement/Level	Description	Anticipated Hours	Bill Rate
Project Manager	Provide oversight and support to the project and assigned HR Consultants.	As needed based on work assigned, estimating up to one (1) hour per week	\$135/hour
Senior HR Consultant/Project Consultant	Consultation in all related human resources areas listed.	Approximately 20 hours per week of ongoing HR consultation services.	\$125/hour
Administrative Technician	Administrative and technical human resources support to assigned Consultant, as needed	As needed based on work assigned, estimating up to one (1) hour per week.	\$110/hour
Senior HR Consultant Travel Time	Travel time to and from City of Suisun	Approximately 2.5 hours/week of travel time at 50% of the Sr. Consultant bill rate	\$62.50/hour

CPS HR considers this a time and materials contract and would only bill for actual hours worked on a monthly basis. CPS HR proposes an additional contract value of **\$22,000** to provide consulting services for an additional ten (10) weeks of human resources support. Please note that additional funds may be needed, dependent upon key priorities and workload, to include other Consultants assigned to perform specialized HR services, such as the requested classification series and studies. **Should the City wish to account for these additional services and possible hours beyond the average of 20 hours per week to allow for further flexibility, it is recommended that an additional contract value of \$28,500 be considered.**

This quote is for professional consulting time only, as well as travel time for up to one day per week of onsite consultation services, to be billed at 50% of the hourly rate. If additional resources are needed onsite or requested for specified human resource services, consultant travel time will be billed at 50% of the hourly rate and travel expenses will be billed at the appropriate IRS travel rate for mileage. Actual out-of-pocket reimbursable expenses for such items as advertising, printing/copying, postage/delivery charges, and related fees, if paid by CPS HR, will be billed directly to the City for actual expenses incurred.

To account for expenses associated with travel one day per week and key human resources priorities, a not-to-exceed contract of \$54,000 is recommended to account for both the professional services and possible expenses associated with travel and/or other expenses (e.g., advertisements associated with recruitment services). To allow for additional flexibility beyond the 20 hours per week as noted above, the City may wish to consider a not-to-exceed contract of \$60,500.



First Amendment to CONSULTING SERVICES AGREEMENT
City of Suisun - On-Going HR Consulting Services

THIS FIRST AMENDMENT (this "Amendment") is made by and between Cooperative Personnel Services dba **CPS HR Consulting**, ("CPS HR") located at 2450 Del Paso Road, Ste 220, Sacramento, California, 95834 and the **City of Suisun City** ("Client") with offices at 701 Civic Center Blvd, Suisun City, CA 94585.

Whereas, CPS HR and Client have entered into the Agreement (as defined below); and

Whereas, CPS HR and Client desire to modify the Agreement on the terms and conditions set forth herein;

Now, therefore, CPS HR and Client agree as follows:

1. **Definitions:** The following definitions shall apply to this Amendment:
 - (a) **Agreement.** The term "Agreement" shall mean the Agreement dated **September 24, 2021** by and between CPS HR and Client.
 - (b) **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.
2. **Modifications to the Agreement.** The Agreement is hereby modified to increase total funding as follows:

Page 4, Section 5. This section will be updated to reflect additional funding as follows.

5. **SERVICE FEES:** Not to Exceed \$32,000
 - a. All Services provided to Client by CPS HR hereunder are priced on a TIME AND MATERIALS basis. Any estimates provided by CPS HR to Client, whether written herein or given orally, shall not be binding on CPS HR or convert this SOW into a fixed price engagement with respect to such Services. Any such estimates are for informational purposes only, and the actual fees payable by Client may be higher or lower than such estimates.
 - b. **Rates.** CPS HR will invoice Client at the following rates for actual hours worked on a monthly basis.

Placement/Level	Description	Bill Rate	Travel Bill Rate
Project Manager	Provide oversight and support to the project and assigned HR Consultants.	\$135/hour	\$67.50/hour
Senior HR Consultant	Consultation in all related human resources areas listed.	\$125/hour	\$62.50/hour
Administrative Technician	Administrative and technical human resources support to assigned Consultant, as needed	\$110/hour	n/a

- c. **Expenses.** Travel expenses will be billed at the appropriate GSA rates and IRS travel rate for mileage. Actual out-of-pocket reimbursable expenses for such items as advertising, printing/copying, postage/delivery charges, and related fees, if paid by CPS HR, will be billed directly to the City for actual expenses incurred.

- d. Invoices. Invoices will be submitted for payment on a monthly basis. Client will pay CPS HR within thirty (30) days following receipt of invoice.
3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after November 12, 2021.
4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, CPS HR and CLIENT have executed this Amendment as of the date below.

**Cooperative Personnel Services dba
CPS HR Consulting**

By: Sandy MacDonald-Hopp
Authorized Signature

Name: Sandy MacDonald-Hopp

Title: Chief Financial Officer

City of Suisun City

By: [Signature]
Authorized Signature

Name: Greg Folsom

Title: City Manager

AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Consider Resolution No. 2021- Approving a Funding and Use Agreement between Solano Transportation Authority and City of Suisun City for the Implementation of the Downtown Suisun City Mobility Hub

FISCAL IMPACT: The funding will come from Transportation Development Act (TDA) funds over a four-year period. No General Funds will be used.

STRATEGIC PLAN IMPACT: Provide Good Governance.

BACKGROUND: During site selection for the Solano Transportation Authority (STA) office building, the City Council indicated that they would participate in the cost of developing a joint City/STA parking lot to help defray costs for STA and incentivize STA to remain in downtown Suisun City. The STA building is currently under construction and on track to open by the end of this year in downtown Suisun City. As authorized by Council, the Mayor and City Manager have met several times with STA to discuss the proposed parking lot and funding plan and how the cost should be shared.

STAFF REPORT: At the July 21, 2021 Council meeting, the City Council was presented with a general outline of negotiated terms for a funding and implementation agreement for the Joint Use Parking lot, otherwise known as the Downtown Suisun City Mobility Hub. At that meeting, the City Council gave direction to come back with a formal agreement laying out the following main terms:

- Develop a parking lot for micro-transit and shared mobility vehicles, STA staff parking, and Suisun City community events.
- STA will have access during normal working hours.
- City would have access to lot on weekends and after work hours for extra parking and special events.
- Both agencies would share the cost for construction and maintenance.
- Design of facility to be a joint effort.
- Estimated cost of acquisition, design, and construction is approximately \$3M.
- STA would cover 2/3 of the cost and Suisun City would cover 1/3 of the cost, not to exceed \$1M.
- Suisun City would pay city share through TDA funding over a four-year period (\$250k/\$250k/\$250k/\$250k) starting FY 2021/22.
- City to provide dedicated maintenance staff person to Train Depot/Park and Ride lot/joint parking lot also funded by TDA funds.
- City to dedicate \$25k/yr in TDA funds for future maintenance starting the year after construction is completed.

PREPARED /APPROVED BY:

Greg Folsom, City Manager

RECOMMENDATION: Council Adoption of Resolution No. 2021-___: A Resolution of the City Council of the City of Suisun City Approving a Funding and Use Agreement between Solano Transportation Authority and City of Suisun City for the Implementation of the Downtown Suisun City Mobility Hub

ATTACHMENTS:

1. Resolution No. 2021-___: A Resolution of the City Council of the City of Suisun City Approving a Funding and Use Agreement between Solano Transportation Authority and City of Suisun City for the Implementation of the Downtown Suisun City Mobility Hub
2. Funding and Implementation Agreement

RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
APPROVING A FUNDING AND USE AGREEMENT BETWEEN THE SOLANO
TRANSPORTATION AUTHORITY AND THE CITY OF SUISUN CITY FOR THE
IMPLEMENTATION OF THE DOWNTOWN SUISUN CITY MOBILITY HUB**

WHEREAS, it is to the benefit of downtown Suisun City to have professionals working downtown, supporting local restaurants and businesses; and

WHEREAS, retaining the Solano Transportation Authority (STA) in downtown Suisun City was a goal of the City Council; and

WHEREAS, Solano Transportation Authority (STA) is building their headquarters office building in downtown Suisun City; and

WHEREAS, Suisun City offered to participate in the funding of the parking lot in exchange for a joint use; and

WHEREAS, the parking lot will have covered and secured spaces for micro-transit and shared mobility; and

WHEREAS, STA will have access during normal working hours and the City would have access to lot on weekends and after work hours for extra parking and special events; and

WHEREAS, both agencies would share the cost for construction and maintenance; and

WHEREAS, design of facility will be a joint effort; and

WHEREAS, the estimated cost of acquisition, design, and construction is approximately \$3 million; and

WHEREAS, STA will cover 2/3 of the cost and Suisun City will cover 1/3 of the cost, not to exceed \$1 million; and

WHEREAS, Suisun City would pay the city share through TDA funding over a four-year period (\$250k/\$250k/\$250k/\$250k) starting FY 2021/22; and

WHEREAS, City to provide dedicated maintenance staff person to Train Depot/Park and Ride lot/joint parking lot also funded by TDA funds; and

WHEREAS, City to dedicate \$25k/yr in TDA funds for future maintenance starting the year after construction is completed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Suisun City supports a resolution approving a funding and use agreement between Solano Transportation Authority and the City of Suisun City for the implementation of the Downtown Suisun City Mobility Hub.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun
City duly held on Tuesday, the 21st day of December 2021, by the following vote:

AYES:	Council Members:	_____
NOES:	Council Members:	_____
ABSENT:	Council Members:	_____
ABSTAIN:	Council Members:	_____

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk

**FUNDING AND USE AGREEMENT
BETWEEN THE SOLANO TRANSPORTATION AUTHORITY
AND THE CITY OF SUISUN CITY
FOR THE IMPLEMENTATION OF
THE DOWNTOWN SUISUN CITY MOBILITY HUB**

This Funding Agreement ("**Agreement**") is entered into as of _____ between the Solano Transportation Authority, a joint powers authority organized under Government Code section 6500 et seq. consisting of the County of Solano and the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun, Vacaville and Vallejo ("**STA**"), and the City of Suisun City, a municipal corporation ("**City**"), each individually referred to as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, STA was created in 1990 through a Joint Powers Agreement between the County of Solano and the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo to serve as the Congestion Management Agency (CMA) for Solano County; and

WHEREAS, STA, as the CMA for the Solano County area, is responsible for countywide transportation planning, programming transportation funds, managing and providing transportation programs and services, delivering transportation projects, and setting transportation priorities; and

WHEREAS, STA and the City staff have jointly developed a plan to implement and fund a new Suisun City Mobility Hub ("**Hub**"), which supplement the existing facility adjacent to the Suisun Train Depot; and

WHEREAS, the Hub is envisioned to be a secured location to house vehicles, which include the STA's Vehicle Share Program Vans, electric vehicles, and SR2S van and trailer, that will be needed to implement the micro transit recommendations for Suisun City and these recommendations will take in account input from all three active plans (the FAST COA, the Suisun CBTP, and the Solano Connected Mobility Plan); and

WHEREAS, the Hub will also provide parking at the new STA building and Suisun City events; and

WHEREAS, STA and the City desire to enter into this Agreement as set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement, STA and City agree as follows:

I. Project Identification

A. The Project will be used for Suisun City Micro Transit Vehicles, STA Vehicle Shared Vans, STA owned vehicles, and for the STA staff and related business parking, and Suisun City community events.

B. The Project site will need to be secured for the vehicles that are parked overnight. This is expected to include perimeter fencing, lights, cameras system, gates.

C. The City may use the site for public events after regular business hours. The City shall notify the STA 48 hours in advance of an intended use. After such use, the City shall insure the site has been cleaned from said use back to the original condition (removal of trash, materials, tents, etc), available to the STA for the next business day and fully secured. Any damage shall be repaired within 72 hours from such public use. Exceptions to this may be approved by the STA Executive Director at their sole discretion.

II. Roles and Responsibilities

A. City to have input and approval of site plan and amenities. The input and approval shall be at the staff level and not require Council approval.

B. The City will issue a “no fee permit” since this is a joint development project, and agrees not to charge a permit or inspection fee.

C. STA agrees to allow City full use of the site for public access after normal business hours. After normal hours, there will be portions of the site that are not available to public use as they will house the transit and STA vehicles.

III. Term

A. The term of this Agreement shall become effective as of the date of its execution and shall continue in perpetuity, subject to the following conditions as set forth below:

- i. City must approve any request by STA to sell the property and it can only be approved for a “Higher Use” development that will be positive for downtown.
- ii. The site is under a Water Board Clean Up Order, and as such, a deed restriction on the site or a portion of the site will occur if approved by the

Board to close out their action. The STA will confirm the terms of this deed restriction with the City prior to finalizing action.

IV. Funding

A. City agrees to fund one Maintenance Worker who will provide general cleaning and maintenance of the train station depot, the train station park and ride parking lot, and the Downtown Suisun City Mobility Hub.

B. City agrees to pay one-third of the total cost, which includes the property purchase, design and construction of the parking lot, not-to-exceed \$1,000,000 in cost to the City.

C. Funds would be made available out of only Suisun City TDA funds, no City General Funds would be used.

D. City agrees to allow the STA to claim these TDA funds for this purpose over a four-year period, beginning in FY 2021-22.

E. After completion of the Project, City agrees to provide \$25,000 per year out of Suisun City TDA funds for Capital Improvement/Major Maintenance projects for the joint parking lot. Unused funds would be carried over for future use.

F. STA will claim Suisun City's Transit Development Account (TDA) as follows for the capital investment to implement the Project:

- FY 2021-22 – \$250,000
- FY 2022-23 – \$250,000
- FY 2023-24 – \$250,000
- FY 2024-25 – \$250,000

G. STA will advance the City's TDA contribution for FYs 2022-23 through 2024-25 by using State Transit Assistance Funds (STAF). The payback funds from the advance will be used for transit related activities by the STA.

H. The maximum funding amount for this Agreement is **\$1,000,000**.

V. Mutual Indemnification

A. STA to indemnify City

STA agrees to indemnify, defend, protect, hold harmless, and release City, its elected bodies, agents, officers, employees and subcontractors (collectively referred to in this paragraph as 'City'), from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any negligent act or omission or willful misconduct of STA related to this Agreement. This indemnification obligation shall not be limited in any way by any

limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts.

At its sole discretion, City may participate at its own expense in the defense of any claim, action or proceeding, but such participation shall not relieve STA of any obligation imposed by this Section. City shall notify STA within thirty (30) days of any claim, action or proceeding and cooperate fully in the defense. Notwithstanding the foregoing, City's failure to notify STA within said thirty (30) day time limit shall not relieve STA of any obligation imposed by this Section unless STA has been actually prejudiced by such delay.

B. City to indemnify STA

City agrees to indemnify, defend, protect, hold harmless, and release STA, its elected bodies, agents, officers, employees and subcontractors (collectively referred to in this paragraph as 'STA') from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any negligent act or omission or willful misconduct of City related to this Agreement. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts.

At its sole discretion, STA may participate at its own expense in the defense of any such claim, action or proceeding, but such participation shall not relieve City of any obligation imposed by this Section. STA shall notify City within thirty (30) days of any claim, action or proceeding and cooperate fully in the defense. Notwithstanding the foregoing, STA's failure to notify City in writing within said thirty (30) day time limit shall not relieve City of any obligation imposed by this Section unless City has been actually prejudiced by such delay.

C. Each Party to defend itself for concurrent claims

Each Party agrees to defend itself from any claim, action or proceeding arising out of the negligent act or omission or willful misconduct of its own elected bodies, agents, officers, employees and subcontractors in the performance of this Agreement. In such cases, STA and City agree to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in subparagraph E below.

D. Joint Defense

Notwithstanding subparagraph 3 above, in cases where STA and City agree in writing to a joint defense, STA and City may appoint joint defense counsel to defend the claim, action or proceeding arising out of the negligent act or omission or willful misconduct of City and STA in the performance of this Agreement. Joint defense counsel shall be selected by mutual agreement of STA and City. STA and City agree to share the costs of such joint defense and any agreed settlement in equal amounts, except as provided in subparagraph 5 below. STA and City further agree that neither Party may bind the other to a settlement agreement without the written consent of both STA and City.

E. Reimbursement and/or Reallocation

Where a trial verdict or arbitration award allocates or determines the comparative fault of the Parties, STA and City shall reimburse and/or reallocate defense costs, settlement payments, judgments and awards, consistent with such comparative fault.

VI. Insurance

A. Each Party, at its sole cost and expense, keep and maintain general liability insurance in the amount of no less than five million dollars (\$5,000,000) covering its liability and naming the other Party, its agents, officers and employees as additional insured.

B. Each Party will maintain Workers' Compensation insurance as required by law for all its employees with limits not less than \$1,000,000 per occurrence. Neither Party's insurance shall be called upon to satisfy any claim for workers' compensation filed by an employee of the other Party. Each Party will provide the other with a Waiver of Subrogation endorsement for Workers Compensation. Each Party also agrees to require all consultants, contractors and subcontractors engaged to work on this Project to carry the same Workers Compensation insurance limits and endorsements.

C. Each Party will require all consultants, contractors, and subcontractors engaged to work on this Project to carry insurance in levels commensurate with the exposure of the respective work provided by the consultant, contractor or subcontractor.

VII. Dispute Resolution

The Parties agree that any disputes should be resolved at the lowest possible level. Accordingly, should a dispute arise between the STA and City regarding the performance of this Agreement, the Parties agree that the STA Executive Director and City Manager shall initially meet and confer. Should these two fail to reach consensus within two weeks, the dispute shall be referred first to a STA Board Subcommittee comprised of the Mayor of Suisun City along with the Solano County Supervisor. Should that Subcommittee fail to resolve the dispute within 2 further weeks, the issue will be presented to the full STA Board for resolution. If either party contests the decision of the STA Board, the parties agree to submit the dispute to arbitration and exchange with the other, in accordance with a procedure to be established by the arbitrator, its best offer. The arbitrator shall be limited to awarding only one or the other of the two positions submitted.

VIII. Notices

All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that a Party desires to give to the other Party shall be addressed to the other Party at the addresses set forth below. A Party may change its address by notifying the other Party of the change of address. Any notice sent by mail in the manner prescribed by this Paragraph shall

be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

TO STA:
Daryl K. Halls, Executive Director
Solano Transportation Authority
One Harbor Center, Suite 130
Suisun City, CA 94585
Attn: **Janet Adams, Director of Projects**

TO CITY:
Greg Folsom, City Manager
City of Suisun City
701 Civic Center Blvd
Suisun City, CA 94585

IX. Compliance With All Laws

The Parties shall observe and comply with all applicable federal, state and local laws, ordinances, and codes.

X. No Waiver

The waiver by any Party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

XI. Assignability

Neither Party to this Agreement shall assign or transfer any interest in this Agreement nor the performance of any duties or obligations hereunder, without the prior written consent of the other Party, and any attempt by either Party to so assign or transfer this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

XII. Governing Law and Venue

The construction and interpretation of this Agreement and the rights and duties of the Parties shall be governed by the laws of the State of California with venue residing in Solano County.

XIII. Force Majeure

Neither the STA nor City shall be liable or deemed to be in default for any delay or failure in performance under this Agreement or for any interruption of services, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor

disputes, shortages of suitable parts, materials, labor or transportation, epidemics or pandemics, or any similar cause beyond the reasonable control of STA or City.

XIV. Prior Agreements and Amendments

This Agreement represents the entire agreement of the Parties with respect to the subject matter described in this Agreement, and no representation, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth in this Agreement. This Agreement may only be modified by a written amendment duly executed by the Parties.

XV. Severability

If any provision or portion of this Agreement is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

XVI. Access to Records and Retention

All Parties, acting through their duly authorized representative, as well as any federal or state grantor agency providing all or part of the funding associated with this Agreement, the State Controller, the Comptroller General of the United States, and the duly authorized representatives of any of the Parties, shall have access to any books, documents, papers and records of any Party which are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts and transcriptions. Except where longer retention is required by any federal or state law, the Parties shall maintain all required records for three years after final payment for any work associated with this Agreement, or after all pending matters are closed, whichever is later.

XVII. Non-Discrimination Clause

A. During the performance of this Agreement, the Parties and their subcontractors shall not deny any benefits or privileges to any person on the basis of race, religion, color, ethnic group identification, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, sex or sexual orientation, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, ethnic group identification, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, sex or sexual orientation. Each Party shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

B. The Parties shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated pursuant to it (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time.

XVIII. Interpretation

Each Party has reviewed this Agreement and any question of doubtful interpretation shall not be resolved by any rule or interpretation providing for interpretation against the drafting Party. This Agreement shall be construed as if both Parties drafted it. The captions and headings contained herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

XX. Signatures

The Parties have executed this Agreement on the day and year first written above.

SOLANO TRANSPORTATION AUTHORITY

CITY OF SUISUN CITY

By: _____
Daryl K. Halls, Executive Director

By: _____
Greg Folsom, City Manager

Approved as to form:

Approved as to form:

By: _____
STA Legal Counsel

By: _____
City Attorney

AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Approval of National Opioid Settlements

1. Approve Settlement Participation Form for the City's participation in the National Opioid Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation.
2. Approve Settlement Participation Form for the City's participation in the National Opioid Settlement with Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.
3. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement.
4. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement.
5. Adopt a Resolution approving and authorizing the City Manager to execute the documents identified in Recommendation Nos. 1 through 4.
6. Authorize the City Manager to carry out all necessary acts such that the City can participate in the National Opioid Settlements, including, but not limited to, the transmittal of the executed documents in Recommendation Nos. 1 through 4 (as necessary and applicable).

FISCAL IMPACT: None. Any funds allocated will automatically be transferred to the County of Solano.

BACKGROUND: Various states, counties, and cities have been in litigation with the McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation. (collectively, the "Distributors") and Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (collectively, the "Manufacturer") (for purposes of this report, the Distributors and Manufacturer are collectively referred to as the "Settling Defendants"). The litigation concerns the distribution and manufacture of opioids that have contributed to the opioid addiction epidemic in the United States. Two tentative settlements have been reached with the Distributors and Manufacturer, respectively ("National Opioids Settlements").

In order to proceed, a "critical mass" of participation by States, cities and counties must be achieved. This critical mass is determined by the Settling Defendants in their sole discretion. If a critical mass is not achieved, then the National Opioids Settlements do not proceed and the national

PREPARED/REVIEWED/APPROVED BY:

Greg Folsom, City Manager

litigation continues even if the City opts into the National Opioid Settlements. There are two parts to achieving critical mass: first, a critical mass of States must be achieved and, second, a critical mass of cities and counties must be achieved. At this stage, a critical mass of State participation has already occurred.

STAFF REPORT: Assuming there is a critical mass to proceed, the payout amounts under the settlements with the Settling Defendants is contingent upon various factors, including the number of states, cities, and counties participating, with approximate maximum payouts of \$21 billion over 18 years by the Distributors and \$5 billion over no more than nine years by the Manufacturer to all participating entities. A fraction of that amount will be received by California, its counties, and cities. These maximum payout amounts are based upon participation by cities and counties (i.e., if all cities and counties participate, then the payout amount will be closer to \$21 billion and \$5 billion, respectively). The fewer cities and counties that participate will reduce the maximum payout amounts. The actual amount for the City is dependent on a number of variables, including, but not limited to, the number of California cities and counties participating (i.e., less participation means a smaller overall settlement amount), whether or not cities later sue the Settling Defendants, and certain actions that may be taken by the State of California. Further, the City's share of the potential amount is determined using three factors: (1) Opioid use disorder; (2) Opioid deaths; and (3) Opioid dosage. The National Opioids Settlements will allow for a range of approved abatement uses, which includes a range of intervention, treatment, education, and recovery services. However, the use of funds are restricted to the abatement uses, including 50% per calendar year on high impact abatement uses, identified in the settlements (see, e.g., Attachments 3 and 4, and Exhibit E of Attachments 6 and 7).

By participating in the National Opioid Settlements, the City would be agreeing to a very broad release of opioid-related claims in the lawsuit against the Settling Defendants, which includes both known and unknown claims. However, not participating and litigating on its own means that the City is required to comply with very strict deadlines with respect to litigation.

If the City participates, the funds will automatically be allocated to the County unless the City opts to receive the funds directly (the City can opt in or out of direct allocation at any time provided that noticing requirements are met). If the City determines to proceed by allocating the funds to the County, the National Opioid Settlements similarly require that the County spend the funds for various opioid abatement efforts as provided in Exhibit E of Attachments 6 and 7. However, the County is not required to spend those funds exclusively in the City. It is anticipated that this funding, if allocated to the County, will assist in the funding of various County programs and services to the extent that those expenditures qualify pursuant to the settlement agreements (e.g., Riverside University Health System's Medical Center, federally qualified healthcare ("FQHC") clinics, Public Health, Behavioral Health, Correctional Health and other opioid prevention and treatments services and programs already in place); however, the exact nature of expenditures by the County have not determined. These services and programs will likely benefit both those within and outside of the City.

On the other hand, if the City determines to receive the funds directly, in addition to the expenditure requirements, then the City will be subject to significant public reporting and tracking requirements on the expenditures for such funds, which may make County receipt and expenditure

of such funds more desirable. For example, the settlement with the Manufacturer would require the following reporting and tracking:

1. Preparation of annual written reports regarding the use of the funds. This report must include a certification that all funds received has been used in compliance with the Manufacturer settlement agreements. This report must be in a form that is approved by the California Department of Health Care Services (“DHCS”).
2. The City would be required to track all deposits and expenditures.
3. Funds not used for a permitted purpose must be identified and included in the annual report (including any attorneys’ fees, investigation costs, or litigation costs). This information must also be reported to the Manufacturer and the settlement fund administrator.

In terms of enforcement, if DHCS believes that the use of settlement funds is inconsistent with the requirements, it must meet and confer with subdivision (i.e., the City), and if not resolved, DHCS may perform an audit. If the issue is not resolved, DHCS can bring a motion or action in court to resolve the concern or to enforce the terms of the settlement agreement/state-allocation agreement. There are also time limits on expenditure where money not expended or encumbered within 5 years of receipt must be transferred to the State. However, these requirements only apply to the City if it elects to receive direct distribution and does not apply to the City if the funds go to the County. Because of this, it is recommended that the funds be allocated to the County.

The National Opioids Settlements also provide for injunctive relief that requires changes to the Distributors’ and Manufacturer’s conduct. This includes the creation of a clearinghouse through which the Distributors will be required to account for their own shipments and the shipments of the other distributors, in order to detect, stop, and report suspicious opioids orders. In addition, the Manufacturer (which ceased marketing opioids in 2015 and ceased selling opioids in 2020) will not market or sell any opioid products in the next ten years and has agreed to cease lobbying concerning prescription opioids for ten years.

STAFF RECOMMENDATION: It is recommended that the City Council:

- a. Approval of Recommendation Nos. 1 and 2 would authorize the City to participate in the National Opioid Settlements with the Settling Defendants on the terms and conditions of those settlement agreements. (Attachments 1 and 2)
- b. Approval of Recommendation Nos. 3 and 4 would approve agreements with the State of California on the distribution and use of settlement funds, consistent with the National Settlement Agreements. (Attachments 3 and 4)
- c. Approval of Recommendation No. 5 would approve and authorize the City Manager to execute all documentation necessary to participate in the National Opioid Settlements. (Attachment 5)

- d. Approval of Recommendation No. 6 would authorize the City Manager to carry out all necessary acts to allow the City to participate in the National Opioid Settlements, including the transmittal of the above-mentioned executed documents.

Council approval and authorization to execution, submission, and receipt of all required documents must be completed before January 2, 2022.

ATTACHMENTS:

1. Settlement Participation Form for the City's participation in the National Opioid Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation.
2. Settlement Participation Form for the City's participation in the National Opioid Settlement with Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.
3. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement.
4. Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement.
5. Resolution approving and authorizing the City Manager to execute the documents identified above.

The following documents are on file with the City Clerk and are made part of the record, including:

Attachments:

6. Distributor Settlement Agreement.
7. Manufacturer Settlement Agreement.

Settlement Participation Form

Governmental Entity: Suisun City city	State: CA
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“Distributor Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Distributor Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Distributor Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Distributor Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Distributor Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Distributor Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Distributor Settlement.
7. The Governmental Entity has the right to enforce the Distributor Settlement as provided therein.



8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Distributor Settlement, including but not limited to all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Distributor Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Distributor Settlement.
10. In connection with the releases provided for in the Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. 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 that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Distributor Settlement.

11. Nothing herein is intended to modify in any way the terms of the Distributor Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Distributor Settlement in any respect, the Distributor Settlement controls.



I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____



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Settlement Participation Form

Governmental Entity: Suisun City city	State: CA
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“Janssen Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Janssen Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Janssen Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Janssen Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Janssen Settlement.
7. The Governmental Entity has the right to enforce the Janssen Settlement as provided therein.



8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Janssen Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Janssen Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the Janssen Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. 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 that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Janssen Settlement.

10. Nothing herein is intended to modify in any way the terms of the Janssen Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Janssen Settlement in any respect, the Janssen Settlement controls.



I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____



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**Proposed California State-Subdivision Agreement
Regarding Distribution and Use of
Settlement Funds – Distributor Settlement**

1. Introduction

Pursuant to the Distributor Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the “Distributor Settlement Agreement”), including Section V and Exhibit O, the State of California proposes this agreement (the “CA Distributor Allocation Agreement”) to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Distributor Settlement Agreement.¹ For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX or X of the Distributor Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Distributor Settlement Agreement, acceptance of this CA Distributor Allocation Agreement is a requirement to be an Initial Participating Subdivision.

2. Definitions

- a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Distributor Settlement Agreement.
- b) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.
- c) *Litigating Special District* means a school district, fire protection district, health authority, health plan, or other special district that has filed a lawsuit against an Opioid Defendant. Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.
- d) *Plaintiff Subdivision* means a Subdivision located in California, other than a Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

¹ A parallel but separate agreement (the “CA Janssen Allocation Agreement”) will govern the allocation, distribution, and use of settlement fund payments under the Janssen Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

- e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Distributor Settlement Agreement, as well as applicable law, and the Distributor Settlement Agreement governs over any inconsistent provision of this CA Distributor Allocation Agreement. Terms used in this CA Distributor Allocation Agreement have the same meaning as in the Distributor Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Distributor Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Distributor Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California,² pursuant to the Distributor Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Distributor Allocation Agreement, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund”), and 15% to the California Subdivision Fund (“CA Subdivision Fund”).

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be

² For purposes of clarity, use of the term “California” refers to the geographic territory of California and the state and its local governments therein. The term “State” or “State of California” refers to the State of California as a governmental unit.

allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the “Local Allocation”). For the avoidance of doubt, Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Distributor Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county’s share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Distributor Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.
- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Distributor Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
 - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
 - (2) creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;
 - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
 - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
 - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services (“DHCS”) may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Distributor Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Distributor Settlement Agreement or this CA Distributor Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Distributor Settlement Agreement or this CA Distributor Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

C. CA Subdivision Fund

- i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Distributor Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Distributor Settlement, and if applicable, the Janssen Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Distributor Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and the Distributors.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Distributor Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Distributor Settlement Agreement, this CA Distributor Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Distributor Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Distributor Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

APPENDIX 1

DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Distributor Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled “Abatement Percentage,” pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled “Plaintiff Subdivision Percentage,” payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled “Abatement Percentage,” the annotation of “100%” refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled “Plaintiff Subdivision Percentage,” the annotation of “100%” refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled “Weighted Allocation Percentage,” the annotation of “100%” refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

APPENDIX 1

		100.0000%	100.0000%	100.0000%	100.0000%
Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
County	Alameda County	Alameda	2.332%	2.853%	2.4237952%
City	Alameda	Alameda	0.069%		0.0570162%
City	Albany	Alameda	0.013%		0.0107768%
City	Berkeley	Alameda	0.152%		0.1249656%
City	Dublin	Alameda	0.033%	0.040%	0.0338810%
City	Emeryville	Alameda	0.023%		0.0185765%
City	Fremont	Alameda	0.108%		0.0888576%
City	Hayward	Alameda	0.117%		0.0966218%
City	Livermore	Alameda	0.054%		0.0446740%
City	Newark	Alameda	0.026%		0.0217626%
City	Oakland	Alameda	0.486%	0.595%	0.50555601%
City	Piedmont	Alameda	0.014%		0.0114064%
City	Pleasanton	Alameda	0.067%		0.0554547%
City	San Leandro	Alameda	0.039%		0.0321267%
City	Union City	Alameda	0.043%		0.0352484%
County	Amador County	Amador	0.226%	0.277%	0.2349885%
County	Butte County	Butte	1.615%	1.975%	1.6783178%
City	Chico	Butte	0.216%	0.264%	0.2246499%
City	Oroville	Butte	0.079%		0.0646595%
County	Calaveras County	Calaveras	0.226%	0.277%	0.2351644%
County	Colusa County	Colusa	0.059%		0.0489221%
County	Contra Costa County	Contra Costa	2.102%	2.571%	2.1844585%
City	Antioch	Contra Costa	0.037%		0.0301879%
City	Brentwood	Contra Costa	0.026%		0.0215339%
City	Clayton	Contra Costa	0.002%		0.0018060%
City	Concord	Contra Costa	0.055%		0.0456676%
City	Danville	Contra Costa	0.010%		0.0082255%
City	El Cerrito	Contra Costa	0.023%		0.0189024%
City	Hercules	Contra Costa	0.010%		0.0078273%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Lafayette	Contra Costa	0.006%		0.0046030%
City	Martinez	Contra Costa	0.012%		0.0098593%
City	Moraga	Contra Costa	0.004%		0.0031007%
City	Oakley	Contra Costa	0.010%		0.0079416%
City	Orinda	Contra Costa	0.005%		0.0038157%
City	Pinole	Contra Costa	0.013%		0.0110909%
City	Pittsburg	Contra Costa	0.053%		0.0436369%
City	Pleasant Hill	Contra Costa	0.013%		0.0106309%
City	Richmond	Contra Costa	0.146%		0.1201444%
City	San Pablo	Contra Costa	0.018%		0.0148843%
City	San Ramon	Contra Costa	0.021%		0.0176459%
City	Walnut Creek	Contra Costa	0.026%		0.0212132%
County	Del Norte County	Del Norte	0.114%	0.140%	0.1189608%
County	El Dorado County	El Dorado	0.768%	0.939%	0.7980034%
City	Placerville	El Dorado	0.015%		0.0127642%
City	South Lake Tahoe	El Dorado	0.081%		0.0665456%
County	Fresno County	Fresno	1.895%	2.318%	1.9693410%
City	Clovis	Fresno	0.065%		0.0536211%
City	Coalinga	Fresno	0.012%		0.0098554%
City	Fresno	Fresno	0.397%		0.3270605%
City	Kerman	Fresno	0.005%		0.0042534%
City	Kingsburg	Fresno	0.008%		0.0066167%
City	Mendota	Fresno	0.002%		0.0019387%
City	Orange Cove	Fresno	0.004%		0.0035607%
City	Parlier	Fresno	0.008%		0.0069755%
City	Reedley	Fresno	0.012%		0.0098804%
City	Sanger	Fresno	0.018%		0.0146135%
City	Selma	Fresno	0.015%		0.0127537%
County	Glenn County	Glenn	0.107%	0.131%	0.1116978%
County	Humboldt County	Humboldt	1.030%	1.260%	1.0703185%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Arcata	Humboldt	0.054%		0.0447660%
City	Eureka	Humboldt	0.117%	0.143%	0.1216284%
City	Fortuna	Humboldt	0.032%		0.0266837%
County	Imperial County	Imperial	0.258%	0.315%	0.2679006%
City	Brawley	Imperial	0.011%		0.0087986%
City	Calexico	Imperial	0.019%		0.0152799%
City	El Centro	Imperial	0.158%		0.1302522%
City	Imperial	Imperial	0.006%		0.0048791%
County	Inyo County	Inyo	0.073%	0.089%	0.0754413%
County	Kern County	Kern	2.517%	3.079%	2.6159145%
City	Arvin	Kern	0.006%		0.0046425%
City	Bakersfield	Kern	0.212%		0.1747198%
City	California City	Kern	0.009%		0.0070820%
City	Delano	Kern	0.030%		0.0249316%
City	McFarland	Kern	0.003%		0.0025644%
City	Ridgecrest	Kern	0.015%		0.0120938%
City	Shafter	Kern	0.013%		0.0103417%
City	Tehachapi	Kern	0.009%		0.0073580%
City	Wasco	Kern	0.008%		0.0069861%
County	Kings County	Kings	0.293%		0.2413469%
City	Avenal	Kings	0.007%		0.0056335%
City	Corcoran	Kings	0.013%		0.0107032%
City	Hanford	Kings	0.027%		0.0226038%
City	Lemoore	Kings	0.016%		0.0131900%
County	Lake County	Lake	0.795%		0.6545389%
City	Clearlake	Lake	0.041%	0.050%	0.0426253%
City	Lakeport	Lake	0.021%	0.026%	0.0222964%
County	Lassen County	Lassen	0.319%	0.391%	0.3320610%
City	Susanville	Lassen	0.027%		0.0219295%
County	Los Angeles County	Los Angeles	13.896%	16.999%	14.4437559%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Agoura Hills	Los Angeles	0.005%		0.0040024%
City	Alhambra	Los Angeles	0.042%		0.0343309%
City	Arcadia	Los Angeles	0.033%		0.0267718%
City	Artesia	Los Angeles	0.001%		0.0005100%
City	Azusa	Los Angeles	0.026%		0.0210857%
City	Baldwin Park	Los Angeles	0.027%		0.0218520%
City	Bell	Los Angeles	0.008%		0.0068783%
City	Bellflower	Los Angeles	0.002%		0.0014485%
City	Bell Gardens	Los Angeles	0.014%		0.0114301%
City	Beverly Hills	Los Angeles	0.065%		0.0534897%
City	Burbank	Los Angeles	0.100%		0.0823132%
City	Calabasas	Los Angeles	0.006%		0.0048948%
City	Carson	Los Angeles	0.019%		0.0159805%
City	Cerritos	Los Angeles	0.005%		0.0039682%
City	Claremont	Los Angeles	0.010%		0.0082584%
City	Commerce	Los Angeles	0.000%		0.0002971%
City	Compton	Los Angeles	0.044%		0.0361882%
City	Covina	Los Angeles	0.028%		0.0229127%
City	Cudahy	Los Angeles	0.001%		0.0006020%
City	Culver City	Los Angeles	0.055%		0.0449894%
City	Diamond Bar	Los Angeles	0.001%		0.0006993%
City	Downey	Los Angeles	0.052%		0.0429994%
City	Duarte	Los Angeles	0.003%		0.0027261%
City	El Monte	Los Angeles	0.031%	0.038%	0.0318985%
City	El Segundo	Los Angeles	0.033%		0.0268020%
City	Gardena	Los Angeles	0.034%		0.0278088%
City	Glendale	Los Angeles	0.166%		0.1366586%
City	Glendora	Los Angeles	0.016%		0.0134411%
City	Hawaiian Gardens	Los Angeles	0.005%		0.0040549%
City	Hawthorne	Los Angeles	0.050%		0.0407833%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Hermosa Beach	Los Angeles	0.018%		0.0145307%
City	Huntington Park	Los Angeles	0.023%		0.0190667%
City	Inglewood	Los Angeles	0.059%		0.0489195%
City	La Cañada Flintridge	Los Angeles	0.003%		0.0025565%
City	Lakewood	Los Angeles	0.005%		0.0039971%
City	La Mirada	Los Angeles	0.010%		0.0081572%
City	Lancaster	Los Angeles	0.045%		0.0369689%
City	La Puente	Los Angeles	0.002%		0.0012999%
City	La Verne	Los Angeles	0.024%		0.0194190%
City	Lawndale	Los Angeles	0.002%		0.0017731%
City	Lomita	Los Angeles	0.004%		0.0031940%
City	Long Beach	Los Angeles	0.439%		0.3614151%
City	Los Angeles	Los Angeles	2.715%	3.321%	2.8218811%
City	Lynwood	Los Angeles	0.016%		0.0134345%
City	Malibu	Los Angeles	0.002%		0.0019269%
City	Manhattan Beach	Los Angeles	0.032%		0.0260686%
City	Maywood	Los Angeles	0.004%		0.0035528%
City	Monrovia	Los Angeles	0.031%		0.0254455%
City	Montebello	Los Angeles	0.030%		0.0250670%
City	Monterey Park	Los Angeles	0.031%		0.0256677%
City	Norwalk	Los Angeles	0.031%		0.0258228%
City	Palmdale	Los Angeles	0.046%		0.0375827%
City	Palos Verdes Estates	Los Angeles	0.006%		0.0053102%
City	Paramount	Los Angeles	0.011%		0.0091483%
City	Pasadena	Los Angeles	0.146%		0.1200524%
City	Pico Rivera	Los Angeles	0.022%		0.0183333%
City	Pomona	Los Angeles	0.111%		0.0911933%
City	Rancho Palos Verdes	Los Angeles	0.002%		0.0012645%
City	Redondo Beach	Los Angeles	0.062%		0.0506992%
City	Rosemead	Los Angeles	0.003%		0.0028260%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	San Dimas	Los Angeles	0.003%		0.0022016%
City	San Fernando	Los Angeles	0.013%		0.0104837%
City	San Gabriel	Los Angeles	0.018%		0.0147726%
City	San Marino	Los Angeles	0.009%		0.0073791%
City	Santa Clarita	Los Angeles	0.022%		0.0178167%
City	Santa Fe Springs	Los Angeles	0.031%		0.0257531%
City	Santa Monica	Los Angeles	0.158%		0.1298513%
City	Sierra Madre	Los Angeles	0.006%		0.0048646%
City	Signal Hill	Los Angeles	0.010%		0.0084884%
City	South El Monte	Los Angeles	0.005%		0.0039603%
City	South Gate	Los Angeles	0.020%		0.0166272%
City	South Pasadena	Los Angeles	0.012%		0.0095334%
City	Temple City	Los Angeles	0.005%		0.0039498%
City	Torrance	Los Angeles	0.112%		0.0919820%
City	Walnut	Los Angeles	0.006%		0.0047305%
City	West Covina	Los Angeles	0.049%		0.0404521%
City	West Hollywood	Los Angeles	0.013%		0.0108517%
City	Whittier	Los Angeles	0.032%		0.0260581%
County	Madera County	Madera	0.349%	0.427%	0.3630669%
City	Chowchilla	Madera	0.012%		0.0097332%
City	Madera	Madera	0.039%		0.0318441%
County	Marin County	Marin	0.564%	0.690%	0.5861325%
City	Larkspur	Marin	0.015%		0.0124697%
City	Mill Valley	Marin	0.020%		0.0168401%
City	Novato	Marin	0.028%		0.0229824%
City	San Anselmo	Marin	0.009%		0.0078062%
City	San Rafael	Marin	0.089%		0.0729823%
County	Mariposa County	Mariposa	0.084%	0.103%	0.0876131%
County	Mendocino County	Mendocino	0.439%	0.536%	0.4558394%
City	Ukiah	Mendocino	0.039%		0.0317153%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
County	Merced County	Merced	0.551%	0.674%	0.5724262%
City	Atwater	Merced	0.024%		0.0195846%
City	Livingston	Merced	0.006%		0.0045873%
City	Los Banos	Merced	0.020%		0.0165142%
City	Merced	Merced	0.061%		0.0500762%
County	Modoc County	Modoc	0.065%	0.080%	0.0678250%
County	Mono County	Mono	0.023%	0.029%	0.0242606%
County	Monterey County	Monterey	0.908%	1.111%	0.9437083%
City	Greenfield	Monterey	0.006%		0.0050552%
City	King City	Monterey	0.005%		0.0037355%
City	Marina	Monterey	0.017%		0.0144098%
City	Monterey	Monterey	0.041%		0.0336540%
City	Pacific Grove	Monterey	0.009%		0.0074842%
City	Salinas	Monterey	0.094%		0.0776576%
City	Seaside	Monterey	0.023%		0.0191772%
City	Soledad	Monterey	0.007%		0.0060870%
County	Napa County	Napa	0.288%	0.352%	0.2994325%
City	American Canyon	Napa	0.017%		0.0136869%
City	Napa	Napa	0.078%		0.0642783%
County	Nevada County	Nevada	0.441%	0.539%	0.4579827%
City	Grass Valley	Nevada	0.024%		0.0197805%
City	Truckee	Nevada	0.003%		0.0023843%
County	Orange County	Orange	4.364%	5.339%	4.5363576%
City	Aliso Viejo	Orange	0.014%		0.0113841%
City	Anaheim	Orange	0.554%	0.678%	0.5759282%
City	Brea	Orange	0.086%		0.0708897%
City	Buena Park	Orange	0.087%		0.0714352%
City	Costa Mesa	Orange	0.124%	0.152%	0.1288366%
City	Cypress	Orange	0.033%		0.0271937%
City	Dana Point	Orange	0.001%		0.0005560%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Fountain Valley	Orange	0.055%		0.0455980%
City	Fullerton	Orange	0.137%	0.168%	0.1425744%
City	Garden Grove	Orange	0.213%		0.1752482%
City	Huntington Beach	Orange	0.247%	0.302%	0.2568420%
City	Irvine	Orange	0.139%	0.170%	0.1442350%
City	Laguna Beach	Orange	0.047%	0.058%	0.0493043%
City	Laguna Hills	Orange	0.014%		0.0115457%
City	Laguna Niguel	Orange	0.001%		0.0007071%
City	Laguna Woods	Orange	0.001%		0.0006546%
City	La Habra	Orange	0.060%	0.073%	0.0621049%
City	Lake Forest	Orange	0.012%		0.0101249%
City	La Palma	Orange	0.012%		0.0095439%
City	Los Alamitos	Orange	0.008%		0.0069190%
City	Mission Viejo	Orange	0.014%		0.0117560%
City	Newport Beach	Orange	0.179%		0.1470134%
City	Orange	Orange	0.150%		0.1231320%
City	Placentia	Orange	0.029%	0.035%	0.0298912%
City	Rancho Santa Margarita	Orange	0.001%		0.0006296%
City	San Clemente	Orange	0.008%	0.010%	0.0086083%
City	San Juan Capistrano	Orange	0.008%		0.0065510%
City	Santa Ana	Orange	0.502%	0.614%	0.5213866%
City	Seal Beach	Orange	0.020%		0.0165891%
City	Stanton	Orange	0.035%		0.0291955%
City	Tustin	Orange	0.073%		0.0600341%
City	Westminster	Orange	0.104%	0.127%	0.1082721%
City	Yorba Linda	Orange	0.044%		0.0362223%
County	Placer County	Placer	1.045%	1.278%	1.0861002%
City	Auburn	Placer	0.017%		0.0141114%
City	Lincoln	Placer	0.031%		0.0255599%
City	Rocklin	Placer	0.076%		0.0625485%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Roseville	Placer	0.196%		0.1616559%
County	Plumas County	Plumas	0.205%	0.251%	0.2128729%
County	Riverside County	Riverside	4.534%	5.547%	4.7128296%
City	Banning	Riverside	0.017%		0.0143848%
City	Beaumont	Riverside	0.021%		0.0171135%
City	Blythe	Riverside	0.012%		0.0096714%
City	Canyon Lake	Riverside	0.000%		0.0001761%
City	Cathedral City	Riverside	0.067%		0.0553614%
City	Coachella	Riverside	0.021%		0.0173054%
City	Corona	Riverside	0.147%		0.1207083%
City	Desert Hot Springs	Riverside	0.024%		0.0200433%
City	Eastvale	Riverside	0.000%		0.0002747%
City	Hemet	Riverside	0.051%		0.0421792%
City	Indio	Riverside	0.056%		0.0457794%
City	Jurupa Valley	Riverside	0.001%		0.0008991%
City	Lake Elsinore	Riverside	0.021%		0.0172949%
City	La Quinta	Riverside	0.063%		0.0516732%
City	Menifee	Riverside	0.032%		0.0260909%
City	Moreno Valley	Riverside	0.137%		0.1130348%
City	Murrieta	Riverside	0.048%	0.059%	0.0497423%
City	Norco	Riverside	0.016%		0.0134542%
City	Palm Desert	Riverside	0.083%		0.0682465%
City	Palm Springs	Riverside	0.076%		0.0629862%
City	Perris	Riverside	0.009%		0.0076774%
City	Rancho Mirage	Riverside	0.052%		0.0431098%
City	Riverside	Riverside	0.268%		0.2206279%
City	San Jacinto	Riverside	0.010%		0.0085936%
City	Temecula	Riverside	0.022%		0.0180086%
City	Wildomar	Riverside	0.008%		0.0062500%
County	Sacramento County	Sacramento	3.797%	4.645%	3.9465887%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Citrus Heights	Sacramento	0.057%		0.0465312%
City	Elk Grove	Sacramento	0.130%		0.1066994%
City	Folsom	Sacramento	0.108%		0.0890850%
City	Galt	Sacramento	0.017%		0.0143704%
City	Rancho Cordova	Sacramento	0.008%		0.0067679%
City	Sacramento	Sacramento	0.721%	0.882%	0.7496530%
County	San Benito County	San Benito	0.106%	0.130%	0.1101417%
City	Hollister	San Benito	0.027%		0.0225355%
County	San Bernardino County	San Bernardino	3.259%	3.987%	3.3878124%
City	Adelanto	San Bernardino	0.008%		0.0066640%
City	Apple Valley	San Bernardino	0.025%		0.0207360%
City	Barstow	San Bernardino	0.015%		0.0122056%
City	Chino	San Bernardino	0.064%		0.0525893%
City	Chino Hills	San Bernardino	0.001%		0.0006388%
City	Colton	San Bernardino	0.031%		0.0253443%
City	Fontana	San Bernardino	0.112%		0.0920543%
City	Grand Terrace	San Bernardino	0.006%		0.0051051%
City	Hesperia	San Bernardino	0.035%		0.0291522%
City	Highland	San Bernardino	0.004%		0.0029061%
City	Loma Linda	San Bernardino	0.009%		0.0071188%
City	Montclair	San Bernardino	0.039%		0.0322108%
City	Ontario	San Bernardino	0.179%		0.1472934%
City	Rancho Cucamonga	San Bernardino	0.084%		0.0689431%
City	Redlands	San Bernardino	0.057%		0.0469150%
City	Rialto	San Bernardino	0.073%		0.0603206%
City	San Bernardino	San Bernardino	0.178%		0.1461880%
City	Twentynine Palms	San Bernardino	0.002%		0.0012605%
City	Upland	San Bernardino	0.052%		0.0424460%
City	Victorville	San Bernardino	0.033%		0.0269400%
City	Yucaipa	San Bernardino	0.016%		0.0128772%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Yucca Valley	San Bernardino	0.003%		0.0021228%
County	San Diego County	San Diego	5.706%	6.980%	5.9309748%
City	Carlsbad	San Diego	0.128%		0.1050485%
City	Chula Vista	San Diego	0.189%	0.231%	0.1961456%
City	Coronado	San Diego	0.044%		0.0359095%
City	El Cajon	San Diego	0.113%		0.09333582%
City	Encinitas	San Diego	0.061%	0.074%	0.0630289%
City	Escondido	San Diego	0.145%		0.1192204%
City	Imperial Beach	San Diego	0.014%		0.0118283%
City	La Mesa	San Diego	0.055%	0.068%	0.0575593%
City	Lemon Grove	San Diego	0.022%		0.0183911%
City	National City	San Diego	0.080%		0.0656808%
City	Oceanside	San Diego	0.213%		0.1753428%
City	Poway	San Diego	0.062%		0.0511040%
City	San Diego	San Diego	1.975%	2.416%	2.0531169%
City	San Marcos	San Diego	0.089%		0.0733897%
City	Santee	San Diego	0.033%		0.0268401%
City	Solana Beach	San Diego	0.017%		0.0138564%
City	Vista	San Diego	0.052%		0.0425144%
Consolidated	San Francisco	San Francisco	3.026%	3.702%	3.1457169%
County	San Joaquin County	San Joaquin	1.680%	2.055%	1.7460399%
City	Lathrop	San Joaquin	0.009%		0.0075394%
City	Lodi	San Joaquin	0.053%		0.0439484%
City	Manteca	San Joaquin	0.054%		0.0443454%
City	Ripon	San Joaquin	0.013%		0.0104219%
City	Stockton	San Joaquin	0.313%	0.383%	0.3256176%
City	Tracy	San Joaquin	0.084%		0.0692047%
County	San Luis Obispo County	San Luis Obispo	0.816%	0.999%	0.8484126%
City	Arroyo Grande	San Luis Obispo	0.024%		0.0199053%
City	Atascadero	San Luis Obispo	0.029%		0.0240680%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	El Paso de Robles (Paso Robles)	San Luis Obispo	0.043%		0.0353456%
City	Grover Beach	San Luis Obispo	0.017%		0.0137881%
City	Morro Bay	San Luis Obispo	0.020%		0.0160922%
City	San Luis Obispo	San Luis Obispo	0.077%		0.0637841%
County	San Mateo County	San Mateo	1.074%	1.313%	1.1159599%
City	Belmont	San Mateo	0.021%		0.0169860%
City	Burlingame	San Mateo	0.019%		0.0152537%
City	Daly City	San Mateo	0.044%		0.0363880%
City	East Palo Alto	San Mateo	0.013%		0.0103982%
City	Foster City	San Mateo	0.020%		0.0166101%
City	Half Moon Bay	San Mateo	0.004%		0.0031638%
City	Hillsborough	San Mateo	0.013%		0.0110029%
City	Menlo Park	San Mateo	0.015%		0.0126209%
City	Millbrae	San Mateo	0.013%		0.0105836%
City	Pacifica	San Mateo	0.016%		0.0130625%
City	Redwood City	San Mateo	0.056%		0.0463511%
City	San Bruno	San Mateo	0.021%		0.0172161%
City	San Carlos	San Mateo	0.013%		0.0108885%
City	San Mateo	San Mateo	0.052%		0.0425841%
City	South San Francisco	San Mateo	0.043%		0.0353943%
County	Santa Barbara County	Santa Barbara	1.132%	1.385%	1.1768968%
City	Carpinteria	Santa Barbara	0.001%		0.0008938%
City	Goleta	Santa Barbara	0.004%		0.0028969%
City	Lompoc	Santa Barbara	0.047%		0.0389379%
City	Santa Barbara	Santa Barbara	0.122%		0.1004559%
City	Santa Maria	Santa Barbara	0.058%		0.0479179%
County	Santa Clara County	Santa Clara	2.404%	2.941%	2.4987553%
City	Campbell	Santa Clara	0.014%		0.0112566%
City	Cupertino	Santa Clara	0.008%		0.0066824%
City	Gilroy	Santa Clara	0.025%		0.0202891%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Los Altos	Santa Clara	0.013%		0.0103338%
City	Los Gatos	Santa Clara	0.013%		0.0103220%
City	Milpitas	Santa Clara	0.036%		0.0298120%
City	Morgan Hill	Santa Clara	0.015%		0.0124619%
City	Mountain View	Santa Clara	0.041%		0.0334608%
City	Palo Alto	Santa Clara	0.039%		0.0323080%
City	San Jose	Santa Clara	0.294%	0.360%	0.3054960%
City	Santa Clara	Santa Clara	0.067%		0.0549723%
City	Saratoga	Santa Clara	0.004%		0.0034161%
City	Sunnyvale	Santa Clara	0.053%		0.0434069%
County	Santa Cruz County	Santa Cruz	0.783%	0.957%	0.8135396%
City	Capitola	Santa Cruz	0.020%		0.0168191%
City	Santa Cruz	Santa Cruz	0.143%		0.1180348%
City	Scotts Valley	Santa Cruz	0.015%		0.0126525%
City	Watsonville	Santa Cruz	0.063%		0.0520136%
County	Shasta County	Shasta	1.095%	1.339%	1.1380191%
City	Anderson	Shasta	0.024%		0.0198896%
City	Redding	Shasta	0.284%		0.2334841%
City	Shasta Lake	Shasta	0.004%		0.0031993%
County	Siskiyou County	Siskiyou	0.228%	0.279%	0.2373393%
County	Solano County	Solano	0.760%		0.6260795%
City	Benicia	Solano	0.031%		0.0253903%
City	Dixon	Solano	0.016%		0.0130849%
City	Fairfield	Solano	0.109%		0.0897317%
City	Suisun City	Solano	0.021%		0.0176183%
City	Vacaville	Solano	0.119%		0.0976497%
City	Vallejo	Solano	0.167%		0.1373644%
County	Sonoma County	Sonoma	1.218%	1.490%	1.2661290%
City	Healdsburg	Sonoma	0.032%		0.0266929%
City	Petaluma	Sonoma	0.081%		0.0667507%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Rohnert Park	Sonoma	0.041%		0.0340759%
City	Santa Rosa	Sonoma	0.184%		0.1519070%
City	Sonoma	Sonoma	0.022%		0.0183438%
City	Windsor	Sonoma	0.016%		0.0129298%
County	Stanislaus County	Stanislaus	1.722%		1.4182273%
City	Ceres	Stanislaus	0.041%		0.0340260%
City	Modesto	Stanislaus	0.217%		0.1788759%
City	Newman	Stanislaus	0.006%		0.0046964%
City	Oakdale	Stanislaus	0.018%		0.0145531%
City	Patterson	Stanislaus	0.015%		0.0126590%
City	Riverbank	Stanislaus	0.010%		0.0085699%
City	Turlock	Stanislaus	0.065%		0.0531966%
County	Sutter County	Sutter	0.306%	0.374%	0.3179548%
City	Yuba City	Sutter	0.074%		0.0606242%
County	Tehama County	Tehama	0.213%	0.261%	0.2216654%
City	Red Bluff	Tehama	0.014%		0.0117771%
County	Trinity County	Trinity	0.082%	0.101%	0.0855476%
County	Tulare County	Tulare	0.809%	0.990%	0.8410949%
City	Dinuba	Tulare	0.014%		0.0116929%
City	Exeter	Tulare	0.004%		0.0032479%
City	Farmersville	Tulare	0.003%		0.0027879%
City	Lindsay	Tulare	0.007%		0.0057111%
City	Porterville	Tulare	0.021%		0.0171845%
City	Tulare	Tulare	0.037%		0.0302273%
City	Visalia	Tulare	0.066%		0.0545872%
County	Tuolumne County	Tuolumne	0.486%	0.594%	0.5047621%
County	Ventura County	Ventura	2.192%	2.681%	2.2781201%
City	Camarillo	Ventura	0.002%		0.0012815%
City	Fillmore	Ventura	0.002%		0.0020294%
City	Moorpark	Ventura	0.008%		0.0067337%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Oxnard	Ventura	0.156%	0.190%	0.1617338%
City	Port Hueneme	Ventura	0.021%		0.0174145%
City	San Buenaventura (Ventura)	Ventura	0.085%		0.0702181%
City	Santa Paula	Ventura	0.014%		0.0119072%
City	Simi Valley	Ventura	0.065%		0.0533043%
City	Thousand Oaks	Ventura	0.022%		0.0179902%
County	Yolo County	Yolo	0.357%	0.437%	0.3713319%
City	Davis	Yolo	0.055%		0.0451747%
City	West Sacramento	Yolo	0.066%		0.0544321%
City	Woodland	Yolo	0.058%		0.0477904%
County	Yuba County	Yuba	0.214%	0.262%	0.2225679%
City	Marysville	Yuba	0.014%		0.0112079%

APPENDIX 2

Cost Reimbursement Procedure

1. Additional defined terms:

- a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Distributor Allocation Agreement. Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating a National Opioid Settlement with Distributors, Johnson & Johnson, and others.
- b) Claims Procedure.
 - i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X or Exhibit R of the Distributor Settlement Agreement or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for

Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of “hard” costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.
- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master’s preparation of a report of Costs does not discharge a Plaintiff Subdivision’s reporting requirement under Section V.B.2 of the Distributor Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and the Distributors a

report of the fees and expenses incurred by the Special Master pursuant to Section V.B.2 of the Distributor Agreement.

c) Claims Priority and Limitation.

- i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.
- ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Distributor Settlement Agreement and the Janssen Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

- i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund.

- ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

APPENDIX 3

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Distributors Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Expenses and Costs) of the Distributor Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Distributor Settlement Agreement and CA Distributor Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Distributor Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Distributors Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Distributor Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Distributor Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

[DATE]

[SUBDIVISION SIGNATURE BLOCK]

[DATE]

[COUNSEL SIGNATURE BLOCK]

[DATE]

[ATTORNEY GENERAL SIGNATURE BLOCK]

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**Proposed California State-Subdivision Agreement
Regarding Distribution and Use of
Settlement Funds – Janssen Settlement**

1. Introduction

Pursuant to the Janssen Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the “Janssen Settlement Agreement”), including Section VI and Exhibit O, the State of California proposes this agreement (the “CA Janssen Allocation Agreement”) to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections V and VI of the Janssen Settlement Agreement.¹ For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections X or XI of the Janssen Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Janssen Settlement Agreement, acceptance of this CA Janssen Allocation Agreement is a requirement to be an Initial Participating Subdivision.

2. Definitions

- a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Janssen Settlement Agreement.
- b) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- c) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.
- d) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc.,

¹ A parallel but separate agreement (the “CA Distributor Allocation Agreement”) will govern the allocation, distribution, and use of settlement fund payments under the Distributor Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

3. General Terms

This agreement is subject to the requirements of the Janssen Settlement Agreement, as well as applicable law, and the Janssen Settlement Agreement governs over any inconsistent provision of this CA Janssen Allocation Agreement. Terms used in this CA Janssen Allocation Agreement have the same meaning as in the Janssen Settlement Agreement unless otherwise defined herein.

Pursuant to Section VI(D)(1) of the Janssen Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VI(B)(2) of the Janssen Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

4. State Allocation

The Settlement Fund payments to California,² pursuant to the Janssen Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Janssen Allocation Agreement, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund”), and 15% to the California Subdivision Fund (“CA Subdivision Fund”).

A. State of California Allocation

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

B. CA Abatement Accounts Fund

i. Allocation of CA Abatement Accounts Funds

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA

² For purposes of clarity, use of the term “California” refers to the geographic territory of California and the state and its local governments therein. The term “State” or “State of California” refers to the State of California as a governmental unit.

Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the “Local Allocation”). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Janssen Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county’s share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Janssen Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.
- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

ii. Use of CA Abatement Accounts Funds

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Janssen Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
 - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
 - (2) creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;
 - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
 - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
 - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services (“DHCS”) may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Janssen Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

iii. CA Abatement Accounts Fund Oversight

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Janssen Settlement Agreement or this CA Janssen Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Janssen Settlement Agreement or this CA Janssen Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

C. CA Subdivision Fund

- i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

D. Provision for State Back-Stop Agreement

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Janssen Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Janssen Settlement, and if applicable, the Distributor Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

5. State and Subdivision Reporting

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VI(B)(2) of the Janssen Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Janssen.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

6. Miscellaneous

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Janssen Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Janssen Settlement Agreement, this CA Janssen Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Janssen Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Janssen Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

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DISCLAIMER: The allocation percentages herein are estimates only and should not be relied on for decisions regarding legal rights, releases, waivers, or other decisions affecting current or potential legal claims. Percentages shown in the Plaintiff Subdivision Percentage column may change pursuant to Section 4.C. of the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds—Janssen Settlement, whereas the percentages shown in the Abatement Percentage column should not change. Participating Subdivisions, underlying calculations, and the calculated allocation percentages are subject to change. Regarding the column herein entitled “Abatement Percentage,” pursuant to Section 4.B.e., the State of California will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision. Regarding the column herein entitled “Plaintiff Subdivision Percentage,” payments allocated to a Plaintiff Subdivision, which is not an Initial Participating Subdivision, will be re-allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. Regarding the column herein entitled “Abatement Percentage,” the annotation of “100%” refers to one-hundred percent (100%) of the California Abatement Account Funds received, pursuant to Section 4.B. Regarding the column herein entitled “Plaintiff Subdivision Percentage,” the annotation of “100%” refers to one-hundred percent (100%) of the California Subdivision Funds received, pursuant to Section 4.C. Regarding the column herein entitled “Weighted Allocation Percentage,” the annotation of “100%” refers to one-hundred percent (100%) of the combined and weighted allocation of the Abatement Percentage and the Plaintiff Subdivision Percentage.

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		100.0000%	100.0000%	100.0000%	100.0000%
Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
County	Alameda County	Alameda	2.332%	2.853%	2.4237952%
City	Alameda	Alameda	0.069%		0.0570162%
City	Albany	Alameda	0.013%		0.0107768%
City	Berkeley	Alameda	0.152%		0.1249656%
City	Dublin	Alameda	0.033%	0.040%	0.0338810%
City	Emeryville	Alameda	0.023%		0.0185765%
City	Fremont	Alameda	0.108%		0.0888576%
City	Hayward	Alameda	0.117%		0.0966218%
City	Livermore	Alameda	0.054%		0.0446740%
City	Newark	Alameda	0.026%		0.0217626%
City	Oakland	Alameda	0.486%	0.595%	0.50555601%
City	Piedmont	Alameda	0.014%		0.0114064%
City	Pleasanton	Alameda	0.067%		0.0554547%
City	San Leandro	Alameda	0.039%		0.0321267%
City	Union City	Alameda	0.043%		0.0352484%
County	Amador County	Amador	0.226%	0.277%	0.2349885%
County	Butte County	Butte	1.615%	1.975%	1.6783178%
City	Chico	Butte	0.216%	0.264%	0.2246499%
City	Oroville	Butte	0.079%		0.0646595%
County	Calaveras County	Calaveras	0.226%	0.277%	0.2351644%
County	Colusa County	Colusa	0.059%		0.0489221%
County	Contra Costa County	Contra Costa	2.102%	2.571%	2.1844585%
City	Antioch	Contra Costa	0.037%		0.0301879%
City	Brentwood	Contra Costa	0.026%		0.0215339%
City	Clayton	Contra Costa	0.002%		0.0018060%
City	Concord	Contra Costa	0.055%		0.0456676%
City	Danville	Contra Costa	0.010%		0.0082255%
City	El Cerrito	Contra Costa	0.023%		0.0189024%
City	Hercules	Contra Costa	0.010%		0.0078273%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Lafayette	Contra Costa	0.006%		0.0046030%
City	Martinez	Contra Costa	0.012%		0.0098593%
City	Moraga	Contra Costa	0.004%		0.0031007%
City	Oakley	Contra Costa	0.010%		0.0079416%
City	Orinda	Contra Costa	0.005%		0.0038157%
City	Pinole	Contra Costa	0.013%		0.0110909%
City	Pittsburg	Contra Costa	0.053%		0.0436369%
City	Pleasant Hill	Contra Costa	0.013%		0.0106309%
City	Richmond	Contra Costa	0.146%		0.1201444%
City	San Pablo	Contra Costa	0.018%		0.0148843%
City	San Ramon	Contra Costa	0.021%		0.0176459%
City	Walnut Creek	Contra Costa	0.026%		0.0212132%
County	Del Norte County	Del Norte	0.114%	0.140%	0.1189608%
County	El Dorado County	El Dorado	0.768%	0.939%	0.7980034%
City	Placerville	El Dorado	0.015%		0.0127642%
City	South Lake Tahoe	El Dorado	0.081%		0.0665456%
County	Fresno County	Fresno	1.895%	2.318%	1.9693410%
City	Clovis	Fresno	0.065%		0.0536211%
City	Coalinga	Fresno	0.012%		0.0098554%
City	Fresno	Fresno	0.397%		0.3270605%
City	Kerman	Fresno	0.005%		0.0042534%
City	Kingsburg	Fresno	0.008%		0.0066167%
City	Mendota	Fresno	0.002%		0.0019387%
City	Orange Cove	Fresno	0.004%		0.0035607%
City	Parlier	Fresno	0.008%		0.0069755%
City	Reedley	Fresno	0.012%		0.0098804%
City	Sanger	Fresno	0.018%		0.0146135%
City	Selma	Fresno	0.015%		0.0127537%
County	Glenn County	Glenn	0.107%	0.131%	0.1116978%
County	Humboldt County	Humboldt	1.030%	1.260%	1.0703185%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Arcata	Humboldt	0.054%		0.0447660%
City	Eureka	Humboldt	0.117%	0.143%	0.1216284%
City	Fortuna	Humboldt	0.032%		0.0266837%
County	Imperial County	Imperial	0.258%	0.315%	0.2679006%
City	Brawley	Imperial	0.011%		0.0087986%
City	Calexico	Imperial	0.019%		0.0152799%
City	El Centro	Imperial	0.158%		0.1302522%
City	Imperial	Imperial	0.006%		0.0048791%
County	Inyo County	Inyo	0.073%	0.089%	0.0754413%
County	Kern County	Kern	2.517%	3.079%	2.6159145%
City	Arvin	Kern	0.006%		0.0046425%
City	Bakersfield	Kern	0.212%		0.1747198%
City	California City	Kern	0.009%		0.0070820%
City	Delano	Kern	0.030%		0.0249316%
City	McFarland	Kern	0.003%		0.0025644%
City	Ridgecrest	Kern	0.015%		0.0120938%
City	Shafter	Kern	0.013%		0.0103417%
City	Tehachapi	Kern	0.009%		0.0073580%
City	Wasco	Kern	0.008%		0.0069861%
County	Kings County	Kings	0.293%		0.2413469%
City	Avenal	Kings	0.007%		0.0056335%
City	Corcoran	Kings	0.013%		0.0107032%
City	Hanford	Kings	0.027%		0.0226038%
City	Lemoore	Kings	0.016%		0.0131900%
County	Lake County	Lake	0.795%		0.6545389%
City	Clearlake	Lake	0.041%	0.050%	0.0426253%
City	Lakeport	Lake	0.021%	0.026%	0.0222964%
County	Lassen County	Lassen	0.319%	0.391%	0.3320610%
City	Susanville	Lassen	0.027%		0.0219295%
County	Los Angeles County	Los Angeles	13.896%	16.999%	14.4437559%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Agoura Hills	Los Angeles	0.005%		0.0040024%
City	Alhambra	Los Angeles	0.042%		0.0343309%
City	Arcadia	Los Angeles	0.033%		0.0267718%
City	Artesia	Los Angeles	0.001%		0.0005100%
City	Azusa	Los Angeles	0.026%		0.0210857%
City	Baldwin Park	Los Angeles	0.027%		0.0218520%
City	Bell	Los Angeles	0.008%		0.0068783%
City	Bellflower	Los Angeles	0.002%		0.0014485%
City	Bell Gardens	Los Angeles	0.014%		0.0114301%
City	Beverly Hills	Los Angeles	0.065%		0.0534897%
City	Burbank	Los Angeles	0.100%		0.0823132%
City	Calabasas	Los Angeles	0.006%		0.0048948%
City	Carson	Los Angeles	0.019%		0.0159805%
City	Cerritos	Los Angeles	0.005%		0.0039682%
City	Claremont	Los Angeles	0.010%		0.0082584%
City	Commerce	Los Angeles	0.000%		0.0002971%
City	Compton	Los Angeles	0.044%		0.0361882%
City	Covina	Los Angeles	0.028%		0.0229127%
City	Cudahy	Los Angeles	0.001%		0.0006020%
City	Culver City	Los Angeles	0.055%		0.0449894%
City	Diamond Bar	Los Angeles	0.001%		0.0006993%
City	Downey	Los Angeles	0.052%		0.0429994%
City	Duarte	Los Angeles	0.003%		0.0027261%
City	El Monte	Los Angeles	0.031%	0.038%	0.0318985%
City	El Segundo	Los Angeles	0.033%		0.0268020%
City	Gardena	Los Angeles	0.034%		0.0278088%
City	Glendale	Los Angeles	0.166%		0.1366586%
City	Glendora	Los Angeles	0.016%		0.0134411%
City	Hawaiian Gardens	Los Angeles	0.005%		0.0040549%
City	Hawthorne	Los Angeles	0.050%		0.0407833%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Hermosa Beach	Los Angeles	0.018%		0.0145307%
City	Huntington Park	Los Angeles	0.023%		0.0190667%
City	Inglewood	Los Angeles	0.059%		0.0489195%
City	La Cañada Flintridge	Los Angeles	0.003%		0.0025565%
City	Lakewood	Los Angeles	0.005%		0.0039971%
City	La Mirada	Los Angeles	0.010%		0.0081572%
City	Lancaster	Los Angeles	0.045%		0.0369689%
City	La Puente	Los Angeles	0.002%		0.0012999%
City	La Verne	Los Angeles	0.024%		0.0194190%
City	Lawndale	Los Angeles	0.002%		0.0017731%
City	Lomita	Los Angeles	0.004%		0.0031940%
City	Long Beach	Los Angeles	0.439%		0.3614151%
City	Los Angeles	Los Angeles	2.715%	3.321%	2.8218811%
City	Lynwood	Los Angeles	0.016%		0.0134345%
City	Malibu	Los Angeles	0.002%		0.0019269%
City	Manhattan Beach	Los Angeles	0.032%		0.0260686%
City	Maywood	Los Angeles	0.004%		0.0035528%
City	Monrovia	Los Angeles	0.031%		0.0254455%
City	Montebello	Los Angeles	0.030%		0.0250670%
City	Monterey Park	Los Angeles	0.031%		0.0256677%
City	Norwalk	Los Angeles	0.031%		0.0258228%
City	Palmdale	Los Angeles	0.046%		0.0375827%
City	Palos Verdes Estates	Los Angeles	0.006%		0.0053102%
City	Paramount	Los Angeles	0.011%		0.0091483%
City	Pasadena	Los Angeles	0.146%		0.1200524%
City	Pico Rivera	Los Angeles	0.022%		0.0183333%
City	Pomona	Los Angeles	0.111%		0.0911933%
City	Rancho Palos Verdes	Los Angeles	0.002%		0.0012645%
City	Redondo Beach	Los Angeles	0.062%		0.0506992%
City	Rosemead	Los Angeles	0.003%		0.0028260%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	San Dimas	Los Angeles	0.003%		0.0022016%
City	San Fernando	Los Angeles	0.013%		0.0104837%
City	San Gabriel	Los Angeles	0.018%		0.0147726%
City	San Marino	Los Angeles	0.009%		0.0073791%
City	Santa Clarita	Los Angeles	0.022%		0.0178167%
City	Santa Fe Springs	Los Angeles	0.031%		0.0257531%
City	Santa Monica	Los Angeles	0.158%		0.1298513%
City	Sierra Madre	Los Angeles	0.006%		0.0048646%
City	Signal Hill	Los Angeles	0.010%		0.0084884%
City	South El Monte	Los Angeles	0.005%		0.0039603%
City	South Gate	Los Angeles	0.020%		0.0166272%
City	South Pasadena	Los Angeles	0.012%		0.0095334%
City	Temple City	Los Angeles	0.005%		0.0039498%
City	Torrance	Los Angeles	0.112%		0.0919820%
City	Walnut	Los Angeles	0.006%		0.0047305%
City	West Covina	Los Angeles	0.049%		0.0404521%
City	West Hollywood	Los Angeles	0.013%		0.0108517%
City	Whittier	Los Angeles	0.032%		0.0260581%
County	Madera County	Madera	0.349%	0.427%	0.3630669%
City	Chowchilla	Madera	0.012%		0.0097332%
City	Madera	Madera	0.039%		0.0318441%
County	Marin County	Marin	0.564%	0.690%	0.5861325%
City	Larkspur	Marin	0.015%		0.0124697%
City	Mill Valley	Marin	0.020%		0.0168401%
City	Novato	Marin	0.028%		0.0229824%
City	San Anselmo	Marin	0.009%		0.0078062%
City	San Rafael	Marin	0.089%		0.0729823%
County	Mariposa County	Mariposa	0.084%	0.103%	0.0876131%
County	Mendocino County	Mendocino	0.439%	0.536%	0.4558394%
City	Ukiah	Mendocino	0.039%		0.0317153%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
County	Merced County	Merced	0.551%	0.674%	0.5724262%
City	Atwater	Merced	0.024%		0.0195846%
City	Livingston	Merced	0.006%		0.0045873%
City	Los Banos	Merced	0.020%		0.0165142%
City	Merced	Merced	0.061%		0.0500762%
County	Modoc County	Modoc	0.065%	0.080%	0.0678250%
County	Mono County	Mono	0.023%	0.029%	0.0242606%
County	Monterey County	Monterey	0.908%	1.111%	0.9437083%
City	Greenfield	Monterey	0.006%		0.0050552%
City	King City	Monterey	0.005%		0.0037355%
City	Marina	Monterey	0.017%		0.0144098%
City	Monterey	Monterey	0.041%		0.0336540%
City	Pacific Grove	Monterey	0.009%		0.0074842%
City	Salinas	Monterey	0.094%		0.0776576%
City	Seaside	Monterey	0.023%		0.0191772%
City	Soledad	Monterey	0.007%		0.0060870%
County	Napa County	Napa	0.288%	0.352%	0.2994325%
City	American Canyon	Napa	0.017%		0.0136869%
City	Napa	Napa	0.078%		0.0642783%
County	Nevada County	Nevada	0.441%	0.539%	0.4579827%
City	Grass Valley	Nevada	0.024%		0.0197805%
City	Truckee	Nevada	0.003%		0.0023843%
County	Orange County	Orange	4.364%	5.339%	4.5363576%
City	Aliso Viejo	Orange	0.014%		0.0113841%
City	Anaheim	Orange	0.554%	0.678%	0.5759282%
City	Brea	Orange	0.086%		0.0708897%
City	Buena Park	Orange	0.087%		0.0714352%
City	Costa Mesa	Orange	0.124%	0.152%	0.1288366%
City	Cypress	Orange	0.033%		0.0271937%
City	Dana Point	Orange	0.001%		0.0005560%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Fountain Valley	Orange	0.055%		0.0455980%
City	Fullerton	Orange	0.137%	0.168%	0.1425744%
City	Garden Grove	Orange	0.213%		0.1752482%
City	Huntington Beach	Orange	0.247%	0.302%	0.2568420%
City	Irvine	Orange	0.139%	0.170%	0.1442350%
City	Laguna Beach	Orange	0.047%	0.058%	0.0493043%
City	Laguna Hills	Orange	0.014%		0.0115457%
City	Laguna Niguel	Orange	0.001%		0.0007071%
City	Laguna Woods	Orange	0.001%		0.0006546%
City	La Habra	Orange	0.060%	0.073%	0.0621049%
City	Lake Forest	Orange	0.012%		0.0101249%
City	La Palma	Orange	0.012%		0.0095439%
City	Los Alamitos	Orange	0.008%		0.0069190%
City	Mission Viejo	Orange	0.014%		0.0117560%
City	Newport Beach	Orange	0.179%		0.1470134%
City	Orange	Orange	0.150%		0.1231320%
City	Placentia	Orange	0.029%	0.035%	0.0298912%
City	Rancho Santa Margarita	Orange	0.001%		0.0006296%
City	San Clemente	Orange	0.008%	0.010%	0.0086083%
City	San Juan Capistrano	Orange	0.008%		0.0065510%
City	Santa Ana	Orange	0.502%	0.614%	0.5213866%
City	Seal Beach	Orange	0.020%		0.0165891%
City	Stanton	Orange	0.035%		0.0291955%
City	Tustin	Orange	0.073%		0.0600341%
City	Westminster	Orange	0.104%	0.127%	0.1082721%
City	Yorba Linda	Orange	0.044%		0.0362223%
County	Placer County	Placer	1.045%	1.278%	1.0861002%
City	Auburn	Placer	0.017%		0.0141114%
City	Lincoln	Placer	0.031%		0.0255599%
City	Rocklin	Placer	0.076%		0.0625485%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Roseville	Placer	0.196%		0.1616559%
County	Plumas County	Plumas	0.205%	0.251%	0.2128729%
County	Riverside County	Riverside	4.534%	5.547%	4.7128296%
City	Banning	Riverside	0.017%		0.0143848%
City	Beaumont	Riverside	0.021%		0.0171135%
City	Blythe	Riverside	0.012%		0.0096714%
City	Canyon Lake	Riverside	0.000%		0.0001761%
City	Cathedral City	Riverside	0.067%		0.0553614%
City	Coachella	Riverside	0.021%		0.0173054%
City	Corona	Riverside	0.147%		0.1207083%
City	Desert Hot Springs	Riverside	0.024%		0.0200433%
City	Eastvale	Riverside	0.000%		0.0002747%
City	Hemet	Riverside	0.051%		0.0421792%
City	Indio	Riverside	0.056%		0.0457794%
City	Jurupa Valley	Riverside	0.001%		0.0008991%
City	Lake Elsinore	Riverside	0.021%		0.0172949%
City	La Quinta	Riverside	0.063%		0.0516732%
City	Menifee	Riverside	0.032%		0.0260909%
City	Moreno Valley	Riverside	0.137%		0.1130348%
City	Murrieta	Riverside	0.048%	0.059%	0.0497423%
City	Norco	Riverside	0.016%		0.0134542%
City	Palm Desert	Riverside	0.083%		0.0682465%
City	Palm Springs	Riverside	0.076%		0.0629862%
City	Perris	Riverside	0.009%		0.0076774%
City	Rancho Mirage	Riverside	0.052%		0.0431098%
City	Riverside	Riverside	0.268%		0.2206279%
City	San Jacinto	Riverside	0.010%		0.0085936%
City	Temecula	Riverside	0.022%		0.0180086%
City	Wildomar	Riverside	0.008%		0.0062500%
County	Sacramento County	Sacramento	3.797%	4.645%	3.9465887%

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Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Citrus Heights	Sacramento	0.057%		0.0465312%
City	Elk Grove	Sacramento	0.130%		0.1066994%
City	Folsom	Sacramento	0.108%		0.0890850%
City	Galt	Sacramento	0.017%		0.0143704%
City	Rancho Cordova	Sacramento	0.008%		0.0067679%
City	Sacramento	Sacramento	0.721%	0.882%	0.7496530%
County	San Benito County	San Benito	0.106%	0.130%	0.1101417%
City	Hollister	San Benito	0.027%		0.0225355%
County	San Bernardino County	San Bernardino	3.259%	3.987%	3.3878124%
City	Adelanto	San Bernardino	0.008%		0.0066640%
City	Apple Valley	San Bernardino	0.025%		0.0207360%
City	Barstow	San Bernardino	0.015%		0.0122056%
City	Chino	San Bernardino	0.064%		0.0525893%
City	Chino Hills	San Bernardino	0.001%		0.0006388%
City	Colton	San Bernardino	0.031%		0.0253443%
City	Fontana	San Bernardino	0.112%		0.0920543%
City	Grand Terrace	San Bernardino	0.006%		0.0051051%
City	Hesperia	San Bernardino	0.035%		0.0291522%
City	Highland	San Bernardino	0.004%		0.0029061%
City	Loma Linda	San Bernardino	0.009%		0.0071188%
City	Montclair	San Bernardino	0.039%		0.0322108%
City	Ontario	San Bernardino	0.179%		0.1472934%
City	Rancho Cucamonga	San Bernardino	0.084%		0.0689431%
City	Redlands	San Bernardino	0.057%		0.0469150%
City	Rialto	San Bernardino	0.073%		0.0603206%
City	San Bernardino	San Bernardino	0.178%		0.1461880%
City	Twentynine Palms	San Bernardino	0.002%		0.0012605%
City	Upland	San Bernardino	0.052%		0.0424460%
City	Victorville	San Bernardino	0.033%		0.0269400%
City	Yucaipa	San Bernardino	0.016%		0.0128772%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Yucca Valley	San Bernardino	0.003%		0.0021228%
County	San Diego County	San Diego	5.706%	6.980%	5.9309748%
City	Carlsbad	San Diego	0.128%		0.1050485%
City	Chula Vista	San Diego	0.189%	0.231%	0.1961456%
City	Coronado	San Diego	0.044%		0.0359095%
City	El Cajon	San Diego	0.113%		0.09333582%
City	Encinitas	San Diego	0.061%	0.074%	0.0630289%
City	Escondido	San Diego	0.145%		0.1192204%
City	Imperial Beach	San Diego	0.014%		0.0118283%
City	La Mesa	San Diego	0.055%	0.068%	0.0575593%
City	Lemon Grove	San Diego	0.022%		0.0183911%
City	National City	San Diego	0.080%		0.0656808%
City	Oceanside	San Diego	0.213%		0.1753428%
City	Poway	San Diego	0.062%		0.0511040%
City	San Diego	San Diego	1.975%	2.416%	2.0531169%
City	San Marcos	San Diego	0.089%		0.0733897%
City	Santee	San Diego	0.033%		0.0268401%
City	Solana Beach	San Diego	0.017%		0.0138564%
City	Vista	San Diego	0.052%		0.0425144%
Consolidated	San Francisco	San Francisco	3.026%	3.702%	3.1457169%
County	San Joaquin County	San Joaquin	1.680%	2.055%	1.7460399%
City	Lathrop	San Joaquin	0.009%		0.0075394%
City	Lodi	San Joaquin	0.053%		0.0439484%
City	Manteca	San Joaquin	0.054%		0.0443454%
City	Ripon	San Joaquin	0.013%		0.0104219%
City	Stockton	San Joaquin	0.313%	0.383%	0.3256176%
City	Tracy	San Joaquin	0.084%		0.0692047%
County	San Luis Obispo County	San Luis Obispo	0.816%	0.999%	0.8484126%
City	Arroyo Grande	San Luis Obispo	0.024%		0.0199053%
City	Atascadero	San Luis Obispo	0.029%		0.0240680%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	El Paso de Robles (Paso Robles)	San Luis Obispo	0.043%		0.0353456%
City	Grover Beach	San Luis Obispo	0.017%		0.0137881%
City	Morro Bay	San Luis Obispo	0.020%		0.0160922%
City	San Luis Obispo	San Luis Obispo	0.077%		0.0637841%
County	San Mateo County	San Mateo	1.074%	1.313%	1.1159599%
City	Belmont	San Mateo	0.021%		0.0169860%
City	Burlingame	San Mateo	0.019%		0.0152537%
City	Daly City	San Mateo	0.044%		0.0363880%
City	East Palo Alto	San Mateo	0.013%		0.0103982%
City	Foster City	San Mateo	0.020%		0.0166101%
City	Half Moon Bay	San Mateo	0.004%		0.0031638%
City	Hillsborough	San Mateo	0.013%		0.0110029%
City	Menlo Park	San Mateo	0.015%		0.0126209%
City	Millbrae	San Mateo	0.013%		0.0105836%
City	Pacifica	San Mateo	0.016%		0.0130625%
City	Redwood City	San Mateo	0.056%		0.0463511%
City	San Bruno	San Mateo	0.021%		0.0172161%
City	San Carlos	San Mateo	0.013%		0.0108885%
City	San Mateo	San Mateo	0.052%		0.0425841%
City	South San Francisco	San Mateo	0.043%		0.0353943%
County	Santa Barbara County	Santa Barbara	1.132%	1.385%	1.1768968%
City	Carpinteria	Santa Barbara	0.001%		0.0008938%
City	Goleta	Santa Barbara	0.004%		0.0028969%
City	Lompoc	Santa Barbara	0.047%		0.0389379%
City	Santa Barbara	Santa Barbara	0.122%		0.1004559%
City	Santa Maria	Santa Barbara	0.058%		0.0479179%
County	Santa Clara County	Santa Clara	2.404%	2.941%	2.4987553%
City	Campbell	Santa Clara	0.014%		0.0112566%
City	Cupertino	Santa Clara	0.008%		0.0066824%
City	Gilroy	Santa Clara	0.025%		0.0202891%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Los Altos	Santa Clara	0.013%		0.0103338%
City	Los Gatos	Santa Clara	0.013%		0.0103220%
City	Milpitas	Santa Clara	0.036%		0.0298120%
City	Morgan Hill	Santa Clara	0.015%		0.0124619%
City	Mountain View	Santa Clara	0.041%		0.0334608%
City	Palo Alto	Santa Clara	0.039%		0.0323080%
City	San Jose	Santa Clara	0.294%	0.360%	0.3054960%
City	Santa Clara	Santa Clara	0.067%		0.0549723%
City	Saratoga	Santa Clara	0.004%		0.0034161%
City	Sunnyvale	Santa Clara	0.053%		0.0434069%
County	Santa Cruz County	Santa Cruz	0.783%	0.957%	0.8135396%
City	Capitola	Santa Cruz	0.020%		0.0168191%
City	Santa Cruz	Santa Cruz	0.143%		0.1180348%
City	Scotts Valley	Santa Cruz	0.015%		0.0126525%
City	Watsonville	Santa Cruz	0.063%		0.0520136%
County	Shasta County	Shasta	1.095%	1.339%	1.1380191%
City	Anderson	Shasta	0.024%		0.0198896%
City	Redding	Shasta	0.284%		0.2334841%
City	Shasta Lake	Shasta	0.004%		0.0031993%
County	Siskiyou County	Siskiyou	0.228%	0.279%	0.2373393%
County	Solano County	Solano	0.760%		0.6260795%
City	Benicia	Solano	0.031%		0.0253903%
City	Dixon	Solano	0.016%		0.0130849%
City	Fairfield	Solano	0.109%		0.0897317%
City	Suisun City	Solano	0.021%		0.0176183%
City	Vacaville	Solano	0.119%		0.0976497%
City	Vallejo	Solano	0.167%		0.1373644%
County	Sonoma County	Sonoma	1.218%	1.490%	1.2661290%
City	Healdsburg	Sonoma	0.032%		0.0266929%
City	Petaluma	Sonoma	0.081%		0.0667507%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Rohnert Park	Sonoma	0.041%		0.0340759%
City	Santa Rosa	Sonoma	0.184%		0.1519070%
City	Sonoma	Sonoma	0.022%		0.0183438%
City	Windsor	Sonoma	0.016%		0.0129298%
County	Stanislaus County	Stanislaus	1.722%		1.4182273%
City	Ceres	Stanislaus	0.041%		0.0340260%
City	Modesto	Stanislaus	0.217%		0.1788759%
City	Newman	Stanislaus	0.006%		0.0046964%
City	Oakdale	Stanislaus	0.018%		0.0145531%
City	Patterson	Stanislaus	0.015%		0.0126590%
City	Riverbank	Stanislaus	0.010%		0.0085699%
City	Turlock	Stanislaus	0.065%		0.0531966%
County	Sutter County	Sutter	0.306%	0.374%	0.3179548%
City	Yuba City	Sutter	0.074%		0.0606242%
County	Tehama County	Tehama	0.213%	0.261%	0.2216654%
City	Red Bluff	Tehama	0.014%		0.0117771%
County	Trinity County	Trinity	0.082%	0.101%	0.0855476%
County	Tulare County	Tulare	0.809%	0.990%	0.8410949%
City	Dinuba	Tulare	0.014%		0.0116929%
City	Exeter	Tulare	0.004%		0.0032479%
City	Farmersville	Tulare	0.003%		0.0027879%
City	Lindsay	Tulare	0.007%		0.0057111%
City	Porterville	Tulare	0.021%		0.0171845%
City	Tulare	Tulare	0.037%		0.0302273%
City	Visalia	Tulare	0.066%		0.0545872%
County	Tuolumne County	Tuolumne	0.486%	0.594%	0.5047621%
County	Ventura County	Ventura	2.192%	2.681%	2.2781201%
City	Camarillo	Ventura	0.002%		0.0012815%
City	Fillmore	Ventura	0.002%		0.0020294%
City	Moorpark	Ventura	0.008%		0.0067337%

APPENDIX 1

Participating Subdivision Classification	Participating Subdivision	County	Abatement Percentage	Plaintiff Subdivision Percentage	Weighted Allocation Percentage
City	Oxnard	Ventura	0.156%	0.190%	0.1617338%
City	Port Hueneme	Ventura	0.021%		0.0174145%
City	San Buenaventura (Ventura)	Ventura	0.085%		0.0702181%
City	Santa Paula	Ventura	0.014%		0.0119072%
City	Simi Valley	Ventura	0.065%		0.0533043%
City	Thousand Oaks	Ventura	0.022%		0.0179902%
County	Yolo County	Yolo	0.357%	0.437%	0.3713319%
City	Davis	Yolo	0.055%		0.0451747%
City	West Sacramento	Yolo	0.066%		0.0544321%
City	Woodland	Yolo	0.058%		0.0477904%
County	Yuba County	Yuba	0.214%	0.262%	0.2225679%
City	Marysville	Yuba	0.014%		0.0112079%

APPENDIX 2

Cost Reimbursement Procedure

1. Additional defined terms:

- a) *Costs* means the reasonable amounts paid for the attorney and other City Attorney and County Counsel staff time for individuals employed by a Plaintiff Subdivision at the contractual rate, inclusive of benefits and overhead, together with amounts paid for court reporters, experts, copying, electronic research, travel, vendors, and the like, which were paid or incurred (i) prior to July 21, 2021 in litigation against any Opioid Defendant and/or (ii) in negotiating and drafting this CA Janssen Allocation Agreement. Costs does not include attorneys' fees, costs, or expenses incurred by private contingency fee counsel. No part of the CA Abatement Accounts Fund will be used to reimburse Costs.
- b) *First Claims Date* means October 1, 2023 or when all applications for reimbursement of Costs, in whole or in part, from funds available under Section X and Exhibit R of the Distributor Settlement Agreement or Section XI and Exhibit R of the Janssen Settlement Agreement, have been finally determined under the provisions of those agreements, whichever comes first.
- c) *Special Master* means a retired judicial officer or former public lawyer, not presently employed or retained by a Plaintiff Subdivision, who will aggregate, review, and determine the reasonable Costs to be awarded to each Plaintiff Subdivision that submits a claim for reimbursement of Costs. The Special Master will be selected by a majority vote of the votes cast by Plaintiff Subdivisions, with each such subdivision having one vote.
- d) *Plaintiff Subdivision Committee* means the committee of Plaintiff Subdivisions that will review and approve the invoices submitted by the Special Master reflecting his or her reasonable time and expenses.

2. Cost Reimbursement to Plaintiff Subdivision

- a) Purpose. Substantial resources have been expended to hold Opioid Defendants accountable for creating and profiting from the opioid crisis, and this effort has been a significant catalyst in creating a National Opioid Settlement with Distributors, Johnson & Johnson, and others.
- b) Claims Procedure.
 - i. If a Plaintiff Subdivision is eligible to seek reimbursement of Costs, in whole or in part, from funds available under Section X or Exhibit R of the Distributor Settlement Agreement or Section XI or Exhibit R of the Janssen Settlement Agreement, it must first make a timely application for reimbursement from such funds. To allow sufficient time for determination of those applications, no claim for

Costs to the CA Subdivision Fund under this Agreement may be made before the First Claims Date.

- ii. A Plaintiff Subdivision that wishes to be reimbursed from the CA Subdivision Fund must submit a claim to the Special Master no later than forty-five (45) days after the First Claims Date. The Special Master will then compile and redistribute the aggregated claim totals for each Plaintiff Subdivision via email to representatives of all the Plaintiff Subdivisions. A claim for attorney and staff time must list, for each attorney or staff member included in the claim, the following information: name, title, total hours claimed, hourly rate (including, if sought, benefits and share of overhead), and narrative summarizing the general nature of the work performed by the attorney or staff member. For reimbursement of “hard” costs, the subdivision may aggregate across a category (e.g., total for travel costs). It is the intention of the Plaintiff Subdivisions that submission of documents related to reimbursement of Costs does not waive any attorney-client privilege or exemptions to the California Public Records Act.
- iii. The Special Master may request, at his or her sole option, additional documents or details to assist in the final award of Costs.
- iv. The Special Master will review claims for reasonableness and will notify each Plaintiff Subdivision of the final determination of its claim, and will provide a list of all final awards to all Plaintiff Subdivisions by email or, upon request, via First Class U.S. Mail. Any Plaintiff Subdivision may ask the Special Master to reconsider any final award within twenty-one (21) days. The Special Master will make a final determination on any such reconsideration request within thirty (30) days of receipt.
- v. Any decision of the Special Master is final and binding, and will be considered under the California Arbitration Act, Code of Civil Procedure section 1280 et seq. as a final arbitration award. Nothing in this agreement is intended to expand the scope of judicial review of the final award for errors of fact or law, and the Parties agree that they may only seek to vacate the award if clear and convincing evidence demonstrates one of the factors set forth in Code of Civil Procedure, section 1286.2, subdivision (a). Plaintiff Subdivisions will have fourteen (14) days after all final awards are made, together with any final determination of a request for reconsideration, to seek review in the Superior Court of California, pursuant to Code of Civil Procedure, section 1285, where the State has filed its Consent Judgment.
- vi. The Special Master will prepare a report of Costs that includes his or her fees and expenses at least ninety (90) days before the Payment Date for each Annual Payment. The Special Master’s preparation of a report of Costs does not discharge a Plaintiff Subdivision’s reporting requirement under Section VI.B.2 of the Janssen Agreement.
- vii. A member of the Plaintiff Subdivision Committee, which is a CA Participating Subdivision, will submit to the Settlement Fund Administrator and Janssen a report

of the fees and expenses incurred by the Special Master pursuant to Section VI.B.2 of the Janssen Agreement.

c) Claims Priority and Limitation.

- i. The Special Master will submit invoices for compensation of reasonable fees and expenses to the Plaintiff Subdivision Committee no later than ninety (90) days prior to the Payment Date for each Annual Payment. The Plaintiff Subdivision Committee will promptly review and, if reasonable, approve the Special Master's invoice for compensation. The Plaintiff Subdivision Committee will submit approved invoices to the Settlement Fund Administrator for payment. The Special Master's approved invoices have priority and will be paid first from the CA Subdivision Fund before any award of Costs, subject to the limitation in Section 2.c.v below.
- ii. Final Awards of Costs that do not exceed seventy-five thousand dollars (\$75,000.00) will be paid next in priority after the Special Master's approved invoices.
- iii. Final Awards of Costs in excess of seventy-five thousand dollars (\$75,000.00) will be paid proportionally from the funds remaining in that year's Annual Payment.
- iv. Any claim for Costs that is not paid in full will be allocated against the next year's distribution from the CA Subdivision Fund, until all approved claims for Costs are paid in full.
- v. In no event will more than 50% of the total CA Subdivision Fund received in any year be used to pay Costs or the Special Master's approved invoices.
- vi. In no event shall more than \$28 million of the total CA Subdivision Funds paid pursuant to the Distributor Settlement Agreement and the Janssen Settlement Agreement be used to pay Costs.

d) Collateral Source Payments and Third-Party Settlement.

- i. In the event a Plaintiff Subdivision is awarded compensation, in whole or in part, by any source of funds created as a result of litigation against an Opioid Defendant for its reasonable Costs, it will reduce its claim for Costs from the CA Subdivision Fund by that amount. If a Plaintiff Subdivision has already received a final award of Costs from the CA Subdivision Fund, it will repay the fund up to the prior award of Costs via a payment to the Settlement Fund Administrator or notify the Settlement Fund Administrator that its allocation from the next and subsequent Annual Payments should be reduced accordingly. If the Plaintiff Subdivision is repaying any prior award of Costs, that repayment will occur as soon as is feasible after the Plaintiff Subdivision's receipt of Cost funds from the collateral source, but no more than 90 days after its receipt from the collateral source. The Settlement Fund Administrator will add any repaid Costs to the CA Subdivision Fund.

- ii. In the event a Plaintiff Subdivision reaches a monetary settlement or compromise against any Opioid Defendant outside of the National Opioid Settlement, the monetary portion of such settlement, net of fees paid to outside contingency fee counsel and of funds earmarked strictly for abatement, will be credited against its Costs and the subdivision will be ineligible to recover those credited Costs from the CA Subdivision Fund. Plaintiff Subdivisions negotiating monetary settlements or compromises against any Opioid Defendant outside of the National Opioid Settlement will negotiate for funds to repay any Costs it previously received from the CA Subdivision Fund or for Costs it otherwise might be eligible to claim from the CA Subdivision Fund. If such a settlement is paid after all final approved claims for Costs by all Plaintiff Subdivisions are satisfied in full, the settling subdivision will reimburse the CA Subdivision Fund in that amount by making payment to the Settlement Fund Administrator to add to the CA Subdivision Fund in a manner consistent with the repayments described in section 2.d.i above.

APPENDIX 3

CALIFORNIA-SUBDIVISION BACKSTOP AGREEMENT

On August 6, 2021, Judge Polster of the US District Court for the Northern District of Ohio issued an Order (the Order), docket number 3814, in In Re National Prescription Opiate Litigation, MDL 2804, addressing contingent attorney fee contracts between political subdivisions eligible to participate in the Janssen Settlement and their counsel.

In light of the Order, and at the request of [SUBDIVISION], the [SUBDIVISION], its counsel [COUNSEL], and the California Attorney General, on behalf of the State of California, are entering into this California-Subdivision Backstop Agreement (Backstop Agreement).

[SUBDIVISION] and [COUNSEL] intend this Backstop Agreement to constitute a State Back-Stop Agreement as that term is used in the Order and in Exhibit R (Agreement on Attorneys' Fees, Costs, and Expenses) of the Janssen Settlement Agreement.

Pursuant to this Backstop Agreement, [SUBDIVISION] may, subject to the limitations of the Janssen Settlement Agreement and CA Janssen Allocation Agreement, as well as any other limitations imposed by law, use funds that it receives from the Janssen Settlement CA Subdivision Fund to pay a contingent fee to [COUNSEL]. Any such payment from [SUBDIVISION] to [COUNSEL], together with any contingency fees that [COUNSEL] may receive from the national Attorney Fee Fund, will not exceed a total contingency fee of [PERCENTAGE NOT TO EXCEED 15%] of the total gross recovery of [SUBDIVISION] from the Distributors Settlement.

[COUNSEL] certify that they first sought fees and costs from the Attorney Fee Fund created under the Janssen Settlement Agreement before seeking or accepting payment under this backstop agreement. [COUNSEL] further certify that they are not seeking and will not accept payment under this backstop agreement of any litigation fees or costs that have been reimbursed through prior settlements or judgments.

The Attorney General is executing this agreement solely because the definition of "State Back-Stop Agreement" in Exhibit R of the Janssen Settlement Agreement requires such agreements to be between "a Settling State" and private counsel for a participating subdivision. Neither the California Attorney General nor the State of California have any obligations under this Backstop Agreement, and this Backstop Agreement does not require the payment of any state funds to [SUBDIVISION], [COUNSEL], or any other party.

[DATE]

[SUBDIVISION SIGNATURE BLOCK]

[DATE]

[COUNSEL SIGNATURE BLOCK]

[DATE]

[ATTORNEY GENERAL SIGNATURE BLOCK]

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUISUN CITY, APPROVING THE SETTLEMENT
AGREEMENTS WITH MCKESSON CORPORATION,
CARDINAL HEALTH, INC., AMERISOURCEBERGEN
CORPORATION, JOHNSON & JOHNSON, JANSSEN
PHARMACEUTICALS, INC., ORTHO-MCNEIL-JANSSEN
PHARMACEUTICALS, INC., AND JANSSEN
PHARMACEUTICA, INC., APPROVING THE STATE-
SUBDIVISION AGREEMENTS ALLOCATING SETTLEMENT
PROCEEDS, AND AUTHORIZING ENTRY INTO THE STATE-
SUBDIVISION AGREEMENTS WITH THE ATTORNEY
GENERAL; AND AUTHORIZING THE CITY MANAGER TO
EXECUTE THEREOF**

WHEREAS, the United States is facing an ongoing public health crisis of opioid abuse, addiction, overdose, and death. The State of California and California local governments spend billions of dollars each year to address the direct consequences of this crisis;

WHEREAS, since 2017, state and local governments in California and around the United States have been pursuing litigation (the "Litigation") against certain manufacturers, distributors, and retailers of opioid pharmaceuticals (the "Opioid Defendants") in an effort to hold the Opioid Defendants financially responsible for the impact of the Opioid Epidemic on the City of Suisun City ("the City");

WHEREAS, negotiations to settle claims against several of the Opioid Defendants, specifically McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (the "Settling Defendants") have been ongoing for several years;

WHEREAS, negotiations with the Settling Defendants have resulted in proposed nationwide settlements of state and local government claims to settle the Litigation;

WHEREAS, the proposed terms of those proposed nationwide settlements have been set forth in the Distributors Master Settlement Agreement and the Janssen Master Settlement Agreement (collectively "Settlement Agreements") and, in order to participate in the Settlement Agreements, the City must enter into participation agreements with respect to each of the Settlement Agreements ("Participation Agreements");

WHEREAS, copies of the Settlement Agreements as well as summary of the main terms of the Settlement Agreements and the deadlines for submitting the Participation Agreements to the Settlement Agreements have been provided to the City Council with this Resolution;

WHEREAS, the Settlement Agreements provide, among other things, for the payment of a certain sum to settling government entities in California including to the State of

1 California and Participating Subdivisions upon occurrence of certain events as defined in the
2 Settlement Agreements (“California Opioid Funds”);

3 WHEREAS, California local governments as well as the attorneys representing
4 those local governments have engaged in extensive discussions with the State Attorney
5 General’s Office (“AGO”) as to how the California Opioid Funds will be allocated, which has
6 resulted in the “Proposed California State-Subdivision Agreement Regarding Distribution and
7 Use of Settlement Funds- Distributor Settlement” and the “Proposed California State-
8 Subdivision Agreement Regarding Distribution and Use of Settlement Funds- Janssen
9 Settlement” (collectively the “Allocation Agreements,”) which are agreements between all of
10 the entities identified in the Allocation Agreements;

11 WHEREAS, copies of the Allocation Agreements have been provided with this
12 Resolution;

13 WHEREAS, the Allocation Agreements propose to allocate the California
14 Opioid Funds 15% to a State Fund; 70% to local governments in an Abatement Accounts Fund;
15 and 15% to litigating local governments in a Subdivision Fund. For the avoidance of doubt, all
16 funds allocated to California from the Settlements will be combined pursuant to Allocation
17 Agreements, and 15% of that total shall be allocated to the State of California (the “State of
18 California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement
19 Accounts Fund Allocation”), and 15% to the California Subdivision Fund (“CA Subdivision
20 Fund Allocation”);

21 WHEREAS, the funds in the CA Abatement Accounts Fund (i.e., the California
22 Abatement Accounts Fund Allocation) will be allocated based on an allocation model
23 developed in connection with the proposed negotiating class in the National Prescription Opiate
24 Litigation (MDL No. 2804). The percentage from the CA Abatement Accounts Fund allocated
25 to each eligible local government (any county or city above 10,000 in population) (“Eligible
26 Local Government”) is set forth in Appendix 1 to each Allocation Agreement and provided to
27 the Council with this Resolution. The City’s share of the CA Abatement Accounts Fund is a
28 product of the total in the CA Abatement Accounts Fund multiplied by the City’s percentage
set forth in Appendix 1 (the “Local Allocation”);

WHEREAS, any city that is an Eligible Local Government will be allocated its
Local Allocation share only when it becomes a Participating Subdivision by signing the
Participation Agreements to the Settlements. The Local Allocation share for a city that is a
Participating Subdivision will be paid to the county in which the city is located, rather than to
the city, so long as: (a) the county is a Participating Subdivision, and (b) the city has not advised
the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a
Payment Date as defined in the Settlement Agreements.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN
CITY FINDS, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. Recitals set forth above are incorporated herein by this reference.

1 Section 2. The City Council hereby approves the Participation Agreements,
2 Settlement Agreements, Allocation Agreements and all exhibits thereto and authorizes the City
3 Manager to settle and release the City's claims against the Settling Defendants in exchange for
4 the consideration set forth in the Settlement Agreements, Allocation Agreements and all
5 exhibits thereto, including, without limitation, taking the following measures:

- 6 A. The execution of the Participation Agreement to the Distributors Master
7 Settlement Agreement and any and all documents ancillary thereto.
- 8 B. The execution of the Participation Agreement to the Janssen Master
9 Settlement Agreement and any and all documents ancillary thereto.
- 10 C. The execution of the Proposed California State-Subdivision Agreement
11 Regarding Distribution and Use of Settlement Funds- Distributor
12 Settlement by executing the signature pages thereof.
- 13 D. The execution of the Proposed California State-Subdivision Agreement
14 Regarding Distribution and Use of Settlement Funds- Janssen Settlement
15 Allocation Agreements by executing the signature pages thereof.

16 Section 3. The City Council hereby ratifies, confirms, and approves all
17 actions heretofore taken by the City Council and other appropriate public officers and agents of
18 the City with respect to the matters contemplated under this Resolution.

19 Section 4. This Resolution shall be effective on upon its adoption. The City
20 Clerk shall certify the adoption of this Resolution.

21 **PASSED AND ADOPTED** at a Regular Meeting of said City Council of the City of
22 Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

23 **AYES:** Councilmembers: _____
24 **NOES:** Councilmembers: _____
25 **ABSENT:** Councilmembers: _____
26 **ABSTAIN:** Councilmembers: _____

27 **WITNESS** my hand and the seal of said City this 21st day of December 2021.

28

Anita Skinner
City Clerk

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Council Adoption of Resolution No. 2021-___: Authorizing the City Manager to Execute all Necessary Documents to Accept a Donation of Real Property for Property Located at 605 Highway 12 (Solano County Assessor's Parcel Numbers 00032-042-720; 740 and 790).

FISCAL IMPACT: The real property is being offered to the City at no cost.

STRATEGIC PLAN: Provide Good Governance and Develop Sustainable Economy.

BACKGROUND: The subject property is located northeast of the existing Suisun-Fairfield Train Depot, and is owned by Gimli Ltd. and James Patrick and Patricia Kennedy. The property totals 2.72 acres in size. Mr. Kennedy has offered to donate the property to the City of Suisun City but must do so prior to the end of the 2021 calendar year.

STAFF REPORT: If the property is able to be accepted by the City it is seen by staff to be a critical piece of the future expansion of the train depot and associated improvements. The attached resolution authorizes the City Manager to execute all necessary documents to accept this property. Conditions precedent to acceptance include the City's ability to obtain a title policy, and that the property is in a condition that it can be used for its intended purpose, as more specifically articulated in the Resolution and Donation Agreement.

RECOMMENDATION: It is recommended that the City Council Adopt Resolution No. 2021-___: Authorizing the City Manager to Execute all Necessary Documents to Accept a Donation of Real Property for Property Addressed 605 Highway 12 (Solano County Assessor's Parcel Numbers 00032-042-720; 740 and 790).

ATTACHMENTS:

1. Resolution No. 2021-___: Authorizing the City Manager to Execute all Necessary Documents to Accept a Donation of Real Property for Property Addressed 605 Highway 12 (Solano County Assessor's Parcel Numbers 00032-042-720; 740 and 790).
2. Property Depiction.
3. Property Appraisal and Preliminary Title Report.
4. Donation Agreement.

PREPARED BY:
REVIEWED/APPROVED BY:

John Kearns, Senior Planner
Greg Folsom, City Manager

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF CITY OF SUISUN CITY
AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY
DOCUMENTS TO ACCEPT A DONATION OF REAL PROPERTY FOR PROPERTY
LOCATED AT 605 HIGHWAY 12 (SOLANO COUNTY ASSESSOR'S PARCEL
NUMBERS 00032-042-720; 740 AND 790).**

WHEREAS, the unimproved property located at 605 Highway 12, Solano County Assessor's Parcel Numbers 00032-042-720 740 and 790, (the Property) has been offered for donation to the City of Suisun City (City); and

WHEREAS, the Real Property Donation Agreement (Donation Agreement) shall be executed by both the donating party and the City prior to acceptance of the Property; and

WHEREAS, as set forth in the Donation Agreement, City's acceptance of the Property is conditional on the City obtaining an ALTA non-extended owner's policy of title insurance in the amount of \$600,000 which is the Property value established by an appraisal by Garland & Salmon dated as of October 2, 2021; and

WHEREAS, the Property may serve for the future expansion of the train depot project; and

WHEREAS, the cost of the title policy and escrow services will be paid by the City.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby finds, determine and resolve as follows:

Section 1. The recitals above are true and correct, and incorporated herein by reference.

Section 2. The City hereby accepts the donation subject to the conditions in the Donation Agreement.

Section 3. The City Manager, the City Clerk and the Deputy City Clerk are authorized to sign the Donation Agreement and to proceed with the required due diligence.

Section 4. The City Manager is authorized to execute such amendments, extensions or approvals as may be required to consummate the transaction pursuant to the Donation Agreement.

Section 5. This Resolution shall be effective upon its adoption. The City Clerk shall certify to the adoption to this Resolution.

PASSED, APPROVED, and ADOPTED at a regular meeting of the City Council of the City of Suisun City duly held on Tuesday, December 21, 2021, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

WITNESS my hand and the seal of City Council on the 21st day of December 2021:

Anita Skinner, City Clerk

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POR. SEC.25, T.5N., R.2W., M.D.B.&M. $\frac{\text{Tax Area C}}{\text{Tax Area C}}$

SEC. 23, 1.5N, 1A.2W, 1M.2.E.3M.	3230-
SEC. 36, T.5N, R.2W, M.D.B. & M.	3230-

MAIN
(CO. RD. NO. 68)

**Chaplin Add'r
Suisun City**

Item 12
Attachment 2

County of Solano,

09-10

042-54 Chg. (Rs)	4-29-08	Cr
SBE 2008-08	2-25-08	Cr
040-44, 46, 48, 50, 52, 54		—
56, 58, 60, Chg. (Dd)	6-15-06	JS
REVISION	DATE	BY

15' VALLEJO WATER EASE.

LOTZ

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GARLAND & SALMON

Report of an Appraisal of
The Vacant 2.7 Acre Site
Located at 605 Highway 12,
Suisun City, California

DATES OF VALUATION:

Date of Inspection - July 18, 2021
Date of Value - September 23, 2021
Date of Report - October 2, 2021

PREPARED FOR:

Andrew Killeen
Executive Director
Solano Napa Habitat for Humanity
5130 Fulton Drive, Ste. R,
Fairfield, CA 94534

PREPARED BY:

Garland & Salmon
2333 Courage Drive, Suite H-2
Fairfield, California 94533
(707) 429 8660



REAL PROPERTY ECONOMIC ANALYSTS & APPRAISERS

October 2, 2021

Andrew Killeen
Executive Director
Solano Napa Habitat for Humanity
5130 Fulton Drive, Ste. R,
Fairfield, CA 94534

Dear Mr. Killeen:

The following report summarizes my appraisal of the Fair Market Value of the fee interest in the 2.72 acre vacant site located at 605 Highway 12, Suisun City, California.

This is intended as a summary report document. The report document is intended to summarize the facts, reasoning, and analysis of this appraisal. This document is not intended to convey the entire scope of my research, reasoning, and analysis. This appraisal is intended to be in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Please refer to the end of the report for the Assumptions and Limiting Conditions and Appraisal Scope, which limit this report.

My opinion of the Fair Market Value of the fee interest in the Subject Property as of September 25, 2021 was \$600,000¹.

In order for the value opinion set forth in this letter to be considered valid, this letter must remain attached to the entire report containing 40 pages, plus the Addenda.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ronald G. Garland'.

Ronald G. Garland, MAI, SRA
CA #AG001662

¹ The \$600,000 value opinion is based upon a three year exposure time prior to the date of value.

APPRAISAL ASSIGNMENT

This assignment is to form an opinion of the Fair Market Value of the fee interest in the 2.72 acre vacant site located at 605 Highway 12 Suisun City, California.

The current owners of the Subject Property are Gimli Ltd., a California limited partnership, as to an undivided 50% interest and James Patrick Kennedy and Patricia A. Kennedy, husband and wife, as community property, as to an undivided 50% interest. These owners are contemplating donating the Subject Property to Solano-Napa Habitat for Humanity. Assuming this donation is made, these current owners intend to take an IRS 8283 noncash charitable donation income tax deduction. This appraisal is intended to support my signing of the 8283 report.

This appraisal is in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). The value opinion is in terms of cash or cash equivalence.

CLIENT, INTENDED USE AND USERS

The Client is Solano-Napa Habitat for Humanity. The Intended use of this appraisal is support of an IRS 8283 *Non Cash Charitable Donation*. The intended users are the Client, the current owners, Gimli Ltd., a California limited partnership, and James Patrick and Patricia A. Kennedy, and the Internal Revenue Service. Garland & Salmon does not authorize the use of this appraisal by any other party or for any other use.

DATES OF APPRAISAL

Date of Inspection - May 21, 2021
Date of Value - September 23, 2021
Date of Report - October 2, 2021

PROPERTY RIGHTS APPRAISED

I have appraised the Fair Market Value of the fee interest in the Subject Property. That fee interest is not a fee simple interest. I have appraised the a fee interest subject to most of the property right severances identified in the August 5, 2021 Placer Title Preliminary Report P-514279. A copy of that Preliminary Report may be found in the Addenda.

The is an appraisal of a fee interest, not an appraisal of an equity interest. The only Preliminary Report title exception I have not considered in this appraisal is exception 27, a \$200,000 Deed of Trust.

DEFINITION OF FAIR MARKET VALUE

The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. If the contribution is made in property of a type which the taxpayer sells in the course of his business, the fair market value is the price which the taxpayer would have received if he had sold the contributed property in the usual market in which he customarily sells, at the time and place of the contribution and, in the case of a contribution of goods in quantity, in the quantity contributed.²

LEGAL DESCRIPTION

Please see the legal description in the August 5, 2021 Placer Title Preliminary Report P-514279 in the Addenda. The Subject Property is commonly identified as all of Solano County APN 0032-042-720, 740, and 790.

² Treasury Regulation §1.170A-1(c) (2)

SOLANO COUNTY & SUISUN CITY / FAIRFIELD MARKET AREA OVERVIEW

The purpose of this report section is to highlight and provide historical and current information as of the September 2021 date of value 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. 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; 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 Carquinez Straight, and the San Pablo Bay northern portion of the San Francisco Bay. Southern Solano County hosts the two waterfront communities of Vallejo, and Benicia, and the mostly wildlands area of the Cordelia Hills. Northern Solano County consists of the county seat city of Fairfield and the cities of Suisun City, Vacaville and Dixon, and vast areas of open primally agricultural land.

This area is particularly appealing to households who split the commute between the major employment centers of Contra Costa County/Bay Area and the Sacramento Metroplex. In addition, families are attracted to moving to the area from larger and more expensive population centers to avoid congestion, air pollution, crime, poorer schools and to improve general quality of life that is less crowded and perceived as better.

Regionally, Solano County is a secondary market area that is located on the fringe of the core Bay Area; historically it has been the least affluent of the nine Bay Area counties, and has historically developed to provide lower cost suburban housing for workers commuting to employment centers located in core Bay Area market areas, and to a lesser extent to Sacramento market area employment centers.

Currently, Solano County is likely home to more than 132,350 employed residents and, according to the ABAG Projections 2013, this number of employed residents is anticipated to increase to approximately 179,930 by 2040; ABAG predicts Solano County employment growth of 36% over the 2010 to 2040 period.

Additionally, in 2013 ABAG predicts a Solano County Population growth of 24% over the 2010 to 2040 time period. This is less than the nine county average of 30%, and suggests that while Solano County may lead the Bay Area region in percentage of job growth, it is anticipated to trail Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara Counties in percentage of population growth.

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 the City of Suisun City, which is a small land constrained city that is located east of the Interstate 80 regional transportation corridor, south of the City of Fairfield, north of the Suisun Marsh, and southwest of the United States Travis Air Force Base.

Adjacent Fairfield is the 2nd 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 throughout the decade.

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.

COVID 19 PANDEMIC OVERVIEW

COVID-19 is a commonly referenced name for the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus. COVID-19 was first identified by the World Health Organization during December 2019. Since then there has been a pandemic spread throughout most of the world.

From a public health perspective COVID-19 is particularly problematic because:

- The virus reproduces rapidly.
- The virus is highly contagious from person to person without physical contact.
- Many contagious people are asymptomatic; resulting in high rates of virus carriers unknowingly spreading the virus because they are not aware that they are contagious.
- In relation to other viruses COVID-19 has a fairly high mortality rate.

This has caused a nearly worldwide pandemic unlike any since the 1918 flu pandemic (the Spanish Flu). The 1918 flu pandemic lasted from three years from January 1918 until December 1920. Documentation of the 1918 flu pandemic is sketchy at best but is thought to have infected a third of the world's population at the time (approximately 500 million people), and have killed 17 to 50 million people. Possibly the most relevant 1918 flu pandemic factor was that the infections and deaths occurred in three waves with the most deadly wave being the second wave which occurred in 1919. Possibly the second most relevant factor is that public policy relating to curbing spread of the Spanish Flu became highly politicalized.

It is reasonable to think that vaccines may lead to COVID-19 having a shorter life span than the 1918 flu. However, there is not certainty as to the life span of the pandemic. Multiple brands/types of COVID-19 vaccines became widely available during early 2021. By August 2021 50% of US adult residents had been fully vaccinated. However, there has been increasing

resistance to vaccinations, and rate of ongoing vaccinations have precipitously declined. Epidemiologists tend to agree that the best possible medical response is vaccinations and masking.

The tragic infection and death rates do not mathematically relate to this appraisal. However, the depth and breath of this virus spread is important to this appraisal. The COVID-19 virus' greatest significance to this appraisal is not the past but rather it is the future. This is because buyers of real estate are buying future use of the real estate. They are not buying its past use.

Unfortunately, epidemiologist do not know where we are within this pandemic cycle. They are not certain that there has been a peaking of the infection rate, and they are not certain how many waves of the pandemic will occur. While there is optimism that new vaccines may curb the pandemic and cause its life cycle to be shorter than historic pandemic, the declining rate of vaccinations prior to reaching herd immunity is troubling for the economy.

More directly related to real estate markets are the economic impacts of the pandemic. Initially within two months during the spring of 2020 the number of employed persons plummeted by nearly 25M or 16%. Since then nearly 20M have been added to the employment rolls. Of course initially this loss of wages had huge impacts part of which were mitigated by various government agencies and projects.

In early fall of 2021 the apparent significant pandemic economic ramifications among others include:

- A breakdown in many product supply chains. Shortages of a wide range of goods and some services are widely evident in stores, online retailers, and distribution warehouses.
- Employee shortage are widely evident in many historically lower wage rate employment categories particularly in the retail and fast food industries. Many retail and fast food enterprises are currently not able to staff full historical operating hours.
- After many years of annual CPI measurements of inflation being in the range of 2% the August 2020 to August 2021 CPI increase was 5.3%. Some of the more alarming rates of CPI increases during the last year include, gasoline 42.7%, used cars 31.9%, meat 8.0% new cars 7.6%, and airfares 6.7%. Other notable areas of inflation which are not directly measured within the CPI include lumber and other building materials, lodging, and rental cars. The marketplace effects of these non CPI measured inflation rates have yet to fully work their way into CPI measured factors. Inflation of these rates has not

existed since the 1980s.

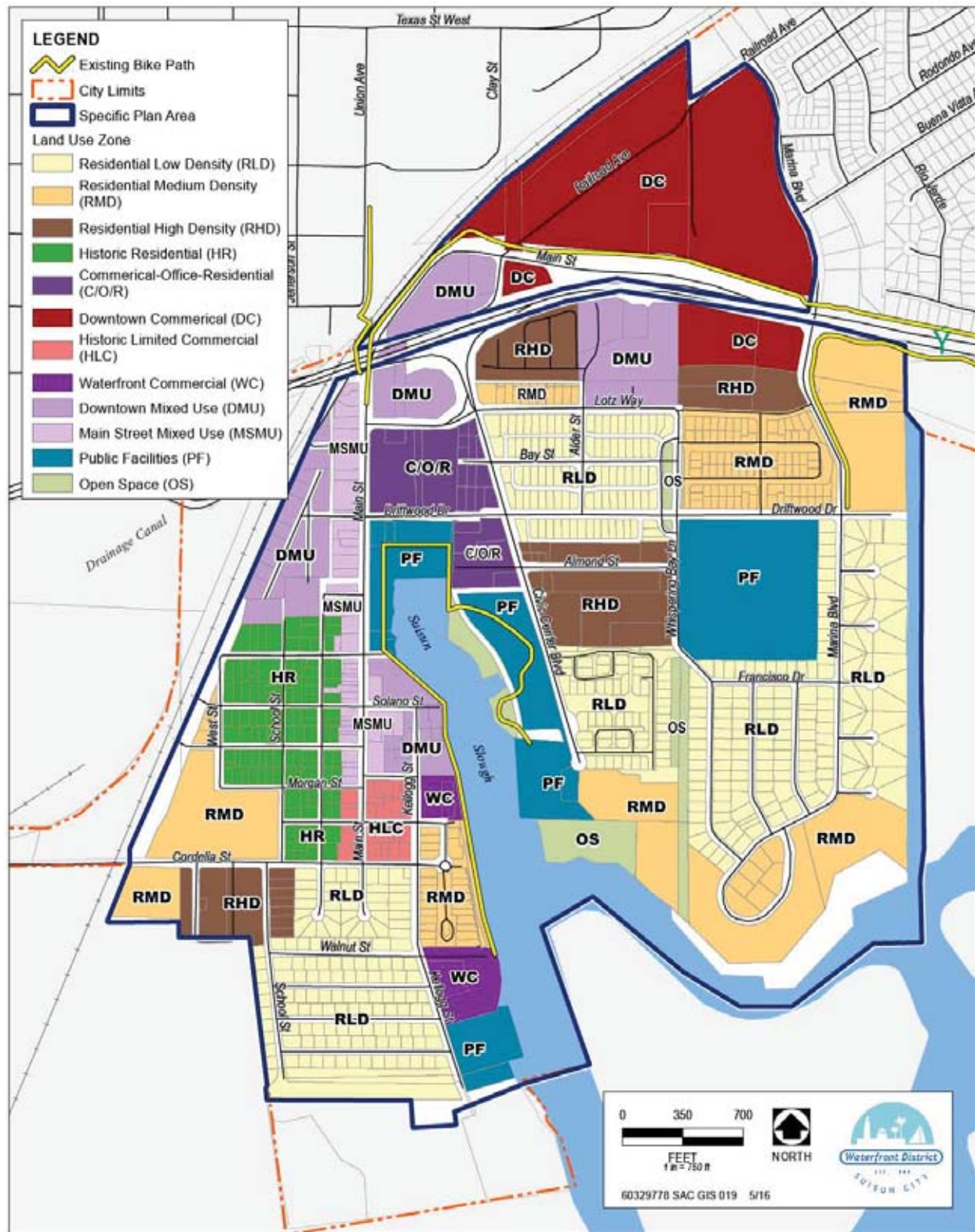
The COVID-19 economy has been a mixed bag of decisive winners and decisive losers. Some of the COVID-19 economy losers have been mom & pop retail, dine in restaurants, most travel related industries, retailing, and lower wage bracket wage earners. The stellar COVID-19 economy winners have been those partes of the economy which prosper with low interested rates. Among others this includes stock markets and single family residential markets. Other winners include online retailing, and meal delivery services.

Traditionally, during periods of greater rates of inflation there is a flight of capital from paper investments (stocks, bonds, cash and other financial instruments) to hard tangible assets. While there are other tangible reinvestment targets such as precious metals and commodities, the primary tangible asset reinvestment target has been real estate. That is the case with this COVID-19 economy induced inflation cycle.

In a broad perspective recently there has significant harvesting of stock market profits to be reinvested in real estate. As with everything else in this COVID-19 economy some real estate categories have done well and some have stumbled. Almost all housing both single and multi-family have faired well to stellar. On the commercial side warehouses have faired well. However, for the most part office product has struggled. Retail real estate is a segment which has been going through a shakeout for a decade or more, but the COVID-19 economy accelerated that rate of shakeout. Much of the capital flight to real estate is going into agricultural land.

The COVID-19 economy has had a diverse spectrum of real estate impacts. Much of its impacts are property type and local market driven.

Figure 3-1: Land Use Map



MARKET AREA OVERVIEW

The subject property is located in the city of Suisun City Waterfront District. During 1983 Suisun City adopted this specific plan for the historic and waterfront areas with the intent of revitalization and rehabilitation of Old-Town and the waterfront area. A copy of the Specific Plan *Land Use Map* appears on the preceding page.

The specific plan included a working waterfront and a historic and viable Main Street area, and an *Amtrak* rail station. The *Amtrak* station, is located at the northwest corner of Main Street and Lotz Way. The train station is on the Capital Corridor network; the network has train stops as far south as San Jose, travels up the east bay corridor, and extends to the larger Sacramento Metroplex, traveling as far northeast as Auburn.

With the robust strength of the South Bay and East Bay Area employment centers, and the increasing strength of the Sacramento Metroplex and South Placer County employment centers, it is reported that ridership on the Capital Corridor network has been strong and is continuing to increase. During weekdays we observed that the parking lot adjacent to the Suisun/Fairfield station is often packed, and the rail station appears to be a desirable amenity within the Waterfront District, and is increasing in importance and relevance to area commuters and residents.

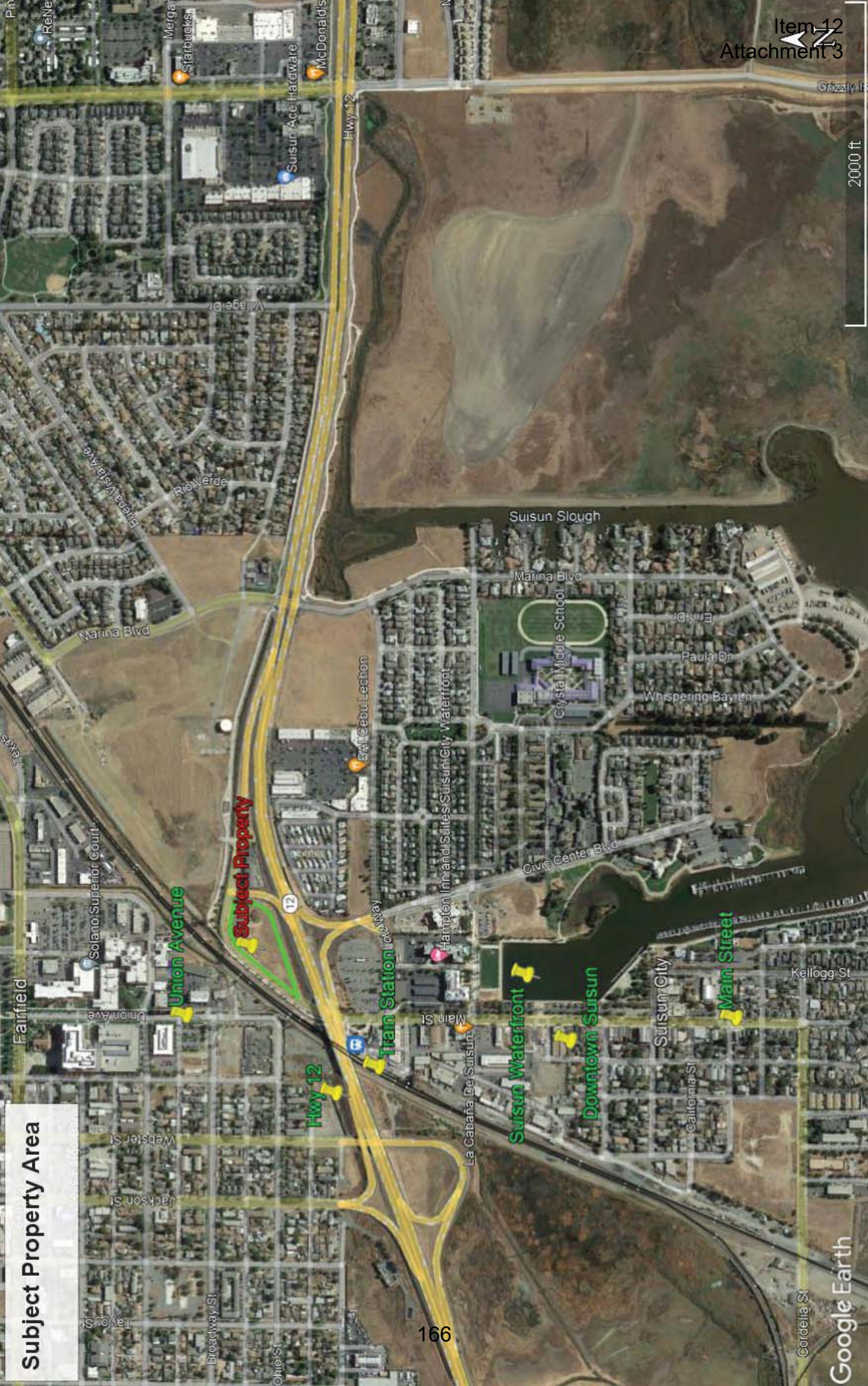
The marina oriented waterfront has become a popular recreational destination for both local residents and for those residing outside the area. The Waterfront is improved with a plaza at its southern end utilized for concerts and municipal events, a perimeter promenade that provides a pleasant pedestrian amenity, a lighthouse that adds a visual amenity, and a grass lawn and the Sheldon Oil plaza at the northern end; creating a nice ambience for residents and visitors alike, and has enhanced the appeal of the area for pedestrians.

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.

Commercial uses appear to be the primary uses occurring on the west side of the Suisun Harbor; some commercial uses are also observed to the northwest, clustered around the *Amtrak* station. To the east of the train station is One Harbor Plaza, a multi-story, multi-tenant commercial office building, and a 102 room hotel operating as the Hampton Inn and Suites Suisun City Waterfront.

Grizzly Inc.

2000 ft



Subject Property Area

Currently, a new 83 room Holiday Inn Express Hotel is under development on the site adjacent to the east of the Hampton Inn and Suites and is anticipated to open in the first quarter of 2021. Additionally, the Solano Transit Agency is in the vertical construction phase of their new 25,000 square foot two-story office building being developed on the 400 block of Main Street in the downtown waterfront district.

It is also reported that Main Street West is in contract with a builder on the former Crystal School Site; the 7.44 acre site is mapped for 71 single family residential lots. Parties involved with the transactions anticipated the deal to close prior to the end of 2020, with plans to begin the development of horizontal onsite infrastructure in the spring of 2021.

Increasing levels of development demand appear to be materializing, with the new hotel and a new subdivision ground breaking anticipated in 2021. It appears despite the current economic uncertainty demand for development land in the immediate Suisun Waterfront District market area is beginning to increase.

IMMEDIATE SUBJECT PROPERTY ENVIRONS

The Subject Property is designated by the City of Suisun City as being within the Waterfront District Specific Plan area. However, the marketplace does not view the Subject Property as part of the waterfront or downtown districts of the City. See the subject property area google earth™ aerial image on the preceding page. In order to understand how the subject came to be a property and to understand its location it is helpful to understand the history of this area.

Prior to circa 1984 the cities of Fairfield and Suisun were much more unified as a single community. Until the early 1980s Suisun City's Main Street, and Fairfield's Union Avenue were the same street. The unified Main Street/Union Avenue had a grade level Union Railroad crossing at the city limits. At that time people traveled essentially unknowingly from the County Government complex at Union Avenue and Texas Street in Fairfield to Downtown Suisun City on Main Street.

Prior to the early 1980s Highway 12 was a two lane essentially rural road which happened to be the north line of what is now the Subject Property. At that time Highway 12, also known as Denverton Road, crossed the railroad west of the Subject Property. At Union Avenue State Highway 12 turned north then a few blocks north turned west again on Texas Street.

During the 1980s Caltrans widened a four and a half mile length of Highway 12 to a median divided four lane limited access Highway. This widening was from Walters Road in Suisun City

to Beck Avenue in Fairfield. As a part of the project a Highway 12 flyover of the Union Pacific Railroad was created. At that time the Suisun Main Street and Fairfield Union Avenue street grade railroad crossing was closed. The few block stroll from the County Courthouse on Union Avenue in Fairfield to the then multitude of restaurants in Downtown Suisun was replaced by a mile and a half circuitous drive.

While a pedestrian overpass was created that overpass is primarily Armijo High School student. Closing the Union Ave/Main Street grade crossing profoundly reduced foot traffic in downtown Suisun City

The Highway 12 project not only closed the Union Avenue/ Main Street street grade crossing of the Union Pacific Railroad, but it also closed the former Highway 12 (AKA Denverton Road) street grade crossing just west of what is now the subject property. For nearly four decades there has not been a street grade crossings of the Union Pacific Railroad within the vicinity of the Subject Property, downtown Suisun, or downtown Fairfield.

All of this realignment of streets and highways have created some Subject Property identity confusion. The street that the Subject property is located on is now named Main Street. Generally Main Street Suisun is a north/south street slightly west of the Suisun Slough and its turn basin. As one would expect Main Street hosts the historic downtown district.

Prior to the Highway 12 railroad flyover project the road in front (north side) of the Subject Property was Denverton Road. Prior to the Highway 12 project, in this area, Denverton Road Suisun, and Union Avenue and Texas streets in Fairfield were identified as Highway 12 .

With the Highway 12 project and Main Street's severance from Union Avenue downtown Suisun would have become effectively landlocked. Consequently, as part of the Highway 12 project Main street was extended under the Highway 12 flyover and then curved eastwards around the Subject property, extending approximately a quarter mile east where it is now the eastbound Highway 12 Main Street exit.

Over time the street on the north side of the Subject property has been known as Denverton Road, Highway 12 and more recently Main Street. Public record indicates a Subject Property street address of 605 Highway 12. This is likely a postal service address associate with a structure which no longer exists. More recently the postal service had identified an older service commercial building between the Subject Property and the east bound Highway 12 off ramp as 50 Main Street. While it is not certain it appears that when building are developed on the Subject Property the Postal Service will likely assign an address such as 100 Main Street.

However, at this time the only street address associated with the Subject Property is 605 Highway 12.

West of the subject is the north portion of Main Street which bends around the Subject Property and becomes the Highway 12 on-ramp on the east side of the railroad flyover. West across Main Street from the Subject is a chain linked fence separating Main Street from the Union Pacific railroad tracks. In fact both sides of the railroad corridor are fenced for nearly two miles from Highway 12 north and east essentially to Sunset Avenue. This fenced corridor is plagued with a conic homeless encampment problem. Every couple of years a homeless person is struck by a train. Also west of the Subject property is the pedestrian overcrossing of the Union Pacific railroad tracks.

North of the Subject Property is a $25 \pm$ foot wide open storm drainage channel. A single vehicular bridge crosses the canal approximately 350 feet east of the Subject Property. Beyond the canal is a generally triangular area of approximately 35 acres. Except for a city water tank the $35 \pm$ acres is vacant. This area is owned by the City and the City Housing Authority.

East of the Subject Property is an $18,000 \pm$ square foot, circa 1950, automotive service building of concrete block and curved roof construction. This building is cited on an irregular shaped nearly acre parcel which is also a remnant parcel of the Highway 12 project. Beyond the service commercial building is the east bound Hwy 12 off ramp.

The elevated Highway 12 visually and psychologically divided Fairfield and Suisun. It also visually and psychologically divided the subject property from both downtown Suisun and downtown Fairfield. Now that the Subject Property is visually, and physically separated from downtown Suisun City. Again the $35 \pm$ acres north of the subject is vacant and has failed to attract any development despite the fact that it is largely surrounded by development. The area of the Subject Property is marketplace viewed as being within no-mans land.

During the nearly four decades since the, City of Suisun City Waterfront District Specific Plan, and the CalTrans Highway 12 realignment project there has effectively been no new development within the nearly 45 acres bound by Highway 12, the Union Pacific Railroad, and Marina Boulevard.

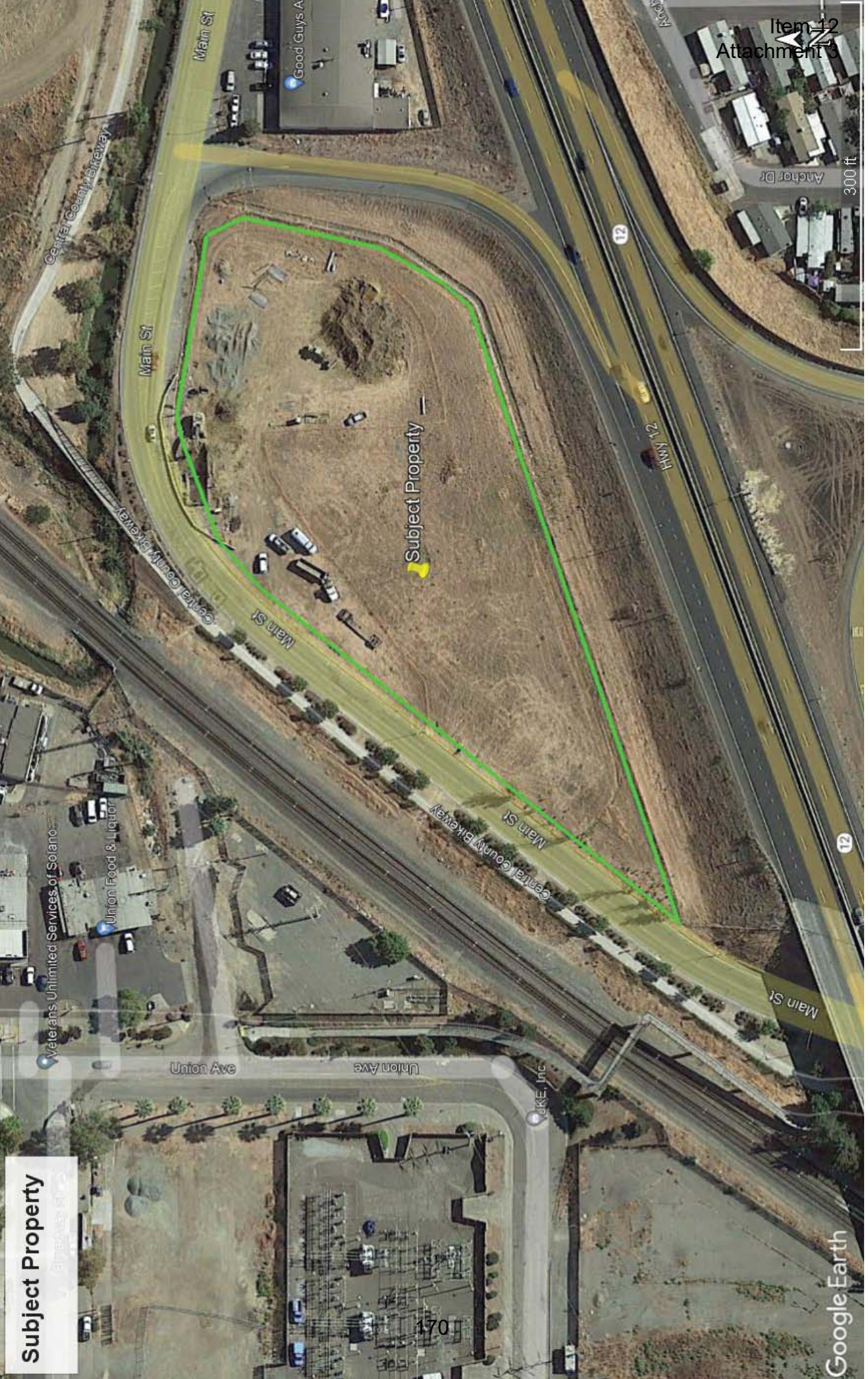
Clearly the marketplace is not enamored with the location of the subject property for most commercial or residential land uses.

Subject Property

Subject Property

Google Earth

Item 42
Attachment 3



SUBJECT PROPERTY DESCRIPTION

Site

The subject site has a street address of 605 Highway 12, Suisun City, California. Solano County Assessor identifies the subject property as:

APN	Acres
0032-042-72	0.73
0032-042-74	0.30
0032-042-79	1.69
Total Acres	2.72

A google earth™ arial image of the Subject Property is the prior page, and grade level photographs of the Subject Property may be found in the Addenda.

The Subject Property fronts Main Street with hosts water, sewer, electrical and communications utility services within its right of way. Development of the subject property will at a minimum require construction of street frontage improvements including curbs and gutters.

The 2.72 acre parcel is irregularly shaped almost in a teardrop shape. The site is generally level, generally at Main Street grade level. Highway 12, is approximately 15 feet higher than the Subject Property.

Suisun City's Waterfront District Specific Plan identifies the Subject Property as being zoned *Downtown Mixed Use*. This is an extremely broad zoning in its allowed land uses. *Downtown Mixed Use* zoning allows a wide range of traditional downtown retail, light industrial, higher density residential, and mixed use properties. About the only major classes of land uses not allowed are big box redtail, big box warehouse, nor heavy industrial. Please find in the Addenda Waterfront District Specific Plan table 3.7: *Downtown Mixed Use* Zone Allowed Uses, and the Specific Plan's Figure 3-1 the Land Use Map.

Table 3.7 identifies 21 Permitted land Uses, and 10 conditionally permitted uses. Of significance to this appraisal is that Suisun City Senior Planner John Kearns reports that the *Downtown Mixed Use* **zoning** element of the Waterfront District Specific Plan is currently being amended to more clearly articulate that Self Storage is a conditionally allowed use within the district.

Preliminary title report dated as of August 5, 2021

Order Number: P-514279

Date Prepared:

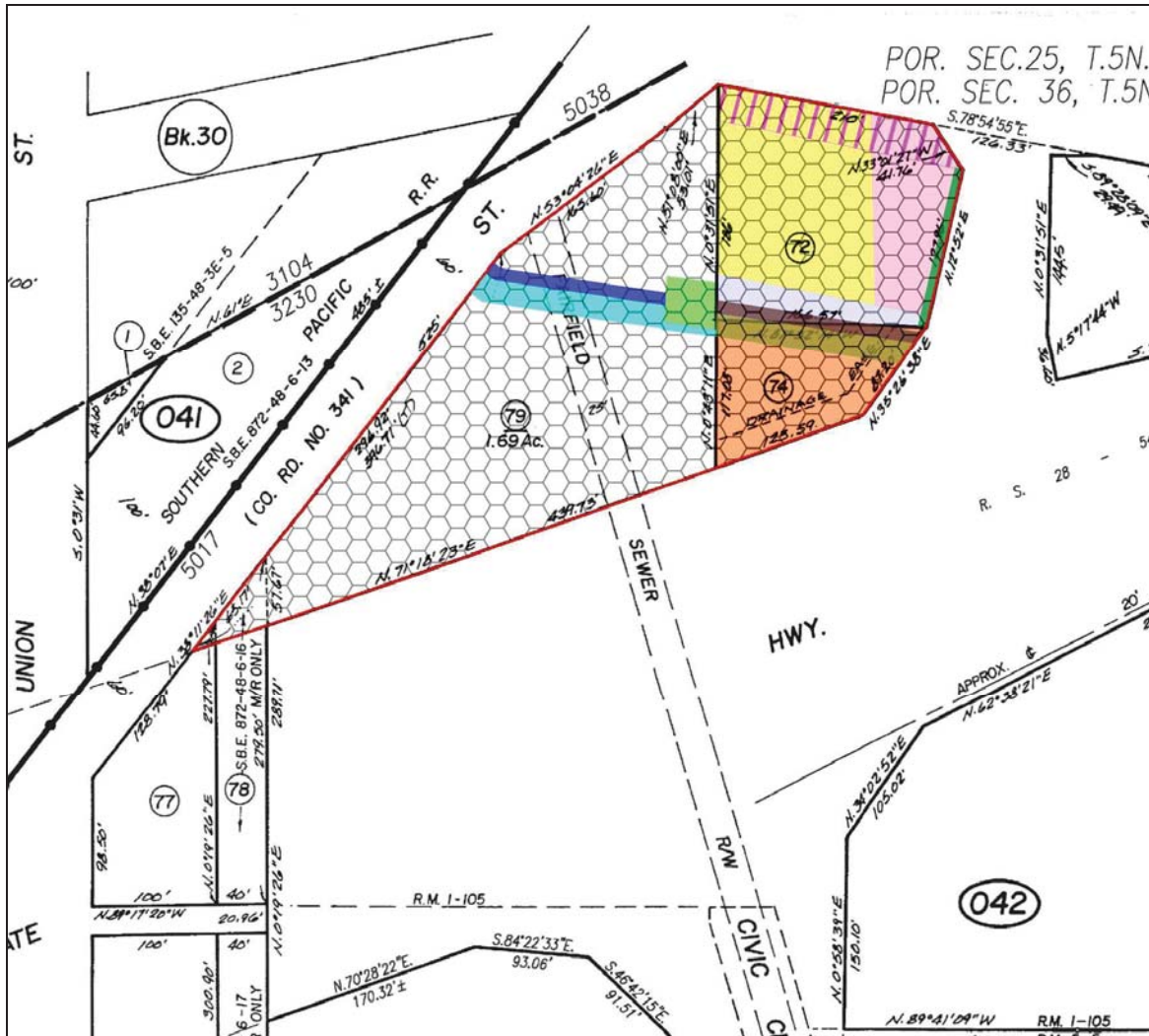
09/16/2021

Property Address:

605 State Highway 12, Suisun City, CA 94585

Assessor's Parcel No.:

0032-042-720,
0032-042-740 &
0032-042-790



LEGEND



Parcel One (Fee, Property in Question)



Parcel Four (Fee, Property in Question)



Parcel Two (Fee, Property in Question)



Parcel Six (Fee, Property in Question)



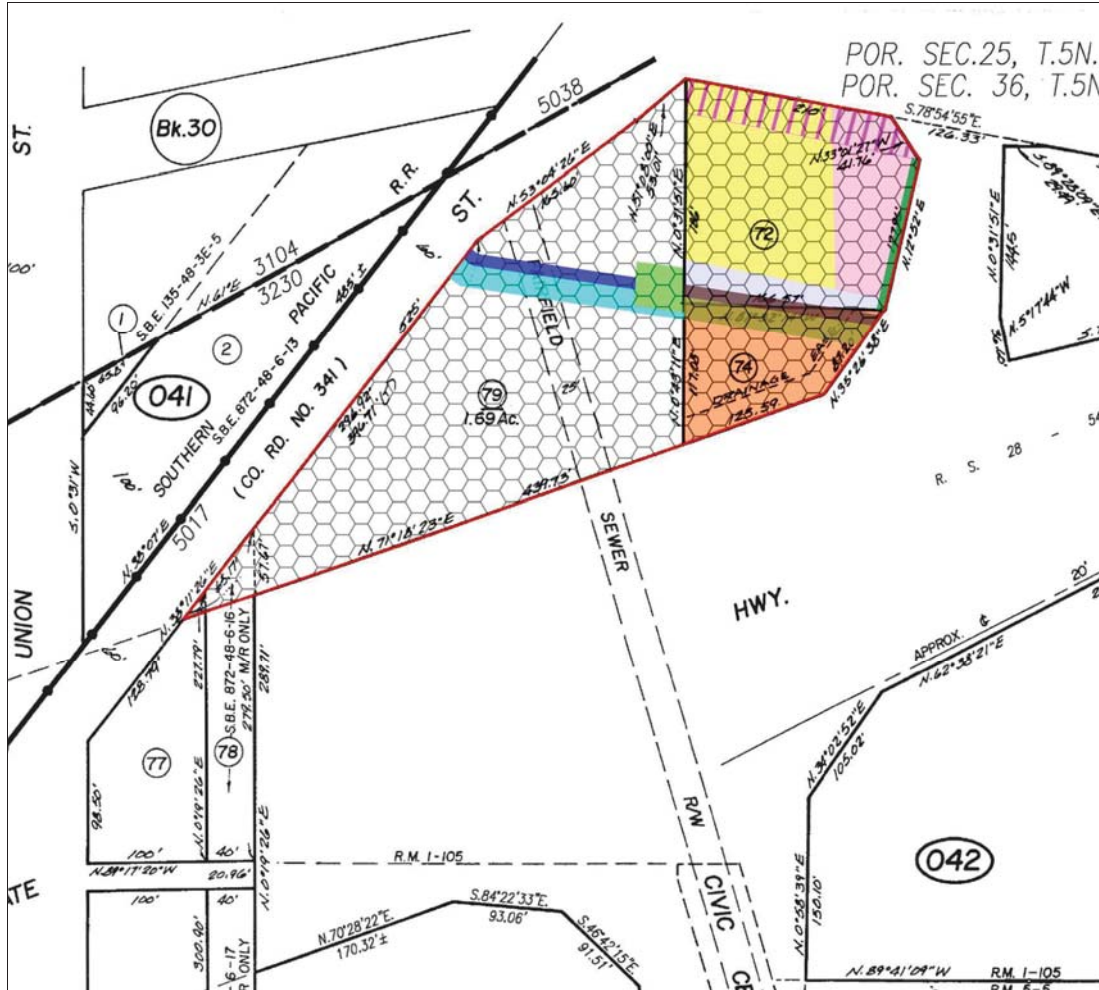
Parcel Three (Fee, Property in Question)



Parcel Six (Fee, Property in Question)

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LEGEND



Item No. 9 - Easement for construct, maintain, and operate a drainage canal and incidental purposes
September 19, 1914, Book 214, Page 331, of Deeds
Affects as described therein



Item No. 11 - Easement for right to excavate for, install, replace (of the initial or any other size), maintain and use for conveying gas such pipe line or lines as it shall from time to time elect and incidental purposes
September 20, 1937, Instrument No. 5360, Book 171, Page 346, of Official Records
Affects as described therein



Item No. 12 - Easement for excavate for, install, replace (of any size not exceeding 10" in diameter), maintain and use for conveying gas, a pipe line and incidental purposes
September 20, 1937, Instrument No. 5361, Book 171, Page 347, of Official Records
Affects as described therein



Item No. 13 - Easement for excavate for, install, replace (of the initial or any other size) maintain and use for conveying gas such pipe line or lines as it shall from time to time elect and incidental purposes
August 27, 1937, Instrument No. 4926, Book 176, Page 492, of Official Records
Affects as described therein



Item No. 14 - Easement for excavate for, install, replace (of the initial or any other size), maintain and use for conveying gas such pipe line of lines and incidental purposes
October 19, 1949, Instrument No. 10948, Book 496, Page 388, of Official Records
Affects as described therein



Item No. 15 - Easement for excavate for, install, replace (of the initial or any other sizes), maintain and use for conveying gas such pipe line or lines and incidental purposes
October 26, 1949, Instrument No. 11263, Book 497, Page 216, of Official Records
Affects as described therein



Item No. 18 - Lack of Abutters Rights
August 15, 1980, Instrument No. 34591, Book 1980, Page 56122, of Official Records
Affects as described therein



Item No. 20 - Easement for temporary for construction purposes and incidental purposes
June 17, 1982, Instrument No. 21887, Book 1982, Page 38439, of Official Records
Affects as described therein



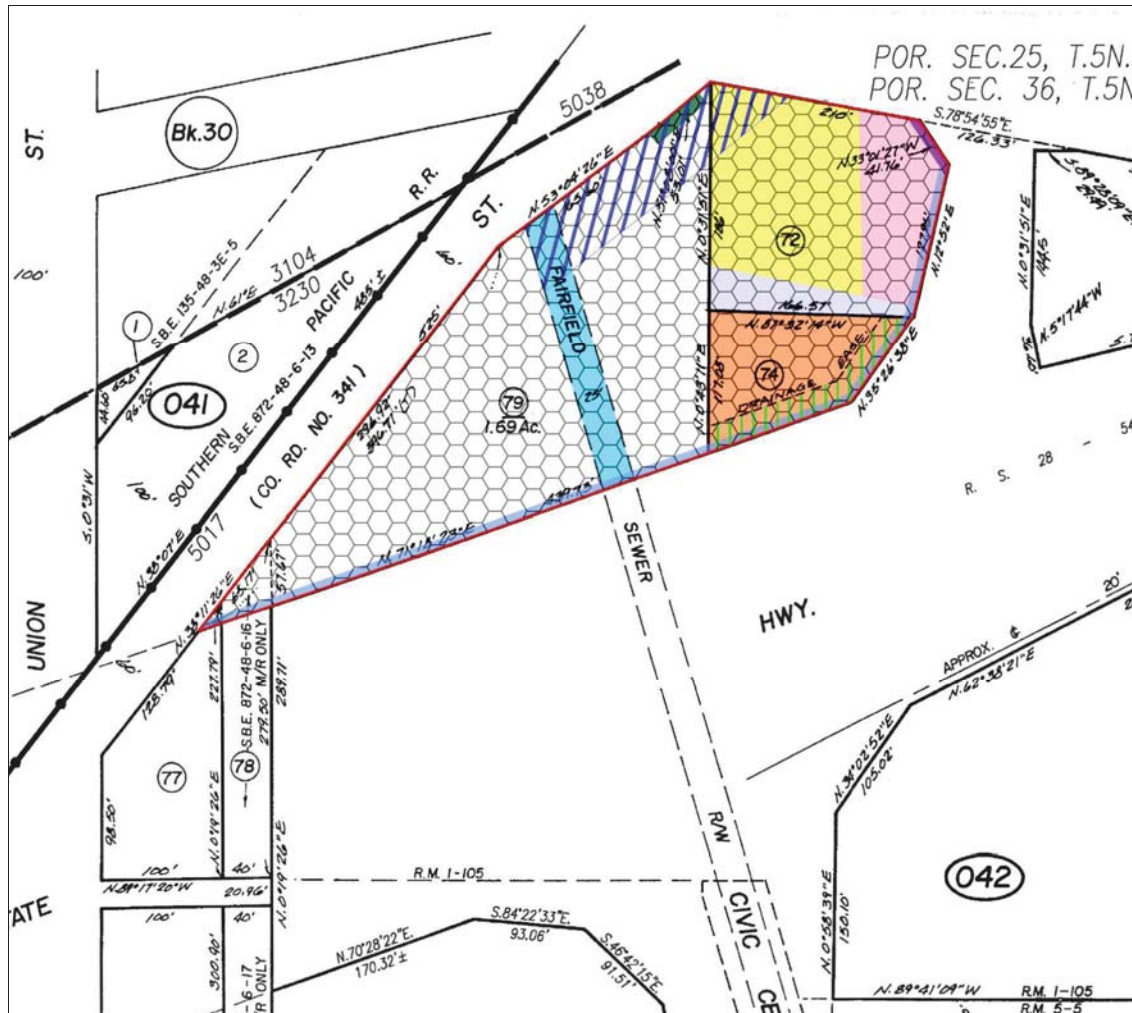
Item No. 16 - Lack of Abutters Rights
December 6, 1979, Instrument No. 62205, Book 1979, Page 104466, of Official Records
Said easement is exactly un-locatable












Item No. 17 - Easement for utility purposes and incidental purposes
December 6, 1979, Instrument No. 62205, Book 1979, Page 104466, of Official Records
Said easement is exactly un-locatable

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LEGEND

	Item No. 5 - Easement for constructing, repairing, and maintaining a sewer and incidental purposes June 13, 1907, Book 170, Page 150, of Deeds Affects as described therein		Item No. 25 - Lack of Abutters Rights January 14, 1987, Instrument No. 3290, Book 1987, Page 5273, of Official Records Affects as described therein
	Item No. 7 - Easement for right of way for a main sewer and incidental purposes August 12, 1908, Book 171, Page 153, of Deeds Affects as described therein		Item No. 28 - Easement for public utilities and incidental purposes December 12, 2018, Instrument No. 201800083565, of Official Records Affects as described therein
	Item No. 19 - Lack of Abutters Rights June 17, 1982, Instrument No. 21887, Book 1982, Page 38439, of Official Records Affects as described therein		Item No. 29 - Easement for temporary construction December 12, 2018, Instrument No. 201800083566, of Official Records Affects as described therein
	Item No. 23 - Easement for storm drain and incidental purposes September 28, 1982, Instrument No. 36437, Book 1982, Page 63651, of Official Records Affects as described therein		Item No. 30 - Easement for temporary construction November 4, 2019, Instrument No. 201900079402, of Official Records Affects as described therein
	Item No. 24 - Lack of Abutters Rights December 3, 1985, Instrument No. 57270, Book 1985, Page 115255, of Official Records Affects as described therein		

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Condition of Title

I reviewed the Placer Title Company, Preliminary Report Order Number: P-514279, dated August 5, 2021. A copy of that report may be found within the Addenda.

As a note the “Preliminary Report” is a report which identifies exceptions to title insurance Placer Title Company might be willing to insure. Some of these insurance exceptions have to do with known clouds on title, and some have to do with other matters which might lead to clouds on title.

My analyses of the preliminary report exceptions are summarized in the following table.

#	Type	Comments
1	Insurance exclusion	This is a typical title insurance property tax insurance exclusion, not actually a title exception.
2	Insurance exclusion	This is a typical title insurance property tax insurance exclusion, not actually a title exception.
3	Insurance exclusion	This is a typical title insurance property tax insurance exclusion, not actually a title exception.
4	Insurance exclusion	This is a typical title insurance exclusion relating to potential water rights, not actually a title exception. This title exception is marketplace typical, and does not measurably influence value.
5	Title exception	This is a sewer line easement now in favor of the Fairfield Suisun Sewer District. As part on the Highway 12 realignment the sewer district relocated its pipeline to another location. See the Sewer District provided exhibit in the Addenda illustrating the abandoned sewer line in this easement, and the new sewer line alignment. In all likelihood the Sewer District would be amenable to reconveying the easement back to the fee title.
6	Insurance exclusion	This is not a matter of rights in real property.
7	Title exception	This is essentially the same easement identified in exception 5 except that it expands District rights within the easement. As with exception 5, in all likelihood the Sewer District would be amenable to reconveying the easement back to the fee title.
8	Insurance exclusion	This is not a matter of rights in real property.
9	Title exception	This is an easement for a drainage canal & incidental purposes. It appears this canal no longer physically exists. I suspect that the realignment of Hwy 12 eliminated the need for this canal, and that function has be replaced by a new canal on the north side of Main St. There is a reasonable probability that reconveyance of the property rights back to the fee interest could be secured.

10	Insurance exclusion	This is not a matter of rights in real property.
11	Title exception	This is an unusual natural gas pipeline easement in favor of PG&E. It appears to be a 23.3' by 40.4' rectangular rather than linear easement. It appears this easement was intended for pipeline control device(s) which are no longer apparent on the property. The location of this easement is problematic to site utility because it is right in the center of the site. There is a reasonable possibility that a reconveyance of this easement could be secured. There are not typical gas line surface markers associate with this easement.
12	Title exception	This is a typical linear natural gas pipeline easement in favor of PG&E which extends west from the exception 11 easement. Because there is no evidence of a controller devise in the exception 11 easement, it is possible that exception 12 no longer actually hosts a gas pipeline. The location of this easement is problematic to site utility because it is right in the center of the site. It is reasonable but not certain that the Hwy. 12 realignment caused this pipeline to be relocated. There is a reasonable possibility that a reconveyance of this easement could be secured. There are not typical gas line surface markers associate with this easement.
13	Title exception	This is the eastward extension of the PG&E natural gas pipeline easement described in exception 12. For the same reasons it appears reasonably likely there is no longer a gas line hosted in this easement. There is a reasonable possibility that a reconveyance of this easement could be secured. There are not typical gas line surface markers associate with this easement.
14	Title exception	This is a PG&E natural gas line easement adjacent to the south of the easement identified in exception 13. It appears that at one time exception 13 easement hosted a relocation of a larger pipeline from the exception 13 easement to the twelve-year later exception 14 easement. The exception 14 easement also connects to the apparent controller device easement identified in exception 11. Because there is no evidence of a controller devise in the exception 11 easement. It is possible that exception 14 no longer actually hosts a gas pipeline. The location of this easement is problematic to site utility because it is right in the center of the site. It is reasonable but not certain that the Hwy 12 realignment caused this pipeline to be relocated. There is a reasonable possibility that a reconveyance of this easement could be secured. There are not typical gas line surface markers associate with this easement.
15	Title exception	This is a PG&E natural gas line easement adjacent to the south of the easement identified in exception 12. It appears that at one time exception 15 easement hosted a relocation of a larger pipeline from the exception 12 easement to the twelve year later exception 14 easement. The exception 15 easement also connects to the apparent controller device easement identified in exception 11. Because there is no evidence of a controller devise in the exception 11 easement it is possible that exception 15 no longer actually hosts a gas pipeline. The location of this easement is problematic to site utility because it is right in the center of the site. It is reasonable but not certain that the Hwy 12 realignment caused this pipeline to be relocated. There is a reasonable possibility that a reconveyance of this easement could be secured. There are not typical gas line surface markers associate with this easement.

16	Title exception	This preliminary report state this exception is as lack of <i>Abutters Rights</i> to the adjacent highway. Placer Title was unable to map the location of this lack of <i>Abutters Rights</i> property rights severance. However, I believe this is likely not the actual property rights severance. Rather as I believe this December 6, 1979, (instrument) 62205 (book) 1979 (page) 104466, document is actually a <i>Lis Pendens</i> recorded in 1979. The <i>Lis Pendens</i> is a legal notice that the property was in 1979 the target of an eminent domain action relating to condemnation of fee interests, abutters rights of access, grade separation and other aspects of the Highway 12 relocation project. I believe that the actual property rights severances are recorded in subsequent document after the eminent domain action was resolved. It is reasonably probable that this eminent domain action has been resolved, and that the State of California is likely to be willing to reconvey this <i>Lis Pendens</i> .
17	Title exception	This is reported as a public utility easement. Again as with exception 16, Placer Title was unable to map the location of this easement. This is an exception emanating out of the same recorded document as exception 16. Again, I believe this is a <i>Lis Pendens</i> recorded in 1979, as a legal notice of an impending eminent domain action relating to condemnation of fee interests, abutters rights of access, grade separation and other aspects of the Highway 12 relocation project. I believe that the actual property rights severances are recorded in subsequent document after the eminent domain action was resolved. It is reasonably probable that this eminent domain action has been resolved, and the State of California is likely to be willing to reconvey this <i>Lis Pendens</i> .
18	Title exception	This is a lack of abutters rights of access to the lower (northern) portion of the Hwy 12 on-ramp at the east end of the subject property. I believe this is the property rights severance emanating out of the exception 16 <i>Lis Pendens</i> . Exception 18 is relatively value benign.
19	Title exception	This is essentially a small northward extension of the exception 18 lack of abutters rights of access to the lower (northern) portion of the Hwy 12 on-ramp at the east end of the subject property. Exception 19 is relatively value benign.
20	Title exception	This is a narrow temporary construction easement along the east edge of the subject property for construction of the Hwy 12 on-ramp. Because this construct is long ago completed, there is a reasonable possibility that a reconveyance of this temporary easement could be secured.
21	Insurance exclusion	This is saying that Placer Title is not willing to insure against any damages created by the Suisun City Redevelopment Project. Exception 21 is relatively value benign.
22	Title exception	I am troubled that Placer Title has not mapped this exception easement. The exception is that PG&E has granted to the City of Fairfield rights to use a PG&E easements as part of the Hwy 12 realignment project. The City of Fairfield was the land acquisition agent for Caltran's Hwy 12 project. The City of Fairfield had to acquire easement rights to relocate PG&E gas lines. I believe the replacement PG&E pipeline is within the Hwy 12 right of way. When I study the maps recorded with this easement use agreement it is not clear if thin edges of the PG&E and City of Fairfield shared easement touch or do not touch very small portions of the south part of the subject property. This portion of the easement may be entirely within the portion of formerly the subject property which was acquired in fee interest as part of the on- ramp. Exception 22 is relatively value benign.

23	Title exception	This is a storm drainage easement along the south and east edges of APN 0032-042-740 to manage drainage of the HWY 12. Exception 23 is relatively value benign.
24	Title exception	This is a lack of abutters rights along the south edge of APN 0032-042-740. Exception 24 is relatively value benign.
25	Title exception	This is a lack of abutters rights along the south edge of APN 0032-042-740 this document effectively replaces the exception 24 recorded document. Exception 25 is relatively value benign.
26	Insurance exclusion	This is saying that Placer Title is not willing to insure against any damages created by any possible CC&R's relating to protected classes of people. Exception 26 is relatively value benign.
27	Title exception	This title exception relates to a January 1991, \$200,000 deed of trust. In all likelihood this loan has been paid off, but a reconveyance has not been recorded. However , this is an appraisal of a fee interest, not an appraisal of an equity interest. <i>This appraisal assumes the subject property is free of debt.</i>
28	Title exception	This is a small (10' x 45.5' ±) public utilities easement for a waterline valve and controller. The easement is along the Main Street frontage. Because the exception 28 easement is on the bend of Main Street this easement does not materially frustrate reasonable driveway access points. This easement is within the street building setback area and does not frustrate structure locating. Exception 28 is relatively value benign. During September 2021 it appears that the utility vault to host the valve and controller was under construction.
29	Title exception	This is a temporary construction easement (TCE) for the purpose of constructing the pipeline and valve facilities to be hosted within the exception 28 easement. This easement has a six month term. While the exception 28 easement is 495 square feet this TCE is generally 53' x 157' or 11,128 square feet. Exception 29 is relatively value benign, and likely a reconveyance could be conveyed when construction is completed.
30	Title exception	This is a TCE of the same legal description as exception 29 but had a twelve month duration which should have expired 11/03/2020

Title Analysis

The subject property title is a mess in part because a PG&E gas line went through this property circa during the 1930s while this property was five different properties each with different owners. Consequently, what is now effectively a single linear easement has multiple recorded documents dependant upon who owned that particular part of the subject property during 1937. This easement limits the gas pipeline to a 10-inch diameter pipe.

During the late 1940s PG&E began acquiring rights of way for a larger replacement gas line. Those rights of way aligned abutting the south line of the 1937 easements. This allowed the replacement pipeline to be constructed while the 1930s pipeline continued to serve its purpose.

These 1937 and 1949 PG&E gas line easement are particularly problematic for the subject Property because they prohibit structures within a linear swath thorough the center of the subject property. Any reasonable building development of the subjects property is frustrated by these easements.

During my investigation of the Hwy 12 realignment project I deduced, but do not know for a fact, that the gas pipeline hosted in either or both of the 1937 and 1949 easements (exceptions 11, 12, 13, 14 & 15) has been relocated within the Caltans Hwy 12 right of way. The document underlaying title exception 22 suggests that the 1937 and 1949 easement pipelines have been relocated. It is not clear if very thin slivers of a PG&E easement hosting this replacement pipeline may touch the south line of the subject property.

In modern times it is common for gas lines crossing other than the edges of a property are surfaced marked with orange marker post. Such markers are not evident in the location of either the 1937 or 1949 easements. None of this provides absolute proof that gas lines do not currently exist in the 1937 or 1949 easements. However, the known facts creates strong evidence that it is unlikely that the 1937 or 1949 PG&E easements currently host active gas pipelines.

If operating pipelines do exist within the 1937 or 1949 PG&E easements then subject property's functional utility is dramatically impaired.

However, if pipelines do not exist within the 1937 or 1949 easements then subject property's functional utility is still somewhat impaired. This is so because development of the subject property likely includes development of building(s). This building construction is most likely to be construction loan financed. Construction lenders require a *foundation endorsement*. A *foundation endorsement* is a title company insurance clause that the to-be-constructed foundation is insured to not sit on an easement which prohibits structures. The legal question relative to viable title insurance is the existence of an easement baring buildings on the easement area, not the use of the easement.

In all likelihood gas lines do not currently exist in the 1937 or 1949 easements. Consequently, in all likelihood an owner of the subject property may be able to get PG&E to reconvey these easements to be merged back with the subject property fee title. However, it takes property owners resources meaning attorneys and civil engineers to get this accomplished. Further, during recent decades PG&E has typically reacquired a land owner to reimburse PG&E their legal and engineering costs associated with their analysis of their willingness to reconvey easements which are no longer needed.

The bottom line is yes these 1937 or 1949 PG&E easements possibly could be reconveyed, but this process takes a year to several years and of this magnitude of reconveyance several tens of thousands of dollars. Further, there is uncertainty as to if PG&E would agree to reconvey these easements.

The existence of the 1937 and 1949 PG&E easements (exceptions 11, 12, 13, 14 & 15) create a value impairment due to the uncertainty as to if the easements could be reconveyed, and the time and costs associated with pursuit of reconveyances of these five easements.

The sewer line easement of exceptions 5 and 7 are in some ways similar above referenced PG&E easements in that the exceptions 5 and 7 bisect the subject property in a way which strategically frustrates potential building citing on the subject property.

However, the differences are that Fairfield Suisun Sewer District provided an exhibit illustrating the sewer line realignment out of the subject property easements. The Sewer District confirms there are not operating facilities within the subject property easement. Reconveyance of this easement is still necessary. However, reconveyances from local agencies tend to be less time consuming, and less expensive than obtaining reconveyances from PG&E. Further, this is two easements not five easements to be reconveyed.

It appears that during the September 2021 writing of this report that the City of Fairfield was constructing the utility vault within the exception 28 easement. The two temporary construction easements (exceptions 29 and 30) are to host construction of the utility vault in the exception 28 easement. The temporary time periods of both TCEs have expired. However, these TCE interests have not yet been reconveyed to the fee interest. It is quite likely that subsequent to the August 5, 2021-Placer Title preliminary report another City of Fairfield TCE was recorded to host the construction underway during September 2021.

The title of the subject property is a mess. What the subject property needs is what experienced real estate developers call title scrubbing. Title scrubbing is the clearing or cleaning of title those title exceptions for which reconveyances of previously severed property rights back to the fee interest can be secured. Quite likely the 1937 and 1949 PG&E, and the older Fairfield Suisun Sewer District, easements could be cleared from title. These are the most important seven title encumbrances to clear because they frustrate reasonable building citing on the subject property. There are TCEs and *Lis Pendens* whose functions have passed which reasonably could be cleared from title in preparation of securing construction financing. It is possible that experienced professional title scrubbing could reduce the current 30 insurance and title exclusions to as few as 11 insurance and title exclusions.

With the extent of subject property tile encumbrances it is likely to take a potential buyer of the subject property a couple of years, and more than \$50,000 to clean up the subject property's title such that it would be suitable for construction loan financing collateral. This is far beyond the range of typical title scrubbing necessary for most vacant sites in the marketplace.

Because of the extent and complexities of these title encumbrances in my opinion the subject property is a potential development site, but is not yet a building site, because it is unclear what could be built on the subject property.

History

the last recorded sale of a 100% interest in the Subject property was in 1991. In 1994 a not completely arm's length sale of a 50% interest in the subject property was recorded. Neither of these three decade old sales are relevant indicators of the current Subject Property market value.

To my knowledge the Subject Property has not been offered for sale, nor has any offer to purchase the Subject Property been made during the three years prior to this appraisal.

Subject Property Summary

The Subject Property is a vacant site possessing four value dominant characteristics which are unusual in the marketplace. These unusual characteristics include:

- The no-mans-land isolated location. This location is near great things but it is physically and visually isolated from those things which might create synergistic benefit for the Subject Property.
- The Subject Property parcel is effectively a teardrop shape. The parcel shape is detrimental to the site's functional utility. In comparison to more rectangular sites the subject property is not physically capable of supporting as much building and parking area as a more rectangular shaped 2.72 acre parcel.
- The Subject Property's title is a mess. The Subject Property requires extensive title scrubbing in order to determine what the property could actually be used for. During four and a half decades of appraising real property I have encountered properties of such significant condition of title impairment in the range of 15 to 20 times. My point is the severity of the Subject Property clouds on title are both rare and severely value impairing.
- Development the Subject Property site requires installation of street frontage improvements of concrete curbs and gutters.

Highest and 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."³

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 current zoning and other restrictions or with the reasonable probability that a change in zoning or other restrictions may occur in the future. It must be a feasible use, or the use which produces a net return to the owner of land. Finally, it must be a maximally productive use, or the use that produces the highest net return and the highest present value.

Appropriately Supported Earlier in real estate appraisal practice, the concept of "appropriately supported" was defined as "legally permissible," or simply that current zoning permitted the zoning stated use. This concept has been somewhat modified to reflect the fact that people in the marketplace will sometimes speculate that future events may permit higher uses that are not currently allowable. With this conceptual change, the term appropriately supported has replaced legally permissible in the definition of *Highest and Best Use*.

The Downtown Mixed Use zoning district is among the most liberal zoning districts anywhere. Most retail, restaurant, light industrial, and some medium and higher density residential uses are at least conditionally allowed. Of note the *Downtown Mixed Use* district of Suisun City's Waterfront District Specific Plan is currently being revised to clarify that self storage facilities are a conditionally approved use within the district.

The legally permissible challenges of the Subject Property are the utility easements which bisect the Subject Property in both north/south ,and east/west direction corridors. These easements prohibit structures being placed within the easement areas.

It is known that the north/south Fairfield Suisun Sewer District easement is not longer in use, but those easement property rights have not been reconveyed to the fee interest.

It is likely, but not certain, that the five PG&E east/west gas line easements are no longer being utilized by PG&E. Those property rights remain severed from the fee interest.

³ * *The Appraisal of Real Estate*, 12th Edition, The Appraisal Institute

Physically Possible The physically possible use of the Subject Property is constrained by its teardrop shape. The functional utility of this poor teardrop shape is further significantly aggravated by being easement severed into effectively three irregularly shaped building areas.

Financially Feasible The Subject Property's financial feasibility is compromised by the bisecting easements. Certainly it is important if the easements are being utilized by the easement holder. However, financially the importance of easement use only has to do with the potential buyer's prospects of being able to acquire possibly through purchasing back the severed easement property rights.

From a site development perspective the fundamental problem is buildings are not title insurable if placed on such an easement. This is so even if the easement owner is not using the easement. Most construction loans will not be funded without a foundation endorsement in which the title insurance company is insuring the lender that no easement holder has any rights to demolish or move the to be constructed buildings.

This is not an issue of easement use. This is the legal issue of does any easement holder have the right to demolish the building. Extinguishing these easements fundamentally has to do extinguishing the with legal right of easement holders from holding building value as hostage to potential threats of demolishing the building.

Because the Fairfield Suisun Sewer District, and PG&E easements bisecting the site so impair the functional utility of the subject property, any prudent developer would perform a through title scrubbing of the subject property it be able to identify what easement restrictions have to remain and what easement property rights can be reconveyed to the fee interest.

Until one know for sure what onerous easements do and do not have to be built around a prospective buy does not know the subject property's *Highest and Best Use* for sure.

However an examination of the economics of various relevant land uses is warranted. The subject property is not in a retail suitable location. The subject property has neither the pedestrian nor vehicular traffic visibility to attract retail land users. Further new brick and mortar retail development is currently almost nonexistent. Not only is retail generally suffering in the COVID-19 economy, retail is in a broader marketplace shift from brick and mortar to internet retailing.

Various light industrial and workshop types of service commercial land uses would physically and locationally work on the Subject Property. However, the marketplace for light industrial and

workshop types of service commercial land uses is tepid at best. Demand is not strong and very little new construction is occurring within these property types.

The local office market is massively overbuilt. Newly constructed office buildings are not remotely financially feasible.

The Subject Property is too small and too physically isolated to create a desirable residential neighborhood.

From a financial feasibility perspective the land use that works best for the physically isolated location, and irregular parcel shape is self storage. The self storage marketplace is currently strong in central Solano County with several recent self storage site acquisitions even during the COVID -19 economy.

Maximally Productive The maximally productive use of the Subject Property is to scrub its title to determine exactly what development is physically possible.

Sales Comparison Approach to Value

A *Sales Comparison Approach to Value* is an analysis of sales which are good proxies for how the Subject Property is likely to perform in the marketplace. The reasoning is along the lines of; these sold properties are generally similar to the Subject Property, consequently they are good proxies to represent how the Subject Property is expected to perform if offered for sale in the marketplace. However, no two properties are ever identical. Therefore, adjustments to the sale prices of the *Comparable Sales* are necessary to account for the likely price difference attributable to those physical and economic differences.

Identifying appropriate Comparable Sales for this appraisal was challenging. This is because the Subject Property is an unusual property in the marketplace. The Subject Property possesses four value dominant characteristics which are unusual in the marketplace. These characteristics include:

- The no-mans-land isolated location. This location is near great things but it is physically and visually isolated from those things which might create synergistic benefit for the Subject Property.
- The Subject Property parcel is effectively a teardrop shape. The parcel shape is detrimental to the site's functional utility. In comparison to more rectangular sites the subject property is not physically capable of supporting as much building and parking area as a more rectangular shaped 2.72 acre parcel.
- The Subject Property's title is a mess. The Subject Property requires extensive title scrubbing in order to determine what the property could actually be used for. During four and a half decades of appraising real property I have encountered properties of such significant condition of title impairment in the range of 15 to 20 times. My point is the severity of the Subject Property clouds on title are both rare and severely value impairing.
- Development the Subject Property site requires installation of street frontage improvements of concrete curbs and gutters.

I have found small parts of some of these detrimental characteristics in some of the Comparable Sales. The extent, or severity, of each of these detrimental to value conditions was not found in any *Comparable Sale*. Further, no sales were found of properties reflecting the compounding detrimental value influence of all four value detrimental conditions existing in the same property.

Comparable Sale Location Map



In the marketplace the Subject Property is an odd duck and there are no other odd duck properties similar to the Subject. With no similar properties in the marketplace, there cannot be a sale of a similar property.

Without any sales of similar properties means that within the Sales Comparison Approach to Value I have selected for analysis sales the marketplace did provide as the best possible market based point from which I can compare sold properties to the Subject Property. Based on that comparison I can adjust the price of the comparable sale to reflect my opinion of that sale's indication of the Subject Property Value.

As is the typical analysis formation for commercial land in this marketplace the sale price of the Comparable Sale has been converted to a sale price per square foot of the Comparable Sale. That Comparable Sale price per square foot is then adjusted for the differences between the Comparable Sale and the Subject Property. After all of the Comparable Sales have been analyzed then the reconciled Subject Property value per square foot is applied to the 118,483 square feet of the Subject Property.

After extensively searching the marketplace I have identified five sales of commercial sites in the Competitive Market Area which provide the best indications of the value of the Subject Property. Those five Comparable Sales are summarized in the following table. More detailed information regarding the Comparable Sales may be found in the Comparable Sale data sheets in the Addenda. A google earth™ aerial image illustrating the location of the Comparable Sales is the page preceding the Comparable Sale Summary Table

COMPARABLE SALE SUMMARY TABLE

#	Location	Zoning Acres	Use	Date	Price	\$/Sq Ft
1	Lopes Rd. south of Fulton Dr. Fairfield	IL 5.05 Ac	Storage Pro Self Storage	08/15/19	\$2,300,000	\$10.46
2	1500 N. Lincoln St Dixon	CH & PAO 0.85 Ac	Service Commercial	07/23/19	\$325,000	\$8.79
3	490 Edison Ct. Fairfield (adjacent to Sale 2)	IL 4.21 Ac	Storage Pro Self Storage	01/20/21	\$1,350,000	\$7.36
4	1281 Anderson Dr. Suisun	CMU 1.20 Ac	Car Wash	03/09/18	\$305,000	\$7.00
5	1151 ± Horizon Dr. Fairfield	CS 1.60 Ac	Self Storage	05/22/18	\$455,000	\$6.53

Within the following pages I will describe each of the Comparable Sales, and individually compare each sale to the Subject Property. Following analysis of all of the Comparable Sales will be a table illustrating the value indication provided by each comparable sale.

1 Lopes Rd. S of Fulton Rd., Fairfield, 5.05 acres, sold 08/19, for \$10.49/Sq Ft

Sale 1 is located six miles southwest of the Subject Property. Sale 1 is located on Lopes Road 300 feet south of Fulton Drive in Fairfield. Fulton Road is an Interstate Highway 680 frontage road. As such, the Sale 1 property has excellent viability from and exposure to southbound I-680. Further because of light median vegetation Sale 1 has filtered exposure to north bound I-680. The Sale 1 site is a nice, generally level, and rectangular shaped site with excellent site development utility. Sale 1 was purchased by Storage Pro for development of a self storage facility.

While self storage is an outstanding potential use of the Subject Property, the I-680 exposure of the Sale 1 location is superior to the Subject Property's location. The rectangular shape of the Sale 1 property is vastly superior to the development impaired teardroped shape of the Subject Property. Sale 1 is not development impaired by easements which require title scrubbing. Sale 1 possessed completed off-site improvements at time of sale.

The \$10.49 per square foot price of Sale 1 requires minor upward adjustment for time and strengthening market conditions over the past two years. The \$10.49 per square foot price of Sale 1 requires massive downward upward adjustments for parcel shape, and condition of title. A further downward adjustment is warranted for location, and off-site improvement costs.

2 1500 N. Lincoln St, Dixon, 0.85 acres, sold 07/19 for \$8.79/Sq Ft

Sale 2 is located nearly 20 miles northeast of the Subject Property on N. Lincoln Street in Dixon. This portion of N. Lincoln Street is an Interstate Highway 80 frontage road. As such, the Sale 2 property has filtered exposure to eastbound I-80. However, because of dense I-80 median vegetation, Sale 2 effectively has no westbound exposure. The Sale 2 site has a curvilinear street frontage and sharply angular side property lines, such that it has nearly a pie slice shape. Sale 2's shape is a development impairment but not as severe as the shape development impairment of the Subject Property. The site is generally level.

The location of Sale 2 is very different from the Subject Property's location. Both have a mix of positive and negative location attributes. However, the mixes of positive and negative location attributes tend to balance out such that the location of Sale 2 and the Subject Property are value neutral. The nearly pie-slice shape of the Sale 2 property is only mildly superior to the development impaired teardroped shape of the Subject Property. Sale 2 is not development impaired by easements which require title scrubbing. Sale 2 is less than a third of the size of the Subject Property, consequently Sale 2 falls into a smaller sized class of sites within the competitive marketplace. Sale 2 possessed competed off-site improvements at time of sale.

The \$8.79 per square foot price of Sale 2 requires very minor upward adjustment for time and strengthening market conditions over the past two years. The \$8.79 per square foot price of Sale 2 requires massive downward upward adjustments for the superior conditions of its title. Downward shape, and off-site improvement cost adjustment are warranted.

3 490 Edison Ct., Fairfield, 4.21 acres, sold 01/21 for \$7.36/Sq Ft

Sale 3 is located six miles south east of the Subject Property, and is adjacent to Sale 1. Sale 3 is located "behind" the Sale 1 property with access from the end of Edison Court with poor site exposure. The Sale 3 site is a nice, generally level, and rectangular shaped site with good site development utility. As with Sale 1, Sale 3 was purchased by Storage Pro for development of a self storage facility as a unified project with the Sale 1 site. While the unified Storage Pro self storage project benefits from I-680 exposure, and multiple Lopes Road curb cuts, those are Sale 1 attributes are not Sale 3 attributes. In fact the 30% or \$3.13 per square foot price differences between Sale 1 and Sale 3 is almost solely attributable to exposure access attribute differences between these two Comparable Sales.

The Subject Property location and exposure are superior to that of the Sale 3 property location at the end of a cul-de-sac. The rectangular shape of the Sale 3 property is vastly superior to the development impaired teardroped shape of the Subject Property. Sale 3 is not development impaired by easements which require title scrubbing. Sale 3 possessed competed off-site improvements at time of sale.

Sale 3 is a recent sale which does not require time adjustment. The \$7.36 per square foot

price of Sale 3 requires upward adjustment because of the Subject Property's superior location. The \$7.36 per square foot price of Sale 3 requires massive downward upward adjustments for parcel shape and condition of title. Another downward adjustment is appropriate for the cost of needed Subject Property off-site improvements.

4 1281 Anderson Dr., Suisun, 1.20 acres, sold 03/18 for \$7.00/ Sq Ft

Sale 4 is located a mile east of the Subject Property. The south side of Anderson Drive is a secondary commercial strip parallel to and one block south of Hwy 12. Anderson Drive is the access street to all the highway commercial businesses fronting on eastbound Hwy 12 without curb cuts to Hwy 12. The Sale 4 site is a nice, generally level, and rectangular shaped site with excellent site development utility. Sale 4 was purchased for development of a carwash.

The location of Sale 4 is very different from the Subject Property's location. Both have a mix of positive and negative location attributes. However, the mixes of positive and negative location attributes tend to balance out such that the location of Sale 4 is inferior to the Subject Property's location. The rectangular shape of the Sale 4 property is vastly superior to the development impaired teardroped shape of the Subject Property. Sale 4 is not development impaired by easements which require title scrubbing. Sale 4 possessed completed off-site improvements at time of sale.

The \$7.00 per square foot price of Sale 4 requires minor upward adjustment for time and strengthening market conditions over the past three years. The \$7.00 per square foot price of Sale 4 requires massive downward upward adjustments for parcel shape, and condition of title. Minor downward size and Subject Property off-site improvement cost, adjustments are Sale 4 is warranted.

5 1151 ± Horizon Dr., Fairfield, 1.60 acres, sold 09/18 for \$6.53/Sq Ft

Sale 5 is located nearly three miles northeast of the Subject Property within the Western Industrial Park. The Sale 5 site is a nice, generally level and rectangular shaped site with good site development utility. Sale 5 was purchased by for development of a self storage facility.

The location of Sale 5 is slightly inferior to the Subject Property's location. The

rectangular shape of the Sale 5 property is vastly superior to the development impaired teardroped shape of the Subject Property. Sale 5 possessed competed off-site improvements at time of sale.

Sale 5 is not nearly as development impaired by easements in comparison to the Subject Property. However, Sale 5 is not in the title pristine condition of the other four Comparable Sales. Sale 5 is burdened by one north/south running shared use access easement through the center of the property. The easement dominant parcel is fully developed without development of this access easement. The easement dominant parcel has been so developed for two decades. The easement dominant parcel has 350 feet of frontage on Western Street with multiple curb cut access points are already developed. It is highly unlikely that the easement dominant parcel will ever exercise its easement right within the Sale 5 Property. Sale 5 was purchased for development of a self storage facility, which means development of multiple long narrow buildings with drive isles between each building. It is entirely feasible, and plausible that the buyer of Sale 5 will develop their planned self storage development without ever scrubbing that shared use access easement from title, because none of the buildings will reside on the easement.

The \$6.53 per square foot price of Sale 5 requires upward adjustment for time and strengthening market conditions over the past three years. An upward location adjustment to the price of Sale 5 is warranted. The \$6.53 per square foot price of Sale 5 requires massive downward upward adjustments for parcel shape, and condition of title.

My analysis of the five Comparable Sales is summarized in the following table.

Sale #	1	2	3	4	5
Location	Lopes Rd. Fairfield	1500 N. Lincoln St Dixon	490 Edison Ct. Fairfield	1281 Anderson Dr. Suisun	1151 ± Horizon Dr. Fairfield
Acres	5.05	0.85	4.21	1.20	1.60
Sale Date	08/15/19	07/23/19	01/20/21	03/09/18	05/22/18
Use	Self Storage	Service Commercial	Self Storage	Carwash	Self Storage
Price/Sq Ft	\$10.46	\$8.79	\$7.36	\$7.00	\$6.53
<i>Adjustments</i>	<i>/</i>	<i>/</i>	<i>/</i>	<i>/</i>	<i>/</i>
Time	+\$0.78	+\$0.66	+\$0.55	+\$0.70	+\$0.49
Size	≈	-\$1.50	≈	-\$0.50	≈
Location	-\$2.00	≈	+\$1.00	+\$1.50	\$1.25
Shape	-\$2.00	-\$1.00	-\$2.00	-\$2.00	-\$2.00
Clouds on Title	-\$1.50	-\$1.50	-\$1.50	-\$1.50	-\$1.00
Off-Site Improvements	-\$0.50	-\$0.50	-\$0.50	-\$0.50	-\$0.50
Net Adjustments	-\$5.22	-\$3.84	-\$2.45	-\$2.30	-\$1.76
Indicated Value	\$5.24	\$4.95	\$4.91	\$4.70	\$4.77

Again the Subject Property is an odd duck in the marketplace because it possess four unusual value impairing characteristics including:

- The no-mans-land isolated location
- The functionally poor teardrop parcel shape
- The extent of onerous clouds on title
- The lack of street frontage improvements

Again because the Subject Property is so unusual in the marketplace it is not possible to find Comparable Sales which mimic all of the value negative Subject Property characteristics.

None of the Comparable Sales stand out as a particularly better value indicator than the other sales. However, the Comparable Sales bracketed the subject as best possible. Before adjustments the Comparable Sales had per square foot sales prices within a 68% range. After adjustments the range of adjusted sale prices was reduced to \$4.70 to \$5.24 per square foot or only a 11.5% spread within the adjusted range.

My final opinion of value is that a rounded \$5.00 per square foot, as calculated below.

$$2.72 \text{ acres} \times 43,560 \text{ Sq Ft/acre} = 118,483 \text{ Sq Ft}$$

$$118,483 \text{ Sq Ft} \times \$5.00/\text{Sq Ft} = \$592,415$$

Rounded to \$600,000⁴

⁴ The \$600,000 value opinion is based upon a three year exposure time prior to the date of value.

ASSUMPTIONS AND LIMITING CONDITIONS

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

Hypothetical Condition is 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 requirements of the USPAP, we are informing readers and users of this appraisal that the use of hypothetical condition(s), if that condition did not transfer into actual existence in the form that in which it is hypothesized, would impact the assignment analysis, conclusions and opinions. There are no hypothetical conditions pertaining to this assignment:

Extraordinary Assumption as an assumption, directly related to a specific assignment, which if found to be false, could alter the appraisers' opinions or conclusions. In compliance with requirements of the Uniform Standards of Professional Appraisal Practice, we are informing readers and users of this appraisal that the use of extraordinary assumption(s), if those assumptions are found not to be true, may impact the assignment analysis, conclusions and opinions.

1. The Client is Solano-Napa Habitat for Humanity. The Intended use of this appraisal is support of an IRS 8283 *Non Cash Charitable Donation*. The intended users are the Client, the current owners, Gimli Ltd., a California limited partnership, and James Patrick and Patricia A. Kennedy, and the Internal Revenue Service. Garland & Salmon does not authorize the use of this appraisal by any other party or for any other use. Garland & Salmon accepts no responsibility for use of this appraisal by any other party or for any other use.
2. It is assumed that title exception #27 (Deed of Trust to secure an indebtedness of \$200,000.00, dated January 25, 1991, recorded January 31, 1991, (instrument) 910006371, Official Records.) Is extinguished from title.
3. It is assumed that the Subject Property is not Hazardous Materials contaminated.

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 or 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.

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 Appraiser. However, he is not licensed or certified in the fields of building inspection or civil, soils, structural, or environmental engineering, nor ADA compliance. 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

The scope of my personal work on this assignment included:

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. Inspected the Subject Property.
3. Inspected and analyzed the surrounding competitive market area.
4. Reviewed the zoning of the Subject Property. Discussed upcoming minor zoning changes with Suisun City Senior Planner John Kearns.
5. Investigated the ownership and recent history of the Subject Property.
6. Reviewed and analyzed the Placer Title Company Preliminary Report Order Number: P-514279 dated August 5, 2021.
7. Formed an opinion of the *Highest and Best Use* of the Subject Property.
8. Researched comparable sales, including public records, other appraisers, active and knowledgeable brokers, and publications providing comparable sale data.
9. Inspected the comparable sales.
10. Developed an opinion of the value of the Subject Property by use of appropriate appraisal techniques.
11. Prepared the written summary 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 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.
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 performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this appraisal within the 3-year period immediately preceding acceptance of this assignment.



Ronald G. Garland, MAI, SRA
CA #AG001662

October 2, 2021

Date

Addenda

Ronald G. Garland, MAI, SRA, Summary of Professional Qualifications

Subject Property Photographs

Comparable Sale Data Sheets

the August 5, 2021 Placer Title Preliminary Report P-514279

Waterfront District Specific Plan table 3.7: *Downtown Mixed Use Zone* Allowed Uses

Sewer District provided exhibit illustrating the abandoned sewer line



REAL PROPERTY ECONOMIC ANALYSTS & APPRAISERS



RONALD G. GARLAND, MAI, SRA SUMMARY OF PROFESSIONAL QUALIFICATIONS

After graduating from the University of California at Davis with a Bachelors of Science in Agricultural Science & Management, I began my appraisal career in 1976 with Merced County Assessor's Office, where I primarily appraised agricultural and other rural properties. After a few years I took an appraiser position with Bank of America where I began broadening my appraisal experience into urban property types including residential, commercial, industrial, and urban development land.

In 1983 I established Garland & Associates in Fairfield, California. Garland & Associates is a diversified real property appraisal firm. During 1986 the Appraisal Institute awarded me the prestigious MAI designation. During the intervening decades I have amassed a vast range of appraisal and real property economic analysis experience. Some of that experience has included qualifying as an expert witness in the Superior Courts of Solano, Contra Costa, Napa, Humboldt, Yolo, Sacramento, Placer, El Dorado, Yuba, and Sutter Counties. Additionally, I have qualified in Federal Bankruptcy and Tax Courts. In order to broaden my professional experience to include many unusual property types and property rights, I have taken various professional continuing education offering at a rate of twice that required by the State of California

I have been a leader in the appraisal industry for decades. During the period of 1986 though 2002 I continuously was elected by my peers to various leadership positions within the Appraisal Institute. This included being President of the Northern California Chapter in 1995, and serving a three-year term on the National Board of Directors during 1998 through 2000. I continue in leadership including in recent years having chaired the Appraisal Institute Spring Litigation Conference, and being in leadership within the State Government Relations Committee.

In recent years as my firm has become Garland & Salmon, as my associate Steve Salmon has taken over day to day management of the company. I have largely transitioned out of appraisal company management, allowing me to focus on my professional passion of solving complex property economic puzzles including but not limited to appraisal valuations. I am a fortunate person in that I have been able to develop a career which I find so interesting, challenging, and intellectually rewarding.



View east across the Subject Property. Elevated Hwy 12 is on the right.



View southwest across the Subject Property.
The Hwy 12 "flyover" and the pedestrian railroad overcrossing are visible past the Subject Property



View south of the bend in Main Street. The Subject Property is on the left. The Hwy 12 “flyover” is near the center. The lower part of the east side of the railroad pedestrian overcrossing is visible on the right.



View of the service commercial building east of the Subject Property.
This is the only building in the area between the railroad and the Hwy 12 “flyover.”

Land Sale No. 1

Property Identification

Record ID	1421
Property Type	Industrial, Light industrial
Property Name	Storage Pro Site
Address	Lopes Rd , Fairfield, Solano County
Location	250 feet south of Fulton Dr
Tax ID	0180-130-160 & 170

Sale Data

Grantor	Siemons Mailing Services Inc
Grantee	Storage Pro of Fairfield LLC
Sale Date	August 15, 2019
Deed Book/Page	00054674
Property Rights	Fee
Conditions of Sale	Arm's length
Verification	John Salamida (seller agent); Other sources: deed, planning file, Confirmed by Ronald Garland

Sale Price	\$2,300,000
Cash Equivalent	\$2,300,000

Land Data

Zoning	IL (limited industrial), Industrial
Topography	Generally level
Utilities	All in Lopes Rd
Shape	Rectangular
Flood Info	Zone x, insurance not required All off-site improvements were complete

Land Size Information

Gross Land Size	5.050 Acres or 219,978 SF
Front Footage	480 ft Lopes Rd;

Indicators

Sale Price/Gross Acre	\$455,446
Sale Price/Gross SF	\$10.46

Remarks

Purchased for development of a Storage Pro franchise self-storage facility. The south edge of the property is restricted by a top of creek bank setback. This buyer subsequently purchased the adjacent property at 490 Edison Ct from a different seller. That acquisition was for increasing the size of the self-storage facility.

Land Sale No. 2

Property Identification

Record ID 1446
Property Type Commercial, Highway commercial
Address 1500 N Lincoln St, Dixon, Solano County
Tax ID 0108-110-560

Sale Data

Grantor Ernest Family Trust
Grantee MCDE Properties LLC
Sale Date July 23, 2019
Deed Book/Page 0047915
Property Rights Fee
Conditions of Sale Arm's length & market exposure
Verification Kevin Johnson (agent); Other sources: Deed, MLS, Confirmed by Ronald Garland

Sale Price \$325,000
Cash Equivalent \$325,000

Land Data

Zoning CH & PAO, Commercial
Topography Level
Utilities All Available in the Street
Shape Irregular almost pie slice shaped
Flood Info X
User 5 All off-site improvements are complete

Land Size Information

Gross Land Size 0.849 Acres or 36,982 SF
Front Footage 267 ft N Lincoln St;

Indicators

Sale Price/Gross Acre \$382,803
Sale Price/Gross SF \$8.79

Remarks

The site is located on N. Lincoln Street which in this area is a Highway 80 frontage road. The site has filtered visibility from east bound I-80

Land Sale No. 3

Property Identification

Record ID	1441
Property Type	Industrial, Light industrial
Address	490 Edison Ct, Fairfield, Solano County, California
Location	Cordelia Industrial Park
Tax ID	0180-130-110

Sale Data

Grantor	Yelton Properties, LLC (Charles Yelton)
Grantee	Storage Pro of Fairfield LLC
Sale Date	January 20, 2021
Deed Book/Page	0006200
Property Rights	Fee
Conditions of Sale	Arm's length & market exposure
Financing	short term seller 850K loan
Verification	Brian Clocum (agent); Other sources: Deed, marketing materials

Sale Price	\$1,350,000
Cash Equivalent	\$1,350,000

Land Data

Zoning	IL, Industrial
Topography	Generally level
Utilities	All in the street
Shape	Rectangular
Flood Info	zone X
	All off-site improvements were complete at sale

Land Size Information

Gross Land Size	4.210 Acres or 183,388 SF
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Indicators

Sale Price/Gross Acre	\$320,665
Sale Price/Gross SF	\$7.36

Remarks

Purchased for development of a Storage Pro franchise self-storage facility. The seller financing is short term until the development is financed. The south edge of the property is restricted by a top of creek bank setback. This buyer previously (08/15/19) purchased the adjacent 5.05-acre property fronting Lopes Road. This acquisition was for the purpose of increasing the size of the to be developed self-storage facility.

Land Sale No. 4

Property Identification

Record ID	1380
Property Type	Commercial
Property Name	Suisun City Carwash site
Address	1281 Anderson Dr , Suisun City, Solano County
Tax ID	0173-670-040

Sale Data

Grantor	Century Vision Developers Inc. (Hofmann)
Grantee	Suisun City Carwash, Inc
Sale Date	March 09, 2018
Deed Book/Page	0016645
Property Rights	Fee
Conditions of Sale	Arm's length, & market exposure
Verification	Randy Dawson broker; Other sources: deed, newspaper, Confirmed by Ronald Garland

Sale Price	\$366,000
Cash Equivalent	\$366,000

Land Data

Zoning	CMU, Commercial
Utilities	All in the street
Shape	rectangular
Flood Info	Zone A0

Land Size Information

Gross Land Size	1.200 Acres or 52,272 SF
Front Footage	273 ft Grizzly Island Rd; 188 ft Anderson Dr; 188 ft McCoy Creek Way;

Indicators

Sale Price/Gross Acre	\$305,000
Sale Price/Gross SF	\$7.00

Remarks

The zoning is Commercial Mixed Use which allows residential development within a primarily commercial use project. The mixed use may be vertical (residential over commercial), or vertical mixed use (commercial on one part and residential on another part of the site), The site was purchased for development of a carwash.

Land Sale No. 5

Property Identification

Record ID	1393
Property Type	Light Industrial, Light industrial
Address	Horizon Dr, Fairfield, Solano County, California
Location	Western Business Park
Tax ID	0168-320-450 & 460

Sale Data

Grantor	United Properties (De Vries)
Grantee	Horizon Drive LP (Venkata Vemireddy)
Sale Date	May 22, 2018
Deed Book/Page	00034360
Property Rights	Fee
Conditions of Sale	Arm's length & market exposure
Sale History	Sale from the original land developer
Verification	Chis Petrini (broker); August 08, 2018; Other sources: deed, CoStar, Confirmed by Ronald Garland

Sale Price	\$455,000
Cash Equivalent	\$455,000

Land Data

Zoning	CS, Service Commercial
Topography	Level
Utilities	Available in the street
Shape	Rectangular
Flood Info	Zone x (minimal flooding) All off-site improvements are complete

Land Size Information

Gross Land Size	1.600 Acres or 69,696 SF
Front Footage	325 ft Horizon;

Indicators

Sale Price/Gross Acre	\$284,375
Sale Price/Gross SF	\$6.53

Remarks

The buyer is an experienced developer. The property is split in half, east from west, by a road easement. That easement has never been developed. The easement is not of any particular value or utility to the easement dominant parcel but it is a sold property encumbrance never-the-less. The buyer purchased intending to develop self-storage on the property.

D. Downtown Mixed Use (DMU) Zone

This DMU zone is proposed as a new commercial mixed-use zone, intended to replace the General Commercial and Commercial Service zone designations that are proposed to be phased out in both the General Plan Update, adopted in 2015 and the Zoning Code Update, planned for adoption in 2016. This zone allows a mix of retail, commercial service, civic, office, and other complementary non-residential uses, as well as higher-density residential development. Allowed uses permitted within the DMU zone are indicated in Table 3.7.

TABLE 3.7: DOWNTOWN MIXED USE ZONE ALLOWED USES

Permitted Uses	Administrative Review and Conditionally Permitted Uses
<ul style="list-style-type: none"> ▪ Antique shop ▪ Art, modeling, music, and/or dance studio ▪ Artist studios; art supply stores ▪ Bed and breakfast inn ▪ Business services ▪ Clothing and costume stores ▪ Commercial services ▪ Communication services ▪ Community social services ▪ Eating and drinking places ▪ Educational services ▪ Finance, insurance, and real estate offices ▪ Food and grocery stores ▪ General merchandise and hardware store ▪ Medical health care facility ▪ Theater (i.e., motion picture or live) ▪ Optical shop or optometrist ▪ Personal services ▪ Professional or medical offices ▪ Specialty retail shops¹ ▪ Residential dwellings² 	<p>Administrative Review:</p> <ul style="list-style-type: none"> ▪ Public/quasi-public use (e.g., community center, school, fire station, library, church) <p>Conditionally Permitted:</p> <ul style="list-style-type: none"> ▪ Commercial amusement or entertainment ▪ Commercial retail or services greater than 40,000 square feet ▪ Drive-through facilities (only north of Driftwood Drive) ▪ Entertainment (i.e., nightclub and bar/lounge) ▪ Furniture stores ▪ Hospital ▪ Reupholstery and furniture repair; antique refinishing ▪ Convenience market ▪ Shops selling age-restricted goods or providing age-restricted services
<p>▪ Any other retail, service, public/quasi-public, or residential uses that are similar in nature, function, and operations to the permitted, administrative review clearance, and conditionally permitted uses listed above.</p>	
<p>Notes:</p> <ol style="list-style-type: none"> 1. Specialty retail shops are defined as small retail stores with distinctive merchandise, often supplied locally or with a local theme, not including sale of age-restricted goods or providing age-restricted services. 2. Permits the same type of residential dwellings permitted in the RHD zone. 	



Preliminary title report dated as of August 5, 2021

Order Number: P-514279

Date Prepared:

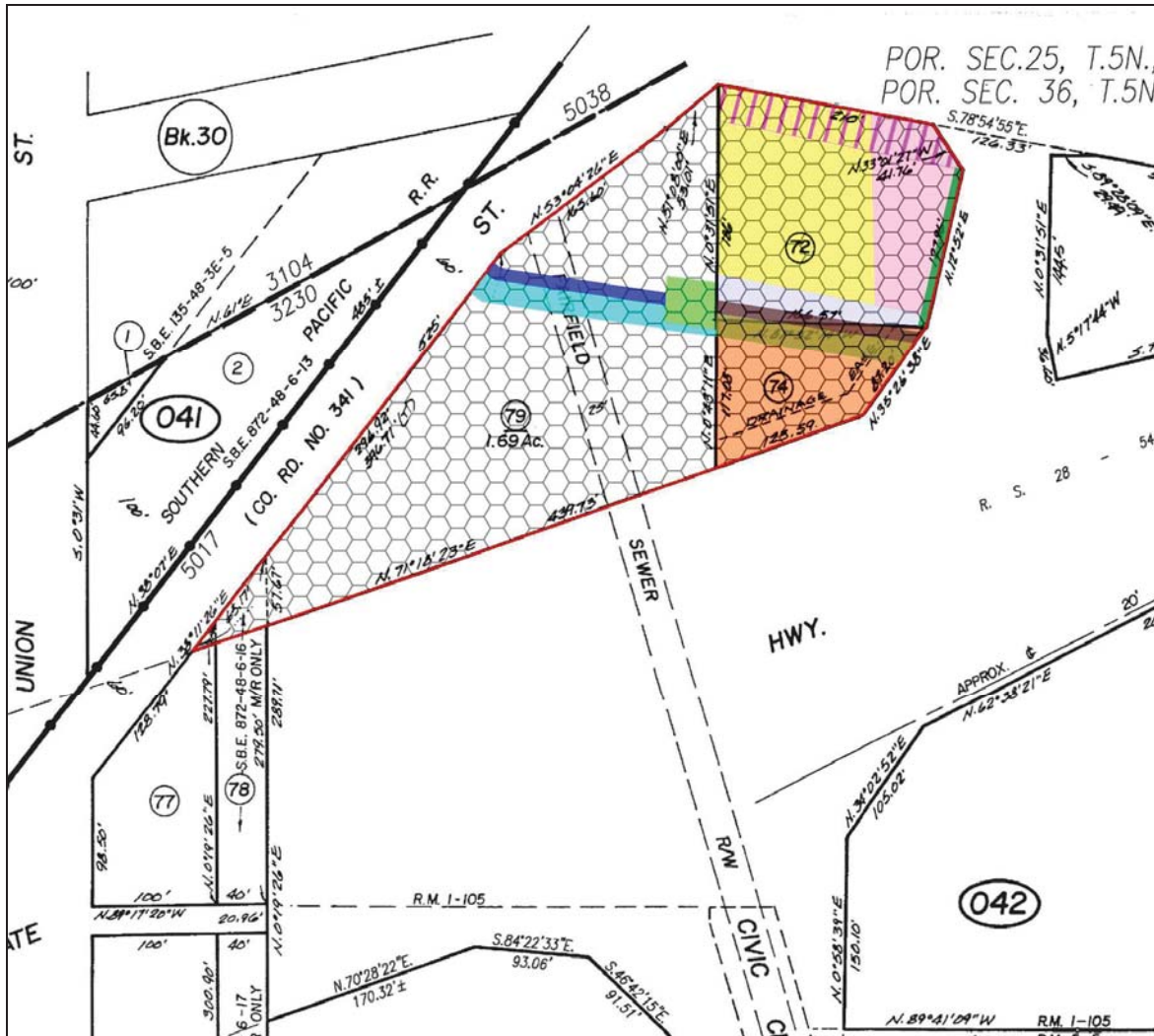
09/16/2021

Property Address:

605 State Highway 12, Suisun City, CA 94585

Assessor's Parcel No.:

0032-042-720,
0032-042-740 &
0032-042-790



LEGEND



Parcel One (Fee, Property in Question)



Parcel Four (Fee, Property in Question)



Parcel Two (Fee, Property in Question)



Parcel Five (Fee, Property in Question)



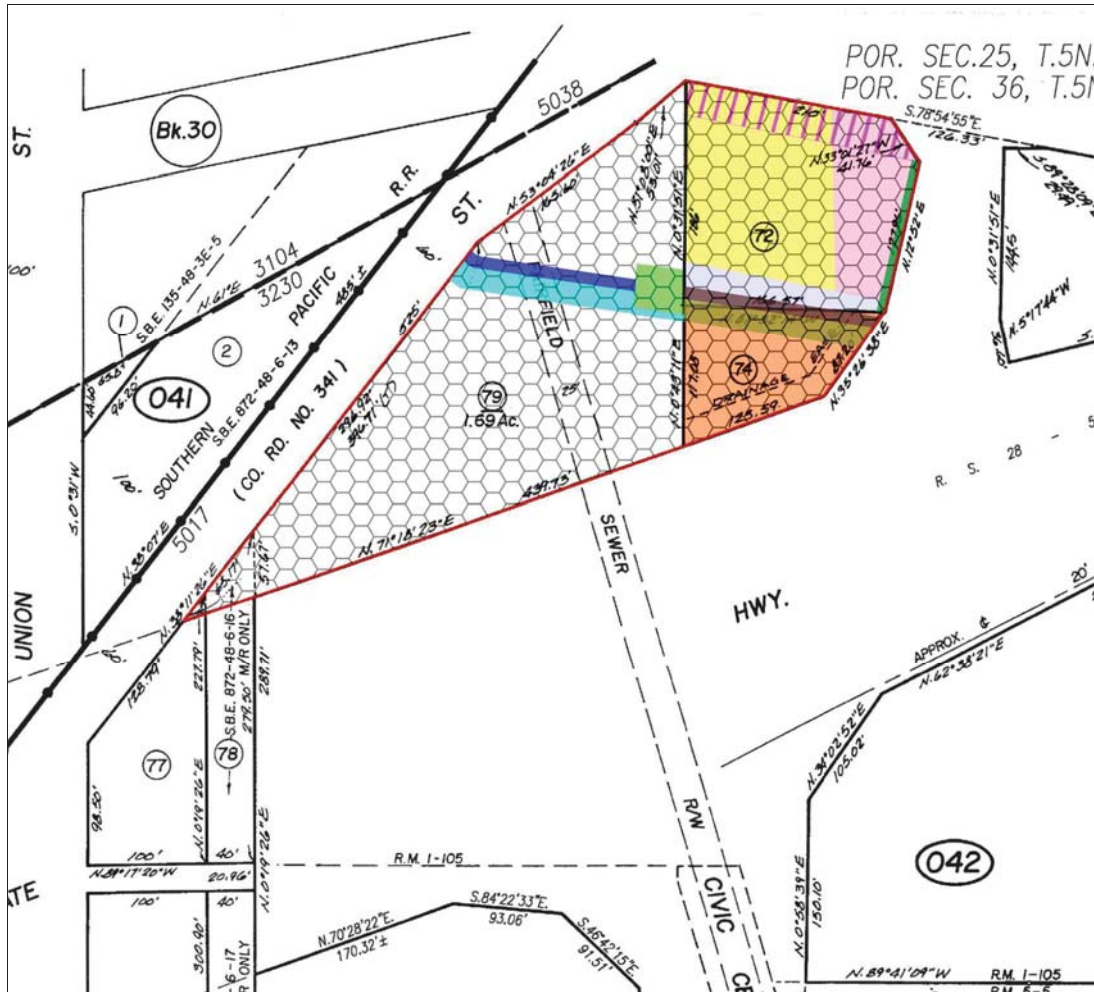
Parcel Three (Fee, Property in Question)



Parcel Six (Fee, Property in Question)

IT IS NOT A PLAT OR SURVEY OF THE LAND DEPICTED. THIS MAP IS FURNISHED MERELY AS A CONVENIENCE TO AID YOU IN LOCATING THE LAND INDICATED HEREON WITH REFERENCE TO STREETS AND OTHER LAND. THE COMPANY ASSUMES NO LIABILITY FOR ANY LOSS OCCURRING BY REASON OF RELIANCE THEREON.

NOTE: EASEMENTS DEPICTED HEREON ARE PROVIDED AS A COURTESY ONLY AND NO REPRESENTATION IS MADE AS TO THE ACCURACY OR COMPLETENESS THEREOF. IT IS RECOMMENDED THAT A SURVEY BE OBTAINED FROM A LICENSED PROFESSIONAL TO DETERMINE ACTUAL LOCATIONS.



LEGEND



Item No. 9 - Easement for construct, maintain, and operate a drainage canal and incidental purposes
September 19, 1914, Book 214, Page 331, of Deeds
Affects as described therein



Item No. 11 - Easement for right to excavate for, install, replace (of the initial or any other size), maintain and use for conveying gas such pipe line or lines as it shall from time to time elect and incidental purposes
September 20, 1937, Instrument No. 5360, Book 171, Page 346, of Official Records
Affects as described therein



Item No. 12 - Easement for excavate for, install, replace (of any size not exceeding 10" in diameter), maintain and use for conveying gas, a pipe line and incidental purposes
September 20, 1937, Instrument No. 5361, Book 171, Page 347, of Official Records
Affects as described therein



Item No. 13 - Easement for excavate for, install, replace (of the initial or any other size) maintain and use for conveying gas such pipe line or lines as it shall from time to time elect and incidental purposes
August 27, 1937, Instrument No. 4926, Book 176, Page 492, of Official Records
Affects as described therein



Item No. 14 - Easement for excavate for, install, replace (of the initial or any other size), maintain and use for conveying gas such pipe line of lines and incidental purposes
October 19, 1949, Instrument No. 10948, Book 496, Page 388, of Official Records
Affects as described therein



Item No. 15 - Easement for excavate for, install, replace (of the initial or any other sizes), maintain and use for conveying gas such pipe line or lines and incidental purposes
October 26, 1949, Instrument No. 11263, Book 497, Page 216, of Official Records
Affects as described therein



Item No. 18 - Lack of Abutters Rights
August 15, 1980, Instrument No. 34591, Book 1980, Page 56122, of Official Records
Affects as described therein



Item No. 20 - Easement for temporary for construction purposes and incidental purposes
June 17, 1982, Instrument No. 21887, Book 1982, Page 38439, of Official Records
Affects as described therein



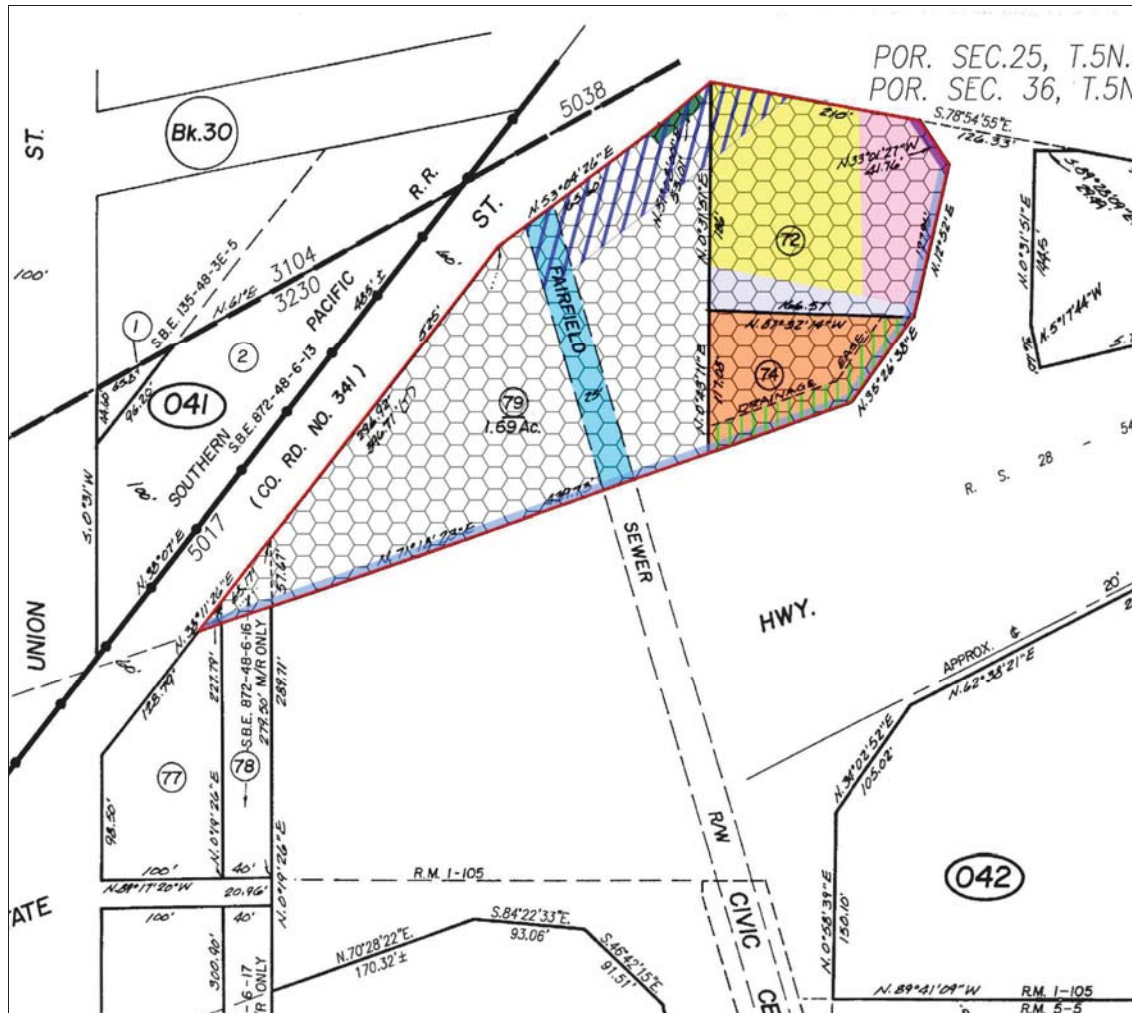
Item No. 16 - Lack of Abutters Rights
December 6, 1979, Instrument No. 62205, Book 1979, Page 104466, of Official Records
Said easement is exactly un-locatable












Item No. 17 - Easement for utility purposes and incidental purposes
December 6, 1979, Instrument No. 62205, Book 1979, Page 104466, of Official Records
Said easement is exactly un-locatable

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NOTE: EASEMENTS DEPICTED HEREON ARE PROVIDED AS A COURTESY ONLY AND NO REPRESENTATION IS MADE AS TO THE ACCURACY OR COMPLETENESS THEREOF. IT IS RECOMMENDED THAT A SURVEY BE OBTAINED FROM A LICENSED PROFESSIONAL TO DETERMINE ACTUAL LOCATIONS.



LEGEND

	Item No. 5 - Easement for constructing, repairing, and maintaining a sewer and incidental purposes June 13, 1907, Book 170, Page 150, of Deeds Affects as described therein		Item No. 25 - Lack of Abutters Rights January 14, 1987, Instrument No. 3290, Book 1987, Page 5273, of Official Records Affects as described therein
	Item No. 7 - Easement for right of way for a main sewer and incidental purposes August 12, 1908, Book 171, Page 153, of Deeds Affects as described therein		Item No. 28 - Easement for public utilities and incidental purposes December 12, 2018, Instrument No. 201800083565, of Official Records Affects as described therein
	Item No. 19 - Lack of Abutters Rights June 17, 1982, Instrument No. 21887, Book 1982, Page 38439, of Official Records Affects as described therein		Item No. 29 - Easement for temporary construction December 12, 2018, Instrument No. 201800083566, of Official Records Affects as described therein
	Item No. 23 - Easement for storm drain and incidental purposes September 28, 1982, Instrument No. 36437, Book 1982, Page 63651, of Official Records Affects as described therein		Item No. 30 - Easement for temporary construction November 4, 2019, Instrument No. 201900079402, of Official Records Affects as described therein
	Item No. 24 - Lack of Abutters Rights December 3, 1985, Instrument No. 57270, Book 1985, Page 115255, of Official Records Affects as described therein		

IT IS NOT A PLAT OR SURVEY OF THE LAND DEPICTED. THIS MAP IS FURNISHED MERELY AS A CONVENIENCE TO AID YOU IN LOCATING THE LAND INDICATED HEREON WITH REFERENCE TO STREETS AND OTHER LAND. THE COMPANY ASSUMES NO LIABILITY FOR ANY LOSS OCCURRING BY REASON OF RELIANCE THEREON.

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Preliminary Report Top Sheet

◆ HELP US STAY ON TOP OF YOUR TRANSACTION ◆

IF ANY OF THESE QUESTIONS ARE ANSWERED "YES", OR IF YOU HAVE QUESTIONS ABOUT THE BELOW, PLEASE CONTACT OUR ESCROW OFFICER IMMEDIATELY

- ◆ Have any of the principals recently filed bankruptcy?
- ◆ Do any of the principals plan to use a power of attorney?
- ◆ Are any of the principals going through a divorce? (if so, is there an attorney involved?)
- ◆ Is anyone currently vested in title deceased? Has a new Tax I.D. Number been established?
- ◆ Do any of the principals NOT have a valid photo identification?
- ◆ Is there construction work in progress or incomplete construction?
 - Any construction completed in the last year?
 - Any construction completed in the last 4 months?
- ◆ Is there a mobile or manufactured home on the property?
- ◆ Are the sellers a non-resident alien or a foreign out of country seller?
- ◆ Is the property an investment property or not considered seller's principal residence?
- ◆ Will a new entity be formed? (i.e. Partnership, LLC, Corporation)
- ◆ If your principals are currently vested or are taking title in their trust, have bank accounts been established in the name of the Trust?
- ◆ Will any of the principals be participating in a 1031 Exchange?
- ◆ Are any of the principals not able to sign with a Placer Title Company? If so, an approved notary will be required.

THANK YOU FOR CHOOSING

Placer Title Company



Escrow Number: P-514279

WIRE FRAUD ADVISOR

Parties to a real estate transaction are often targets for wire fraud and financial confidence schemes, unfortunately with many losing tens or hundreds of thousands of dollars because they relied (without verification) on “revised” or “new” wire instructions appearing to come from a trusted party to the transaction.

IF YOU INTEND TO WIRE FUNDS IN CONJUNCTION WITH THIS REAL ESTATE TRANSACTION, WE STRONGLY RECOMMEND THAT YOU VERBALLY VERIFY THOSE INSTRUCTIONS THROUGH A KNOWN, TRUSTED PHONE NUMBER PRIOR TO SENDING FUNDS

In addition, the following self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **DO NOT RELY** on emails purporting to change wire instructions. Placer Title Company will never change its wire instructions in the course of a transaction. If you receive a random or unsolicited email from anyone requesting funds to be wired, and attaching “new,” “alternate,” “updated,” “revised” and/or “different” wire instructions, contact your escrow officer immediately (at a verifiable number in the manner noted below) and before wiring any money.
- **VERIFY** the wire instructions you do receive by calling the party who sent the instructions to you. However, **DO NOT** use the phone number provided in the email containing the instructions, and **DO NOT** send a reply email to verify, since the email address may be incorrect, fraudulent or being intercepted by the fraudster. Rather, use phone numbers you have called before and/or can independently verify through other sources (company website or internet search).
- **USE COMPLEX PASSWORDS** that are at least ten (10) characters long and contain a combination of mixed case, numbers, and symbols. You should also change your password often and not reuse the same password for other online accounts.
- **ENABLE MULTI-FACTOR AUTHENTICATION** for all email accounts. Your email provider may have specific instructions on how to implement this feature.
- **CHECK FOR AUTO-FORWARDING** on your email account and disable it. This is one of the most “silent” ways a fraudster can monitor your email account because every email that comes in is automatically forwarded to them, even if you change your password.

This Notice is not intended to provide legal or professional advice, nor is it an exclusive list of self-protection strategies. Customers are encouraged to always be aware of such schemes, and to contact their escrow officer if ever in doubt.



PLACER TITLE COMPANY
A MOTHER LODE COMPANY

Placer Title Company
1300 Oliver Rd., Suite 120
Fairfield, CA 94534
Phone: (707)429-2211
Fax: (707) 429-1230

Order No.: P-514279
Reference:
Escrow Officer: Patty Dykes
Email: pdykes@placertitle.com
Email Loan Docs To: pdykes@placertitle.com

Proposed Insured:
Proposed Loan Amount:

Proposed Underwriter: Old Republic National Title Insurance Company

Property Address: 605 State Highway 12, Suisun City, CA 94585

PRELIMINARY REPORT

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, 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 Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. 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 Attachment One. 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 Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the 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: August 5, 2021 at 7:30AM
Title Officer: Phillip Kelly

Order Number: P-514279

The form of policy of title insurance contemplated by this report is:

2006 ALTA Standard Owners Policy

2006 ALTA Extended Loan Policy

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee Simple

Title to said estate or interest at the date hereof is vested in:

Gimli Ltd., a California limited partnership, as to an undivided 50% interest and James Patrick Kennedy and Patricia A. Kennedy, husband and wife, as community property, as to an undivided 50% interest

The land referred to in this report is described as follows:

See Exhibit "A" Attached for Legal Description

Exhibit "A"

Legal Description

The land described herein is situated in the State of California, County of Solano, City of Suisun City, described as follows:

Parcel One:

Commencing at a point on the southerly line of the Suisun and Denverton Road No. 68 at the northeast corner of a tract of land conveyed by Bert. R. Chaplin and wife to the Cement Tolenas and Tidewater Railroad Company by deed dated November 4, 1913 and recorded in Book 205 of deeds, Page 22, thence along the southerly line of said road South 79° East 150 feet; thence South 0° 38' East 150 feet; thence North 79° West 150 feet; thence along said Cement Tolenas and Tidewater Railroad Company North 0° 38' East, 150 feet to the place of commencement.

Parcel Two:

Commencing at a point on the southerly line of State Highway X-SOL-53 formerly the Suisun and Denverton Road No. 68 at the northeast corner of a parcel of land conveyed by Gus Erickson to Edward Brattain and Nellie Brattain as joint tenants, by deed dated November 19, 1934 and recorded November 26, 1934 in Volume 132 of Official Records of Solano County, Page 154; thence along the southerly line of said highway South 79° East 90 feet; thence South 0° 38' West, 150 feet; thence North 79° West, 90 feet to the easterly line of the said tract described in the deed to Brattain, Et Al, above referred to; thence North 0° 38' East, 150 feet along said easterly line of said Brattain tract to the place of beginning.

Excepting therefrom that portion thereof lying within the parcel of land described in the deed from James G. Metternich, ET UX, to State of California, dated June 24, 1980, recorded August 15, 1980, in Book 1990, Page 56122, Instrument No. 34591, Solano County Records.

Excepting therefrom that portion described in deed from James G. Metternich, ET UX, to the State of California, recorded June 17, 1982, Page 38439, Instrument No. 21887, Solano County Records.

Parcel Three:

Beginning at a point on the easterly line of that certain 40 foot strip of land conveyed to Bruce McCollum, ET UX, by deed recorded September 17, 1946 in Book 349, Page 447, Instrument No. 13069, Solano County Records, said point bearing South 0° 37' 20" West along said easterly line, distance of 186 feet from the intersection thereof with the southerly line of State Highway No. 12, also known as Denverton Road; thence from said point of beginning North 0° 37' 20" East, along the easterly line of said 40 foot strip, 36 feet; thence South 79° 00' East parallel with the southerly line of said State Highway No. 12, a distance of 240 feet; thence westerly in a direct line 240 feet to the point of beginning.

Excepting therefrom that portion thereof lying within the parcel of land described in the deed from James G. Metternich, ET UX, to State of California, dated June 14, 1980, recorded August 15, 1980, page 56122, Instrument No. 34591, Book 1980, Solano County Records.

Parcel Four:

That certain portion of land lying within the county of Solano, California, as shown on the record of survey recorded in record of Survey Book 14, Pages 59 through 62, inclusive, Solano County Records, Solano County, California, more particularly described as follows:

Commencing at the intersection of the southeasterly right-of-way line of Denverton Road and the southerly right-of-way line of State Highway 12, as shown on said record of survey thence South 0° 31' 51" West, 186 feet to the point of beginning; thence South 87° 32' 14" East, 166.57 feet; thence South 35° 26' 38" West, 87.20 feet; thence South 71° 40' 00" West, 12.59 feet; thence North 0° 43' 11" East, 117.08 feet, to the point of beginning.

Parcel Five:

All that certain parcel of land as described in deed recorded January 3, 1980, as Instrument No. 230, Page 360, Solano County Records, lying northerly of the following line:

Beginning at a 3/4 inch iron pipe (tagged L S 4354) set to mark the northeast corner of that parcel No. 2, described in Exhibit "A" in deed recorded September 10, 1971 in Volume 1705, Page 569, Solano County Records, thence along the northerly line of said parcel No. 2, North 78° 54' 55" West 36.33 feet; thence South 12° 52' 00" West, 157.96 feet to the northerly boundary of said parcel recorded March 24, 1964 thence South 35° 26' 38" West 87.20 feet; thence South 71° 40' 00" West, 159.02 feet; thence South 70° 09' 38" West, 50.01 feet; thence South 71° 18' 23" West 353.73 feet to the northwesterly line of that certain parcel of land as described in deed recorded May 20, 1969, in Volume 1567, Page 7, Instrument No. 9108, Solano County Records.

Parcel Six:

All that portion of those certain parcels of land as described in deeds recorded May 20, 1969 in Volume 1567, Page 3, Instrument No. 9107, May 20, 1969 in Volume 1567, Page 7, Instrument No. 9108 and May 15, 1980, Instrument No. 21642, Page 35052, all in the Official Records of Solano County, lying northerly of the following line:

Beginning at a 3/4 inch iron pipe (tagged L.S. 4354) set to mark the northeast corner of that certain parcel No. 2, described in exhibit "A" in deed recorded September 10, 1971, in Volume 1705, Page 569, Solano County Records, thence (1) along the northerly line of said parcel No. 2, N. 78° 54' 55" W., 36.33 feet; thence (2) S. 12° 52' 00" W., 157.96 feet to the northerly boundary of that certain parcel of land as described in deed recorded March 24, 1964 in Volume 1260, Page 214, Instrument No. 8434, Solano County Records; thence (3) S. 35° 26' 38" W., 87.20 feet; thence (4) S. 71° 40' 00" W., 159.02 feet; thence (5) S. 70° 09' 38" W., 50.01 feet; thence (6) S. 71° 18' 23" W., 353.73 feet to the northwesterly line of said parcel recorded as Instrument No. 9108; thence (7) S. 52° 48' 37" W., 225.35 feet to the westerly line of Main Street (a city street also known as Union Avenue).

Excepting therefrom, the title and exclusive right to all of the minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying said property, or that may be produced therefrom, including, without limiting the generality of the foregoing, all petroleum, natural gas and other hydrocarbon substances and products derived therefrom, together with the exclusive and perpetual right of ingress and egress beneath the surface of said property to explore for, extract mine, and remove the same, and to make such use of said property beneath the surface as is necessary or useful in connection therewith, which use may include lateral or slant drilling, boring, digging or sinking of wells, shafts or tunnels; provided, however, that grantor, its successors and assigns, shall not drill, dig or mine through the surface of said property in the exercise of said rights and shall not disturb the surface of said property, or otherwise develop the same in such manner as to endanger the safety of any highway that may be constructed on said property: provided, also, that no lapse of time in the exercise of such reserved rights shall be deemed to be an abandonment thereof nor

a vestiture of any adverse right in grantee or its assigns, as excepted in deed recorded May 15, 1980, Page 35053, as Instrument No. 21642, Solano County Records.

APN: 0032-042-720, 0032-042-740, 0032-042-790

Order Number: P-514279

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. Taxes, special and general, assessment districts and service areas for the fiscal year 2021-2022, a lien not yet due or payable.

NOTE: (For proration purposes only)

Taxes, special and general, assessment districts and service areas for the Fiscal Year 2021-2022

1st Installment:	\$1,062.73	PAID
2nd Installment:	\$1,062.73	PAID
Parcel Number:	0032-042-720	
Code Area:	5017	
Land Value:	\$189,968.00	
Improvements:	\$0.00	
Exemption:	\$0.00	

NOTE: (For proration purposes only)

Taxes, special and general, assessment districts and service areas for the Fiscal Year 2021-2022:

1st Installment:	\$432.35	PAID
2nd Installment:	\$432.35	PAID
Parcel Number:	0032-042-740	
Code Area:	5017	
Land Value:	\$76,649.00	
Improvements:	\$0.00	
Exemption:	\$0.00	

NOTE: (For proration purposes only)

Taxes, special and general, assessment districts and service areas for the Fiscal Year 2021-2022:

1st Installment:	\$2,462.57	PAID
2nd Installment:	\$2,462.57	PAID
Parcel Number:	0032-042-790	
Code Area:	5017	
Land Value:	\$441,591.00	
Improvements:	\$0.00	
Exemption:	\$0.00	

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.
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. The land described herein lies within the boundary of the territory within the County of Solano, Community Facilities District No. 2014-1 (Clean Energy), as disclosed by that certain map, recorded [August 27, 2015, in \(book\) 25 \(page\) 55](#), of Assessment Maps, and is subject to any future assessment thereof.
5. An easement over said land for constructing, repairing, and maintaining a sewer and incidental purposes, as granted to the Town of Fairfield, a municipal corporation, in deed recorded [June 13, 1907, \(book\) 170 \(page\) 150](#), of Deeds.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

6. Covenants, Conditions and Restrictions (deleting therefrom any restrictions based on race, color or creed) as set forth in the document referred to in the numbered item last above shown.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

7. An easement over said land for right of way 25 feet wide for a main sewer and incidental purposes, as granted to the town of Fairfield, a Municipal Corporation , in deed recorded [August 12, 1908, \(book\) 171 \(page\) 153](#) of Deeds.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

8. Covenants, Conditions and Restrictions (deleting therefrom any restrictions based on race, color or creed) as set forth in the document referred to in the numbered item last above shown.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

9. An easement over said land to construct, maintain, and operate a drainage canal and incidental purposes, as granted to the Town of Fairfield, a Municipal Corporation, in deed recorded [September 19, 1914, \(book\) 214 \(page\) 331](#), of Deeds.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

10. Covenants, Conditions and Restrictions (deleting therefrom any restrictions based on race, color or creed) as set forth in the document referred to in the numbered item last above shown.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

11. An easement over said land for right to excavate for, install, replace (of the initial or any other size), maintain and use for conveying gas such pipe line or lines as it shall from time to time elect and incidental purposes, as granted to Pacific Gas and Electric Company, a California Corporation, in deed recorded [September 20, 1937, \(instrument\) 5360 \(book\) 171 \(page\) 346](#), Official Records.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

12. An easement over said land to excavate for, install, replace (of any size not exceeding 10" in diameter), maintain and use for conveying gas, a pipe line and incidental purposes, as granted to Pacific Gas and Electric Company, a California Corporation, in deed recorded [September 20, 1937, \(instrument\) 5361 \(book\) 171 \(page\) 347](#), Official Records.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

13. An easement over said land to excavate for, install, replace (of the initial or any other size) maintain and use for conveying gas such pipe line or lines as it shall from time to time elect and incidental purposes, as granted to Pacific Gas and Electric, a California Corporation, in deed recorded [August 27, 1937, \(instrument\) 4926 \(book\) 176 \(page\) 492](#), Official Records.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

14. An easement over said land to excavate for, install, replace (of the initial or any other size), maintain and use for conveying gas such pipe line of lines and incidental purposes, as granted to Pacific Gas and Electric Company, a California Corporation, in deed recorded [October 19, 1949, \(instrument\) 10948 \(book\) 496 \(page\) 388](#), Official Records.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

15. An easement over said land to excavate for, install, replace (of the initial or any other sizes), maintain and use for conveying gas such pipe line or lines and incidental purposes, as granted to Pacific Gas and Electric Company, a California Corporation, in deed recorded [October 26, 1949, \(instrument\) 11263 \(book\) 497 \(page\) 216](#), Official

Records.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

16. Lack of Abutters Rights in and to the freeway or highway adjacent to said property, said rights having been released and relinquished by deed to the State of California, recorded [December 6, 1979, \(instrument\) 62205 \(book\) 1979 \(page\) 104466](#), Official Records.

17. An easement over said land for utility purposes and incidental purposes, as recorded [December 6, 1979, \(instrument\) 62205 \(book\) 1979 \(page\) 104466](#), Official Records.

Affects: An easterly portion of the premises

No representation is made as to the current ownership of said easement.

18. Lack of Abutters Rights in and to the freeway or highway adjacent to said property, said rights having been released and relinquished by deed to the State of California, recorded [August 15, 1980, \(instrument\) 34591 \(book\) 1980 \(page\) 56122](#), Official Records.

19. Lack of Abutters Rights in and to the freeway or highway adjacent to said property, said rights having been released and relinquished by deed to the State of California, recorded [June 17, 1982, \(instrument\) 21887 \(book\) 1982 \(page\) 38439](#), Official Records.

20. An easement over said land for temporary easement for construction purposes and incidental purposes, as granted to the State of California, in deed recorded [June 17, 1982, \(instrument\) 21887 \(book\) 1982 \(page\) 38439](#), Official Records.

Affects: An easterly portion of the premises

No representation is made as to the current ownership of said easement.

21. The herein described land is included within the boundaries of the Suisun City Redevelopment Project, City of Suisun Ordinance No. 462, upon the terms and provisions contained therein, recorded [July 14, 1982, Instrument No. 25626, Book 1982, Page 45007](#), Official Records.

And as modified by document recorded [July 21, 1989, Instrument No. 47829](#), Official Records.

And as revised by document recorded [December 18, 2009, Instrument No. 108234](#), Official Records.

California Health and Safety Code Section 34172 provides for the dissolution of Redevelopment Agencies.

22. The terms, conditions and provisions as contained in the document entitled "Consent to Common Use", by and between Pacific Gas and Electric Company and City of Fairfield, dated May 10, 1982, recorded [September 10, 1982, as \(instrument\) 34003 \(book\) 1982 \(page\) 59352](#), Official Records.

23. An easement over said land for storm drain and incidental purposes, as, in deed recorded [September 28, 1982, \(instrument\) 36437 \(book\) 1982 \(page\) 63651](#), Official Records.

Affects: Southeasterly portion of the premises

No representation is made as to the current ownership of said easement.

24. Lack of Abutters Rights in and to the freeway or highway adjacent to said property, said rights having been released and relinquished by deed from the State of California, recorded [December 3, 1985, \(instrument\) 57270 \(book\) 1985 \(page\) 115255](#), Official Records.
25. Lack of Abutters Rights in and to the freeway or highway adjacent to said property, said rights having been released and relinquished by deed from the State of California, recorded [January 14, 1987, \(instrument\) 3290 \(book\) 1987 \(page\) 5273](#), Official Records.
26. Covenants, Conditions and Restrictions (deleting therefrom any restrictions based on race, color or creed) as set forth in the document referred to in the numbered item last above shown.

Note: Section 12956.1 of the Government Code provides the following:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

27. Deed of Trust to secure an indebtedness of \$200,000.00, dated January 25, 1991, recorded [January 31, 1991, \(instrument\) 910006371](#), Official Records.

Trustor:	Richard A. Sara and Lydia B. Sara, his wife and James Patrick Kennedy and Patricia A. Kennedy, his wife
Trustee:	Stewart Title Company of Contra Costa, a California corporation
Beneficiary:	Tchinal Enterprises, Inc., Defined Benefit Plan Trust
Loan No.:	None Shown / Private

If the above Deed of Trust is being paid off through the proposed transaction, please obtain for review by the title department the following items:

- a) Original Note described in the above said Deed of Trust.
b) Original Deed of Trust.
c) Executed and recordable instruments to effect the release of the subject property from the Deed of Trust.
28. An easement over said land for public utilities and incidental purposes, as granted to the City of Fairfield a municipal corporation, in deed recorded [December 12, 2018, \(instrument\) 201800083565](#) , Official Records.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

29. An easement and agreement over said land for temporary construction, as granted to the City of Fairfield a municipal corporation, in deed recorded [December 12, 2018, \(instrument\) 201800083566](#) , Official Records.

Affects: A portion of the property

No representation is made as to the current ownership of said easement.

30. An easement over said land for temporary construction, as granted to the City of Fairfield a municipal corporation, in deed recorded [November 4, 2019, \(instrument\) 201900079402](#), Official Records.

Affects: A portion of the premises

No representation is made as to the current ownership of said easement.

*** MONUMENT FEE NOTE:

Any conveyance of land described herein shall be subject to the Survey Monument Preservation Fund with the cost of \$10.00 to be collected upon recordation of any Grant Deeds.

***** SPECIAL INFORMATION *****

*** 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

*** LENDER'S SUPPLEMENTAL ADDRESS REPORT:

The above numbered report is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association Loan Form Policy:

Placer Title Company states that the herein described property is Vacant Commercial Land and that the property address is:

605 State Highway 12, Suisun City, CA 94585

*** NOTICE REGARDING FUNDS DEPOSITED IN ESCROW:

California Insurance Code Section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company via cashier's or teller's checks drawn on a California based bank may be disbursed the next business day after the day of deposit.

NOTE: If a cashiers check is issued payable to the account holder or party to the escrow rather than the title company itself, an endorsement/signature guarantee of the payee from the issuing bank is necessary. If this guarantee is not received on the cashiers check you risk delays in closing if the check is returned for reasons of invalid endorsement by the bank.

If funds are deposited with the company by other methods, recording and/or disbursement may be delayed.

DISCLOSURE OF DISCOUNTS

You may be entitled to a discount on your title premiums and/or escrow fees if you meet any of the following conditions:

1. You are an employee of the title insurer or Placer Title Company and the property is your primary residence; or
2. The transaction is a loan, the purpose of which is to rebuild the improvements on the property as a result of a governmentally declared disaster; or
3. The property is being purchased or encumbered by a religious, charitable or nonprofit organization for its use within the normal activities for which such entity was intended.

Please advise the company if you believe any of the above discounts apply.

LENDER'S NOTE

In accordance with Executive Order 13224, and the USA Patriot Act, **PLACER TITLE COMPAN** compares the names of parties to the proposed transaction to the Specially Designated Nationals and Blocked Persons (SDN List) maintained by the United States Office of Foreign Asset Control.

BUYER'S NOTE

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.
2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters exception under (a), (b) or (c) are shown by the public records.
3. Any rights, interest or claims of parties in possession of the land which are not shown by the public records.
4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.
5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

CLTA PRELIMINARY REPORT FORM
Attachment One (Rev 06-05-14)
CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I (continued)

2. Any facts, rights, interests, 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.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning: a) building; b) zoning; c) land use; d) improvements on the Land; e) land division; and f) environmental protection. This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks: a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records; b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date; c) that result in no loss to You; or d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right: a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b) in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

EXCLUSIONS FROM COVERAGE (continued)

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

EXCLUSIONS FROM COVERAGE (continued)

3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**NOTICE
FEDERAL FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)**

Upon the sale of United States real property, by a non-resident alien, foreign corporation, partnership or trust, the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and as revised by the Tax Reform Act of 1984 (26 USCA 897 (C)(1)(A)(1) and 26 USCA 1445), Revised by the Path Act of 2015, These changes may be reviewed in full in H.R. 2029, now known as Public Law 114-113. See Section 324 of the law for the full text of FIRPTA changes. Effective February 27, 2016, the amendments to FIRPTA contained in the PATH Act have increased the holdback rate from 10% of gross proceeds to 15% of gross proceeds of the sale, regardless of whether the actual tax due may exceed (or be less than) the amount withheld if ANY of the following conditions are met:

1. If the amount realized (generally the sales price) is \$300,000 or less, and the property will be used by the Transferee as a residence (as provided for in the current regulations), no monies need be withheld or remitted to the IRS.
 2. If the amount realized exceeds \$300,000 but does not exceed \$1,000,000, and the property will be used by the Transferee as a residence, (as provided for in the current regulations) then the withholding rate is 10% on the full amount realized (generally the sales prices)
 3. If the amount realized exceeds \$1,000,000, then the withholding rate is 15% on the entire amount, regardless of use by the Transferee. The exemption for personal use as a residence does not apply in this scenario.
- If the purchaser who is required to withhold income tax from the seller fails to do so, the purchaser is subject to fines and penalties as provided under Internal Revenue Code Section 1445.

Escrow Holder will, upon written instructions from the purchaser, withhold Federal Income Tax from the seller and will deposit said tax with the Internal Revenue Service, together with IRS Forms 8288 and 8288-A. The fee charged for this service is \$25.00 payable to the escrow holder.

CALIFORNIA WITHHOLDING

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a transferee (Buyer) may be required to withhold an amount equal to 3 1/3 percent of the sales price or an alternative withholding amount certified to by the seller in the case of a disposition of California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary or the seller,
OR
2. A corporate seller that has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000.00), OR
2. The seller executes a written certificate, under the penalty of perjury, of any of the following:
 - a. The property qualifies as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121; or
 - b. The seller (or decedent, if being sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period; or
 - c. The seller has a loss or zero gain for California income tax purposes on this sale; or
 - d. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for non-recognition of gain for California income tax purposes under IRC Section 1033; or
 - e. If the transfer qualifies for non-recognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest); or
 - f. The seller is a corporation (or an LLC classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State or has a permanent place of Business in California; or
 - g. The seller is a partnership (or an LLC that is not a disregarded single member LLC and is classified as a partnership for federal and California income tax purposes) with recorded title to the property in the name of the partnership or LLC; or
 - h. The seller is a tax-exempt entity under either California or federal law; or
 - i. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust; or
 - j. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031; or
 - k. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031; or
 - l. The transfer of this property will be an installment sale that you will report as such for California tax purposes and the buyer has agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

**NOTICE
DEPOSIT OF FUNDS AND DISBURSEMENT DISCLOSURE**

Unless you elect otherwise (as described below), all funds received by (the "Company") in escrow will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The depositor acknowledges that the deposit of funds in a non-interest bearing demand account by Escrow Holder may result in said company receiving a range of economic benefits from the bank in the form of services, credits, considerations, or other things of value. The depositor hereby specifically waives any claim to such economic benefits payable to Escrow Holder resulting from non-interest bearing deposits. Unless you direct the Company to open an interest-bearing account (as described below), the Company shall have no obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by the Company and/or its affiliated company. Any such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow.

If you elect, funds deposited by you prior to the close of escrow may be placed in an individual interest-bearing account arrangement that the Company has established with one of its financial institutions. You do not have an opportunity to earn interest on the funds deposited by a lender. If you elect to earn interest through this special account arrangement, the Company will charge you an additional fee of \$50.00 for the establishment and maintenance of the account. This fee compensates the Company for the costs associated with opening and managing the interest-bearing account, preparing correspondence/documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes, and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn.



**Placer Title Co., Montana Title and Escrow, National Closing Solutions,
National Closing Solutions of Alabama, National Closing Solutions of Maryland,
North Idaho Title Insurance, Placer Title Insurance Agency of Utah,
Premier Reverse Closings, Premier Title Agency, Texas National Title,
Washington Title and Escrow, Western Auxiliary Corp., Wyoming Title and Escrow**

NOTICE AT COLLECTION AND PRIVACY POLICY

updated July 1, 2020

We respect your personal information and are committed to protecting it. We are disclosing how Mother Lode Holding Company and its subsidiaries listed above (together referred to as "we," "us," or "our") collect, use, and share your personal information. Sections 1 and 2 constitute our Notice at Collection, Sections 1 – 9 are our Privacy Policy, and Sections 10 – 11 are additional sections of our Privacy Policy that apply only to California residents.

1 Personal Information We Collect

We may collect and over the last 12 months have collected personal information in the following categories: (A) Identity information such as name, postal address, email address, date of birth, social security number, driver's license, passport, signature, physical characteristics or description, telephone number, or other similar information; (B) Financial information (such as bank account information) and insurance information; (C) Records of services or products requested or purchased; (D) Biometric information (thumbprints obtained by notaries); (E) Internet or other electronic network activity information, such as online identifiers, Internet Protocol address, and information relating to interaction with our Internet websites and mobile applications; (F) Audio (voice messages), electronic, or similar information; (G) Professional or employment-related information; (H) Education information; (I) Characteristics of protected classifications such as marital status; (J) Geolocation information (with consent when using our mobile applications); and (K) information relating to pandemics, including medical, health, and travel information.

2 Purposes

We collect the above information, and have collected it in the last 12 months, for the following purposes: Our operational purposes, including providing escrow and title services, fulfilling a transaction, verifying customer information, and providing and improving customer service (categories A-J); Detecting, protecting against, and reporting malicious, deceptive, fraudulent, or illegal activity (A-I); Providing and improving Websites, and debugging to find and repair errors (A, C E, F, J); Auditing and complying with legal and other similar requirements (A-I); and to reduce the risk of spreading infectious diseases and to protect our employees and guests (K).

3 Sources, Sharing

The sources from which the information is and was collected include: the consumer or their authorized representative (A-J); government entities, service providers, financial institutions, our affiliates, real estate settlement service providers, real estate brokers and agents (A-D, F-I); and our internet websites and mobile applications (A-C, E-J). The categories of third parties with whom we share and have shared personal information include: a consumer's authorized representative (A-I); government entities, service providers and consultants, financial institutions, our affiliates, real estate settlement service providers, real estate brokers and agents, abstractors (A-I); notaries public (K); and data analytics and internet service providers (E, F, J). We may also disclose your information as part of a business transaction, such as a merger, sale, reorganization or acquisition (A-J).

4 Cookies and similar technologies

We use "cookies" and similar technologies when you access our websites or mobile applications. A "cookie" is a piece of information that our website sends to your browser, which then stores this information on your system. If a cookie is used, our website will be able to "remember" information about you and your preferences either until you exit your current browser window (if the cookie is temporary) or until you disable or delete the cookie. Many users prefer to use cookies in order to help them navigate a website as seamlessly as possible.

We use "cookies" in the following situations. The first situation is with respect to temporary cookies. If you are accessing our services through one of our online applications our server may automatically send your browser a temporary cookie, which is used to help your browser navigate our site. The only information contained in these temporary cookies is a direction value that lets our software determine which page to show when you hit the back button in your browser. This bit of information is erased when you close your current browser window. The second situation in which we may use cookies is with respect to permanent cookies. This type of cookie remains on your system, although you can always delete or disable it through your browser preferences. There are two instances in which we use a permanent cookie. First, when you visit our website and request documentation or a response from us. When you are filling out a form, you may be given the option of having our website deliver a cookie to your local hard drive. You might choose to receive this type of cookie in order to save time in filling out forms and/or revisiting our website. We only send this type of cookie to your browser when you have clicked on the box labeled "Please remember my profile information" when submitting information or communicating with us. The second instance where we use a permanent cookie is where we track traffic patterns on our site. Analysis of the collected information by our tracking technologies allows us to improve our website and the user experience. In both instances of a persistent cookie, if you choose not to accept the cookie, you will still be able to use our website. Even if you choose to receive this type of cookie, you can set your browser to notify you when you receive any cookie, giving you the chance to decide whether to accept or reject it each time one is sent.

5. Links to Other Websites and Do Not Track

Our website may contain links to third party websites, which are provided and maintained by the third party. Third party websites are not subject to this notice or privacy policy. Currently, we do not recognize "do not track" requests from Internet browsers or similar devices.

6 Sale

We do not sell personal information about consumers and have not sold information about consumers in the last 12 months.

7 Minors

We do not collect information from minors under the age of 18.

8 Safeguards

We restrict access to the information we collect to individuals and entities who need to know the information to provide services as set forth above. We also maintain physical, electronic and procedural safeguards to protect information, including data encryption.

9 Access and Changes

This notice and policy can be accessed <https://www.mlhc.com/privacy-policy>. Disabled consumers may access this notice in an alternative format by contacting MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661, or calling our toll free number at 1-877-626-0668, or emailing privacy@mlhc.com. This notice and policy will change from time to time. All changes will be provided at <https://www.mlhc.com/privacy-policy> and furnished through an appropriate method such as electronically, by mail, or in person. The effective date will be stated on the notice and policy.

Questions about this notice and privacy policy may be sent to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661 or privacy@mlhc.com.

CALIFORNIA SUPPLEMENT - THE REMAINDER OF THIS POLICY APPLIES ONLY TO CALIFORNIA RESIDENTS

10 Requests Under the California Consumer Privacy Act (CCPA)

California residents have the right to make a "request to know" (1) the specific pieces of personal information we have collected about them; (2) categories of personal information we have collected; (3) categories of sources from which the personal information was collected; (4) categories of personal information we disclosed for a business purpose; (5) purpose for collecting the information; and (6) categories of third parties with whom we shared personal information. California residents have the right to request that we deliver to them their personal information free of charge. California residents have the right to make a "request to delete" from our records of their personal information that we have collected, subject to legal limitations. We do not discriminate against consumers for exercising rights under the CCPA or other laws.

11 How to Make a Request under the California Consumer Privacy Act

To make a CCPA "request to know," a "request to delete," or any other request under the CCPA, a California consumer may (1) submit a request to privacy@mlhc.com; (2) call us toll-free at 1-877-626-0668; or (3) send a written request to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661. Please note that you must verify your identity before we take further action. To verify your identity, we will try to use information you have already provided. We may also need additional information. Consistent with California law, you may designate an authorized agent to make a request on your behalf. To do this, you must provide a valid power of attorney, the requester's valid government issued identification, and the authorized agent's valid government issued identification. California residents may "opt out" of the sale of their personal information. However, we do not sell your personal information and therefore we do not offer an "opt out."

Upon receipt of a verified consumer request, we will respond by giving you the information requested for the 12-month period before our receipt of your verified consumer request at no cost to you, or deleting the information and notifying any service providers to delete it, subject to legal limitations. If we have a valid reason to retain personal information or are otherwise unable to comply with a request, we will tell you. For example, the law may not require us or allow us to delete certain information collected. In addition, personal information we collect pursuant to the federal Gramm-Leach-Bliley Act is exempt from most of the provisions of the CCPA.

Questions about this notice and privacy policy may be sent to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661 or privacy@mlhc.com.

GRAMM-LEACH-BLILE ☐ ACT PRIVAC ☐ POLIC ☐ NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) requires financial companies to provide you with a notice of their privacy policies and practices, such as the types of nonpublic personal information that they collect about you and the categories of persons or entities to whom it may be disclosed. In compliance with the Gramm-Leach-Bliley-Act, we are notifying you of the privacy policies and practices of:

Mother Lode Holding Co.
Montana Title and Escrow Co.
National Closing Solutions, Inc.
National Closing Solutions of Alabama
National Closing Solutions of Maryland
Premier Reverse Closings

Placer Title Co.
Placer Title Insurance Agency of Utah
Premier Title Agency
North Idaho Title Insurance Co.
Texas National Title
Western Auxiliary Corp.
Wyoming Title and Escrow Co.

The types of personal information we collect and share depend on the transaction involved. This information may include:

- Identity information such as Social Security number and driver's license information.
- Financial information such as mortgage loan account balances, checking account information and wire transfer instructions
- Information from others involved in your transaction such as documents received from your lender

We collect this information from you, such as on an application or other forms, from our files, and from our affiliates or others involved in your transaction, such as the real estate agent or lender.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to non-affiliates as permitted by law for our everyday business purposes, such as to process your transactions and respond to legal and regulatory matters. We do not sell your personal information or share it for marketing purposes.

We do not share any nonpublic personal information about you with anyone for any purpose that is not specifically permitted by law ☐

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Questions about this notice and privacy policy may be sent to MLHC Counsel, Legal Dept., 1508 Eureka Rd., #130, Roseville, CA 95661 or privacy@mlhc.com.



FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?
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Why <input type="checkbox"/>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What <input type="checkbox"/>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How <input type="checkbox"/>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share <input type="checkbox"/>	Can you limit this sharing <input type="checkbox"/>
For our everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	<input type="checkbox"/> es	No
For our marketing purposes <input type="checkbox"/> to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes <input type="checkbox"/> information about your transactions and experiences	<input type="checkbox"/> es	No
For our affiliates' everyday business purposes <input type="checkbox"/> information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions	Go to www.oldrepublictitle.com (<i>Contact Us</i>)
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Who we are	
Who is providing this notice <input type="checkbox"/>	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.
What we do	
How does Old Republic Title protect my personal information <input type="checkbox"/>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit http://www.OldRepublicTitle.com/privacy-policy
How does Old Republic Title collect my personal information <input type="checkbox"/>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • Give us your contact information or show your driver's license • Show your government-issued ID or provide your mortgage information • Make a wire transfer <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing <input type="checkbox"/>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you. <p>State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights section location at https://www.oldrepublictitle.com/privacypolicy for your rights under state law.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> • Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> • Old Republic Title does not share with non-affiliates so they can market to you
Joint Marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Old Republic Title doesn't jointly market.

Affiliates Who May be Delivering This Notice

American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.
Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc	Old Republic Title, Ltd.
RamQuest Software, Inc.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				

R.M. 5-5
R.M. 1-105

NOTE: This map is for assessment purposes only. It is not intended to define legal boundary rights or imply compliance with land division laws.

CITY OF SUISUN CITY
Assessor's Map Bk. 32 Pg. 04
County of Solano, Calif. A

09-10

042-64 Chg. (Rs)	4-29-08	Cr
SBE 2008-08	2-25-08	Cr
040-44, 46, 48, 50, 52, 54		—
56, 58, 60, Chg.(Dd)	6-15-06	JS
REVISION	DATE	

LOTZ
15' VALLEJO WATER EASE.
N. 89° 47' 40" W
59.10'

1077

244

05

03

REAL PROPERTY DONATION AGREEMENT

This REAL PROPERTY DONATION AGREEMENT ("**Agreement**"), dated _____, 2021 ("**Agreement Date**"), is made by and between the City of Suisun City, a municipal corporation ("**City**"), and Gimli Ltd, a California limited partnership and James Patrick Kennedy and Patricia A. Kennedy (jointly and severally "**Donor**"). Placer Title Company shall serve as the "**Escrow Holder**" and "**Title Company**".

RECITALS

A Donor owns that certain unimproved real property in the City of Suisun City, Solano County, State of California (APNs 0032-042-720, 740 & 790) legally described on Exhibit A attached hereto ("**Property**").

B Donor has offered to donate the Property to City and City wishes to accept donation of the Property under the terms and conditions stated in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties mutually agree as follows:

AGREEMENT

1 DONATION OF LAND. Donor agrees to donate the Property to City on the terms and conditions set forth in this Agreement. The parties agree that the value of the Property is Six Hundred Thousand Dollars (\$600,000) as determined by that certain appraisal dated as of October 2, 2021 issued by Garland & Salmon ("**Donated Land Value**").

2. EFFECTIVE DATE.

2.1 Effective Date. This Agreement shall be effective upon execution of this Agreement by City after its approval by the City Council ("**Effective Date**").

2.2 Opening of Escrow. Within two (2) days of the Effective Date, the parties shall open an escrow with Escrow Holder by causing an executed copy of this Agreement to be deposited with Escrow Holder who shall sign and accept the Agreement and provide executed copies thereof to each party. Escrow shall be deemed opened upon Escrow Holder's (i) receipt and acceptance of an executed copy of this Agreement and (ii) receipt of the Initial Deposit (as defined in Section 3.1) ("**Opening of Escrow**").

3. DEPOSIT FEES AND COSTS

3.1 Initial Deposit. As the Opening of Escrow, the sum of One Thousand Dollars (\$1,000) shall be deposited by City into Escrow ("**Initial Deposit**").

3.2 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.

4. FUNDS AND DOCUMENTS REQUIRED FROM CITY AND DONOR

4.1 Donor. Donor agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Donor will deposit with Escrow Holder such 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. A grant deed in the form attached hereto as Exhibit B ("**Grant Deed**") executed and acknowledged by Donor.
- ii. Any other documents as reasonably required by Title Company to remove any non-approved exceptions and any other documents it reasonably requires to issue the Title Policy (pursuant to Section 6.1).
- iii. A Non-Foreign Affidavit as required by federal law.
- iv. Such other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

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

- i. The Certificate of Acceptance in the form attached to the Grant Deed shall be executed and attached to the Grant Deed prior to recordation ("**Certificate of Acceptance**").
- ii. A Preliminary Change of Ownership Statement completed in the manner required by Solano County ("**PCOR**").
- 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 ☐ TIME IS OF ESSENCE ☐

5.1 Closing Date. Escrow shall close on or before December 31, 2021 ("**Closing Date**"). The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the date that the Grant Deed (with the Certificate of Acceptance) is recorded in the Office of the County Recorder of Solano County, California.

5.2 Possession. Upon the Close of Escrow, Donor shall deliver possession of the Property to City free of all tenants or occupants.

5.3 Time is of Essence. City and Donor specifically agree that time is of the essence under this Agreement. The parties agree that the specified dates under this Agreement are specifically enforceable and shall not be subject to substantial compliance arguments.

5.4 City Manager Authority. The City Manager or his designee (who has been designated in writing by the City Manager) shall, in his sole and exclusive discretion, on behalf of City, have the authority to (i) extend any dates under this Agreement, (ii) execute documents required to effect this transaction, and (iii) agree to any non-material modifications of this Agreement.

6. TITLE POLIC ☐ NHD REPORT ☐

6.1 Title Policy. At the Close of Escrow, Escrow Holder shall furnish City with an ALTA owner's standard (non-extended) coverage policy of title insurance issued by the Title Company insuring title to the Property vested in City with coverage in the amount of the Donated Land Value, containing only the exceptions approved by City upon receipt of a current preliminary report ("**Title Policy**").

6.2 NHD Report Within two (2) days of Opening of Escrow, Escrow shall order and deliver to City a Natural Hazards Disclosure report for the Property issued by Disclosure Source ("**NHD Report**") for City's review and approval.

7. CONDITIONS PRECEDENT TO CLOSE OF ESCROW

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

- i. Title Company will issue the Title Policy as specified in Section 6.1.
- ii. Escrow Holder holds and will deliver to City the instruments and funds, if any, accruing to City pursuant to this Agreement.
- iii. Donor is not in default of its obligations under this Agreement.

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

- i. Escrow Holder holds and will deliver to Donor the instruments and funds accruing to Donor pursuant to this Agreement.
- ii. City is not in default of its obligations under this Agreement.

8. CONDITION OF THE PROPERTY City shall acquire the Property in its "AS-IS" condition and City 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 set forth in Section 9, Donor makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property.

9. LIMITED REPRESENTATIONS, WARRANTIES AND COVENANTS. The Property is sold as-is, where-is with all faults, defects and encumbrances and subject only to the following limited representations made to Seller's actual knowledge each of which is true in all respects as of the Effective Date and shall be true in all respects on the date of Close of Escrow on the Property:

- a. Seller has delivered to Buyer copies of any and all reports in its possession or control with respect to the condition of the Property.
- b. Seller has received no notice and/or has no knowledge that any governmental authority or any employee or agent thereof considers the present or proposed operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any

investigation has been commenced or is contemplated respecting such possible violations.

- c ☐ There are no pending or threatened lawsuits or claims which would affect the Property.
- d ☐ Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Property.
- e ☐ No construction or repair work has been done on the Property within six (6) months.
- f ☐ There are no leases, licenses or other agreements affecting the Property.

Until the Closing, Seller shall not do anything which would impair Seller's title to any of the Property and if Seller learns of any fact or condition which would cause their actual knowledge to change such that they learn of facts that would cause the representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.

9 ☐ **ESCROW PROVISIONS** ☐

9 ☒ *Escrow Instructions.* Sections 1 through 7, inclusive, and 9 through 11, inclusive, constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, City and Donor 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. City and Donor 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. City and Donor agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

9 ☒ *General Escrow Provisions* ☐ Escrow Holder shall deliver the Title Policy to the City and instruct the Solano County Recorder to mail the Grant Deed to City at the address set forth in Section 10 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.

9 ☒ *Real Property Taxes.* Real property taxes shall not be delinquent at Closing. Donor may file with the County for a refund of any applicable real property taxes and City shall cooperate with such filing.

9 ☒ *Payment of Costs.* Donor shall not pay any costs of this transaction unless the failure to close is caused by Donor. At Closing, City shall pay all costs and expenses including, but not limited to, costs for the Title Policy and escrow fees. ("**City's Charges**").

NOTE TO ESCROW HOLDER: NO documentary transfer taxes shall be due pursuant to R&T Code ☐11922. Also no recording fees shall be due as the City is exempt under Govt Code ☐6103.

9.5 Closing Statement. At least two (2) business days prior to the Closing Date, Escrow Holder shall furnish City and Donor with a preliminary Escrow closing statement showing all 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.

9.6 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 all documents then in Escrow to the respective depositor of same and disburse the Initial Deposit (less cancellation charges). Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights City or Donor may have against each other arising from the Escrow or this Agreement.

9.7 Documents. Upon recordation of the Grant Deed, Escrow Holder will deliver a conformed copy of the Grant Deed to each party.

9.8 Information Report. Escrow Holder shall file and City and Donor 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. City and Donor also agree that City and Donor, 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 City nor Donor shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

9.9 No Withholding as Foreign Donor. Donor represents and warrants to City that Donor 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 Donor under California Revenue and Tax Code Section 18805 and that it will deliver to City 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.

9.10 Brokerage Commissions. City and Donor 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. City and Donor 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.

10. 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 (including reputable overnight courier (such as Federal Express, UPS or DHL) 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 City: City of Suisun City
701 Civic Center Blvd
Suisun City, California 94585
Attention□ City Manager

With a Copy to: Aleshire & Wynder, LLP
18881 Von □arman Avenue, Suite 1700
Irvine, CA 92612
Attn□Elena Gerli, Esq

To Donor: Gimli Ltd.
□ames & Patricia □ennedy
□□□□□□□□□□□□□□□□
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To Escrow Holder: Placer Title Company
1300 Oliver Rd., Ste. 120
Fairfield, CA 94534
Patty Dykes, Escrow Officer

11□ GENERAL PROVISIONS□

11□1 *Assignment.* Neither party may assign this Agreement without the written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of City and Donor and their respective heirs, personal representatives, successors and assigns.

11□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, including any defense of any such action, 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.

11□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.

11□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.

11.5 Amendments and Modifications. Any amendment or modification of this Agreement must be in writing executed by each party.

11.6 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.

11.7 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.

11.8 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.

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

11.10 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.

11.11 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.

11.12 Exhibits. Exhibits A & B attached hereto and incorporated herein by reference.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Real Property Donation Agreement as of the Effective Date.

DONOR:

Gimli Ltd, a California limited partnership

By _____

Its _____

James Patrick Kennedy

Patricia A Kennedy

ACCEPTED BY ESCROW HOLDER:

PLACER TITLE COMPANY, a California corporation

By _____

Patty Dykes, Escrow Officer

Dated _____, 2021

CITY:

CITY OF SUISUN CITY, a municipal corporation

By _____

Greg Folsom, City Manager

_____, 2021

ATTEST

Anita Skinner, City Clerk

APPROVED AS TO FORM

ALESHIRE & WYNDER, LLP

By _____

Elena Gerli, City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That certain land in the City of Suisun City, County of Solano, State of California legally described as follows:

Parcel One:

Commencing at a point on the southerly line of the Suisun and Denverton Road No. 68 at the northeast corner of a tract of land conveyed by Bert. R. Chaplin and wife to the Cement Tolenas and Tidewater Railroad Company by deed dated November 4, 1913 and recorded in Book 205 of deeds, Page 22, thence along the southerly line of said road South 79° East 150 feet; thence South 0° 38' East 150 feet; thence North 79° West 150 feet; thence along said Cement Tolenas and Tidewater Railroad Company North 0° 38' East, 150 feet to the place of commencement.

Parcel Two:

Commencing at a point on the southerly line of State Highway X-SOL-53 formerly the Suisun and Denverton Road No. 68 at the northeast corner of a parcel of land conveyed by Gus Erickson to Edward Brattain and Nellie Brattain as joint tenants, by deed dated November 19, 1934 and recorded November 26, 1934 in Volume 132 of Official Records of Solano County, Page 154; thence along the southerly line of said highway South 79° East 90 feet; thence South 0° 38' West, 150 feet; thence North 79° West, 90 feet to the easterly line of the said tract described in the deed to Brattain, Et Al, above referred to; thence North 0° 38' East, 150 feet along said easterly line of said Brattain tract to the place of beginning.

Excepting therefrom that portion thereof lying within the parcel of land described in the deed from James G. Metternich, ET UX, to State of California, dated June 24, 1980, recorded August 15, 1980, in Book 1990, Page 56122, Instrument No. 34591, Solano County Records.

Excepting therefrom that portion described in deed from James G. Metternich, ET UX, to the State of California, recorded June 17, 1982, Page 38439, Instrument No. 21887, Solano County Records.

Parcel Three:

Beginning at a point on the easterly line of that certain 40 foot strip of land conveyed to Bruce McCollum, ET UX, by deed recorded September 17, 1946 in Book 349, Page 447, Instrument No. 13069, Solano County Records, said point bearing South 0° 37' 20" West along said easterly line, distance of 186 feet from the intersection thereof with the southerly line of State Highway No. 12, also known as Denverton Road; thence from said point of beginning North 0° 37' 20" East, along the easterly line of said 40 foot strip, 36 feet; thence South 79° 00' East parallel with the southerly line of said State Highway No. 12, a distance of 240 feet; thence westerly in a direct line 240 feet to the point of beginning.

Excepting therefrom that portion thereof lying within the parcel of land described in the deed from James G. Metternich, ET UX, to State of California, dated June 14, 1980, recorded August 15, 1980, page 56122, Instrument No. 34591, Book 1980, Solano County Records.

Parcel Four:

That certain portion of land lying within the county of Solano, California, as shown on the record of survey recorded in record of Survey Book 14, Pages 59 through 62, inclusive, Solano County Records, Solano County, California, more particularly described as follows:

Commencing at the intersection of the southeasterly right-of-way line of Denverton Road and the southerly right-of-way line of State Highway 12, as shown on said record of survey thence South 0° 31' 51" West, 186 feet to the point of beginning; thence South 87° 32' 14" East, 166.57 feet; thence South 35° 26' 38" West, 87.20 feet; thence South 71° 40' 00" West, 12.59 feet; thence North 0° 43' 11" East, 117.08 feet, to the point of beginning.

Parcel Five:

All that certain parcel of land as described in deed recorded January 3, 1980, as Instrument No. 230, Page 360, Solano County Records, lying northerly of the following line:

Beginning at a 3/4 inch iron pipe (tagged L S 4354) set to mark the northeast corner of that parcel No. 2, described in Exhibit "A" in deed recorded September 10, 1971 in Volume 1705, Page 569, Solano County Records, thence along the northerly line of said parcel No. 2, North 78° 54' 55" West 36.33 feet; thence South 12° 52' 00" West, 157.96 feet to the northerly boundary of said parcel recorded March 24, 1964 thence South 35° 26' 38" West 87.20 feet; thence South 71° 40' 00" West, 159.02 feet; thence South 70° 09' 38" West, 50.01 feet; thence South 71° 18' 23" West 353.73 feet to the northwesterly line of that certain parcel of land as described in deed recorded May 20, 1969, in Volume 1567, Page 7, Instrument No. 9108, Solano County Records.

Parcel Six:

All that portion of those certain parcels of land as described in deeds recorded May 20, 1969 in Volume 1567, Page 3, Instrument No. 9107, May 20, 1969 in Volume 1567, Page 7, Instrument No. 9108 and May 15, 1980, Instrument No. 21642, Page 35052, all in the Official Records of Solano County, lying northerly of the following line:

Beginning at a 3/4 inch iron pipe (tagged L.S. 4354) set to mark the northeast corner of that certain parcel No. 2, described in exhibit "A" in deed recorded September 10, 1971, in Volume 1705, Page 569, Solano County Records, thence (1) along the northerly line of said parcel No. 2, N. 78° 54' 55" W., 36.33 feet; thence (2) S. 12° 52' 00" W., 157.96 feet to the northerly boundary of that certain parcel of land as described in deed recorded March 24, 1964 in Volume 1260, Page 214, Instrument No. 8434, Solano County Records; thence (3) S. 35° 26' 38" W., 87.20 feet; thence (4) S. 71° 40' 00" W., 159.02 feet; thence (5) S. 70° 09' 38" W., 50.01 feet; thence (6) S. 71° 18' 23" W., 353.73 feet to the northwesterly line of said parcel recorded as Instrument No. 9108; thence (7) S. 52° 48' 37" W., 225.35 feet to the westerly line of Main Street (a city street also known as Union Avenue).

Excepting therefrom, the title and exclusive right to all of the minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying said property, or that may be produced therefrom, including, without limiting the generality of the foregoing, all petroleum, natural gas and other hydrocarbon substances and products derived therefrom, together with the exclusive and perpetual right of ingress and egress beneath the surface of said property to explore for, extract mine, and remove the same, and to make such use of said property beneath the surface as is necessary or useful in connection therewith, which use may include lateral or slant drilling, boring, digging or sinking of wells, shafts or tunnels; provided, however, that grantor, its successors and assigns, shall not drill, dig or mine through the surface of said property in the exercise of said rights and shall not disturb the surface of said property, or otherwise develop the same in such manner as to endanger the safety of any highway that may be constructed on said property; provided, also, that no lapse of time in the exercise of such reserved rights shall be deemed to be an abandonment thereof nor

a vestiture of any adverse right in grantee or its assigns, as excepted in deed recorded May 15, 1980, Page 35053, as Instrument No. 21642, Solano County Records.

APN: 0032-042-720, 0032-042-740, 0032-042-790

EXHIBIT B
GRANT DEED

**Recording requested by and
When Recorded Return to:**

City of Suisun City
701 Civic Center Blvd.
Suisun City, CA 94585
Attention ☐ City Clerk

APN. 0032-042-720, 740 & 790
THE UNDERSIGNED GRANTOR DECLARES that the
documentary transfer tax is \$-0- per R&T Code 11922

(Space Above This Line for Recorder's Office Use Only)
Exempt from recording fees per Govt Code ☐ 6103

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged and subject to the covenants set forth below GIMLI LTD, a California limited partnership as to a 50% interest and JAMES PATRICK JENNEDY and PATRICIA A. JENNEDY as to a 50% interest ("**Grantor**") grants to the CITY OF SUISUN CITY, a municipal corporation ("**Grantee**"), all of its rights, title, and interest in that certain real property in the Donor of Suisun City, County of Solano, State of California, as more particularly described in Exhibit A attached hereto and incorporated by this reference ("**Property**").

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

GRANTOR:

Gimli Ltd, a California limited partnership

By ☐

Its ☐

☐

James Patrick Kennedy

☐

Patricia A Kennedy

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Gimli Ltd, a California limited partnership and James Patrick Kennedy and Patricia A. Kennedy ("**Grantor**") to the CITY OF SUISUN CITY ("**City**"), is hereby accepted by the undersigned officer and agent of City and the City consents to the recording of the Grant Deed.

Signed and dated on [REDACTED], 2021 at City of Suisun City, California.

GRANTEE

CITY OF SUISUN CITY, a municipal corporation

By [REDACTED]

Greg Folsom
City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On [REDACTED], 202[REDACTED] before me, [REDACTED], a notary public, personally appeared [REDACTED] who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[illegible]

Notary Public

SEAL ☐

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

SUCCESSOR AGENCY AGENDA ITEM: Successor Agency Adoption of Resolution No. SA2021-___: Receiving and Accepting a Recognized Obligation Payment Schedule 2022/23 (ROPS) for the Period of July 1, 2022 through June 30, 2023.

FISCAL IMPACT: None. All obligations listed will be included in the FY 2022-23 Annual Budget.

STRATEGIC PLAN: Provide Good Governance, Ensure Fiscal Solvency.

BACKGROUND: A component of the dissolution of the former redevelopment agency requires that the Successor Agency prepare a Recognized Obligation Payment Schedule (ROPS) and submit it to the County Oversight Board. Pursuant to Health and Safety Code §34179.7(o)(1), enacted by SB 107 in the Fall of 2015, commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, Successor Agencies are to submit an Oversight Board approved annual ROPS to the Department of State Finance and the County Auditor-Controller by February 1, 2016 and each February 1 thereafter.

STAFF REPORT: The following provides an overview of deadlines and process associated with the ROPS:

ROPS Submittal Deadline – February 1, 2022, is the deadline to submit a ROPS covering the period of July 1, 2022, through June 30, 2023 to the State Department of Finance (DOF).

ROPS Submittal/Approval Process – The Successor Agency must submit the ROPS to the County Auditor-Controller, County Administrative Officer, and to the Solano County Oversight Board for approval. The deadline to submit the report is December 23, 2021 for January 13, 2022 scheduled County Oversight Board Meeting.

ROPS Form – The DOF has provided the form for this ROPS period.

Penalties – A penalty may be levied on the City of \$10,000 per day for each day the ROPS is delinquent. Failure to submit the ROPS within 10 days of the deadline will result in a 25% reduction of the Successor Agency's maximum administrative cost allowance for the period covered by the delinquent ROPS.

The current ROPS includes line items that were listed on previously adopted ROPS, but contain updated figures to reflect the upcoming fiscal year (July 1, 2022, to June 30, 2023). The ROPS includes the following addition:

- \$626,049 Marina Maintenance Projects added to Marina Construction Loan Annual Payment

<p>PREPARED BY:</p> <p>REVIEWED BY:</p> <p>APPROVED BY:</p>	<p>Elizabeth N. Luna, Accounting Services Manager</p> <p>Lakhwinder Deol, Finance Director</p> <p>Greg Folsom, City Manager</p>
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The Suisun City Marina requires major facility repairs. Included in this year's request are the following:

- a. \$76,987 for Annual Maintenance and Inspection-Floating Concrete Dock System including repairs based on a quote provided by Bellingham Marine.
- b. \$544,653 **Re-request item**: Landside PVC supply water line replacement East and West docs. ROPS 19-20 funded the project with a total amount of \$669,000. The total cost of the project is \$669,365. Only \$124,712 was paid in fiscal year 2019-20. The remaining amount of \$544,653 was disbursed in FY2020-21. County Auditor Controller (CAC) will record it as PPA to be claimed on a subsequent ROPS.
- c. \$2,000 **Re-request item**: Boat Trailer. ROPS 19-20 funded the equipment. The purchase was made in September 2020. County Auditor Controller (CAC) will record it as PPA to be claimed on a subsequent ROPS.
- d. \$2,409 **Re-request item**: Home Depot- Tough Shed. ROPS 19-20 funded the equipment, was purchased in November 2020. County Auditor Controller (CAC) will record it as PPA to be claimed on a subsequent ROPS.

The attached ROPS worksheet is subject to change based on the County Auditor Controller (CAC) review of the ROPS 19-20 Prior Period Adjustment (PPA).

If necessary, there is an opportunity to submit an amended ROPS no later than October 1, 2022, if the Solano Consolidated Oversight Board makes a finding the revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period (January 1, 2023 through June 30, 2023).

The full ROPS is attached. Beyond costs associated with the timely sale of property, the ROPS includes monies for debt and Successor Agency administration costs of \$250,000.

Staff recommends that the Successor Agency receive and accept the ROPS.

RECOMMENDATION: It is recommended that the Successor Agency Adopt Resolution No. SA2021-____: Receiving and Accepting a Recognized Obligation Payment Schedule 2022/23 (ROPS) for the Period of July 1, 2022 through June 30, 2023.

ATTACHMENTS:

1. Successor Agency Adopt Resolution No. SA2021-____: Receiving and Accepting a Recognized Obligation Payment Schedule 2022/23 (ROPS) for the Period of July 1, 2022 through June 30, 2023
2. ROPS 2022/23 (July 1, 2022 through June 30, 2023).

RESOLUTION NO. SA2021-

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY OF SUISUN CITY RECEIVING AND ACCEPTING A
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2022/23 (ROPS) FOR THE
PERIOD OF JULY 1, 2022 THROUGH JUNE 30, 2023**

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor has signed, companion bills AB 26 X1 (AB 26) and AB 27 X1 (AB 27), requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of AB 26 and invalidated AB 27; and

WHEREAS, the Court's decision resulted in the implementation of AB 26, which dissolves all redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, the City is, by operation of law, the Successor Agency (the "Agency") to the Redevelopment Agency for purposes of winding down the Redevelopment Agency under AB 26; and

WHEREAS, as part of the 2012-13 State budget bill, the California Legislature enacted and the Governor has signed AB 1484, which enacted several technical and substantive amendments to AB 26, including certain processes and procedures relating to the submittal of the ROPS; and

WHEREAS, the California Legislature enacted and the Governor has signed SB107, which enacted several additional technical and substantive amendments to the dissolution laws, including certain processes and procedures relating to the submittal of the ROPS; and

WHEREAS, pursuant to the dissolution laws, the City as Successor Agency is required to maintain a "Recognized Obligation Payment Schedule" (the "ROPS"), which schedule was revised with pertinent data for the period of July 1, 2022 through June 30, 2023; and

WHEREAS, the City Council desires to memorialize the Successor Agency's receipt and acceptance of the ROPS 2022-2023 including the \$250,000 Successor Agency Admin Cost; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Suisun City, acting as the Successor Agency to the Redevelopment Agency of the City of Suisun City, resolve as follows:

Section 1. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. The ROPS, attached hereto and incorporated herein by this reference, is hereby adopted pursuant to Health & Safety Code Section 34180.

Section 3. The Successor Agency Executive Director or designee is authorized to take all actions necessary to implement this Resolution, including any necessary administrative corrections, in addition to the posting of this Resolution and ROPS on the

Board's website, and the provision of notice of adoption of this Resolution and such Schedule to the State Department of Finance.

PASSED AND ADOPTED at a regular meeting of the City Council serving as the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Tuesday, the 21st of December 2021, by the following vote:

AYES:	Boardmembers:	_____
NOES:	Boardmembers:	_____
ABSENT:	Boardmembers:	_____
ABSTAIN:	Boardmembers:	_____

WITNESS my hand and seal of the City of Suisun City this 21st day of December 2021.

Anita Skinner
Agency Secretary

Recognized Obligation Payment Schedule (ROPS 22-23) - Summary
Filed for the July 1, 2022 through June 30, 2023 Period

Successor Agency: Suisun City
County: Solano

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	22-23A Total (July - December)	22-23B Total (January - June)	ROPS 22-23 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 20,000	\$ -	\$ 20,000
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	20,000	-	20,000
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 4,089,707	\$ 2,349,187	\$ 6,438,894
F RPTTF	4,089,707	2,349,187	6,438,894
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E)	\$ 4,109,707	\$ 2,349,187	\$ 6,458,894

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Suisun City
Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS Detail
July 1, 2022 through June 30, 2023

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$42,954,253		\$6,458,894	\$-	\$-	\$20,000	\$4,089,707	\$-	\$4,109,707	\$-	\$-	\$-	\$2,349,187	\$-	\$2,349,187
4	Marina Construction Loan	Third-Party Loans	07/22/1991	08/01/2048	Dept of Boating and Waterways	Marina Construction/ Rehab	All	5,147,468	N	\$1,078,119	-	-	-	1,001,132	-	\$1,001,132	-	-	-	76,987	-	\$76,987
5	Marina Expansion Loan	Third-Party Loans	10/24/1995	10/01/2025	Sheldon Oil	Marina Expansion/ Land Acquisition	All	804,472	N	\$268,000	-	-	-	268,000	-	\$268,000	-	-	-	-	-	\$-
6	SERAF Payment	SERAF/ERAF	05/10/2010	06/30/2029	Suisun City Housing Authority (Housing Successor)	SERAF Loan Payment	All	4,831,055	N	\$690,150	-	-	-	345,075	-	\$345,075	-	-	-	345,075	-	\$345,075
9	Successor Agency Admin Cost	Admin Costs	02/01/2012	07/18/2029	Various	Staffing, Rent/ Utilities, Supplies, Legal, Oversight Board, Etc.	All	250,000	N	\$250,000	-	-	-	125,000	-	\$125,000	-	-	-	125,000	-	\$125,000
11	Marina Lease	Miscellaneous	05/07/1992	06/30/2048	CA State Lands Commission	Marina Lease with CA State Lands Commission	All	20,000	N	\$20,000	-	-	20,000	-	-	\$20,000	-	-	-	-	-	\$-
12	Main Street West DDA	OPA/DDA/ Construction	04/17/2006	10/31/2021	Various	DDA Obligations	All	140,000	N	\$140,000	-	-	-	90,500	-	\$90,500	-	-	-	49,500	-	\$49,500
13	Civic Center COP	Third-Party Loans	04/01/2004	11/01/2025	City of Suisun City	Civic Center COP Reimbursement Agreement	All	1,934,258	N	\$500,000	-	-	-	500,000	-	\$500,000	-	-	-	-	-	\$-
21	2014 Series B Tax Allocation Bonds	Refunding Bonds Issued After 6/27/12	12/11/2014	10/01/2033	US Bank	2014 Series B Tax Allocation Bonds	All	29,820,000	N	\$3,505,625	-	-	-	1,753,000	-	\$1,753,000	-	-	-	1,752,625	-	\$1,752,625
23	2014 Bond Continuing Disclosure Services	Fees	11/02/2015	10/01/2033	Don Fraser & Associates	FY21 Continuing Disclosure on 2014 Bonds	All	3,000	N	\$3,000	-	-	-	3,000	-	\$3,000	-	-	-	-	-	\$-
24	2014 Bond Trustee Services	Fees	12/11/2014	10/01/2033	US Bank	FY21 Bond Trustee Fees	All	4,000	N	\$4,000	-	-	-	4,000	-	\$4,000	-	-	-	-	-	\$-
25	2014 Bond	Fees	12/11/	10/01/2033	BLX Group,	FY21 Bond	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					ROPS 22-23B (Jan - Jun)					22-23B Total	
											Fund Sources					Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
	Arbitrage Report		2014		LLC	Arbitrage Report																
29	Property Disposition Costs	Property Dispositions	11/07/2017	06/30/2020	City of Suisun City	Cost associated-sale of properties including marketing, appraisal, legal, and other relevant cost.	All	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
31	Property Disposition Costs-Other SA Properties	Property Dispositions	07/01/2020	06/30/2020	City of Suisun City	Cost associated-sale of other SA properties mostly for Appraisals		-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
33	Marina East Restoration and Marina Promenade Extension Plan	Miscellaneous	07/01/2019	06/30/2020	City of Suisun City	Complete environmental studies to assess the potential of converting the Marina east into a park and extending the promenade from the terminus of Civic Center Blvd through and around Whispering Bay/ Marina Circle area		-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
34	Parking Implementation Plan	Miscellaneous	07/01/2019	06/30/2022	City of Suisun City	Complete a parking implementation plan for long term parking solutions in the downtown		-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

Suisun City

Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash Balances
 July 1, 2019 through June 30, 2020
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.								
A	B	C	D	E	F	G	H	
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Fund Sources					Comments	
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF		
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin		
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.			3,211	87,129	332,689		
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 19-20 total distribution from the County Auditor-Controller			-	66,641	9,286,516		add \$88,900- returned from Marina unspent project fund part of the \$123,735 PPA16-17 applied to ROPS 19-20
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)				21,576	9,338,268		
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			3,211	65,553	120,054		\$28,131 PPA 17-18 applied in ROPS 20-21 \$91, 923 PPA 18-19 applied in ROPS 21-22
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		71,983		FY19-20 PPA subject to change based on CAC finding
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$66,641	\$88,900		

Suisun City
Recognized Obligation Payment Schedule (ROPS 22-23) - Notes
July 1, 2022 through June 30, 2023

Item #	Notes/Comments
4	
5	
6	
9	
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25	Arbitrage Rebate Analysis required every 5 years from bond issuance date.
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31	
33	
34	

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

AGENCY AGENDA ITEM: Successor Agency Adoption of Resolution No. SA 2021-___: Authorizing the Executive Director to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with ZMAN LLC for the Transfer of Approximately 3.49 Acres Located on Civic Center Boulevard (Solano County Assessor's Parcel Numbers 0032-091-170; 180; 190; and 200).

FISCAL IMPACT: The properties would sell for \$730,000, as determined by a third-party appraisal. The proceeds will be distributed to the affected taxing entities pursuant to redevelopment agency dissolution law (less applicable disposition fee). The City's general fund will not be immediately impacted from the sale.

STRATEGIC PLAN: Provide Good Governance and Develop Sustainable Economy.

BACKGROUND: The Successor Agency (SA) owns 3.49 acres as part of the Main Street West (MSW) Disposition and Development Agreement (DDA). The property is designated as Commercial/Office/Residential (C/O/R) within the Waterfront District Specific Plan. This designation is the most flexible within the specific plan. As part of the Settlement Agreement entered into by the Successor Agency and approved by the Solano County Oversight Board and the California Department of Finance, the remaining properties contained in the DDA are to be sold prior to October 2022. Staff prepared and published a Request for Proposals (RFP) and received a single response for this property from ZMAN LLC. The response was discussed by the Ad Hoc Committee consisting of Mayor Wilson and Mayor Pro-Tem Hernandez and it was their recommendation to move forward with a Purchase and Sale Agreement (PSA).

Pursuant to the 2020 Settlement Agreement, the parties agreed to cooperate with respect to the sale of the remaining parcels including the Property to a Qualified Successor Developer and, upon the closing of the sale, a prorata portion of the \$200,000 Disposition Fee shall be paid to MSW, the Qualified Successor Developer will be responsible for the Economic Impact Fee and the Lighthouse Development Fee, and the DDA shall terminate with respect to the Property.

STAFF REPORT: Staff has negotiated an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with the ZMAN LLC for Parcel 13. The terms of the agreement are outlined below:

Property Description:	3.49 Acres (Solano County Assessor's Parcel Numbers 0032-091-170; 180; 190; and 200).
Purchase Price:	\$730,000 (\$4.75/square foot) as determined by an appraisal prepared by Garland & Associates.
Lighthouse Dev. Fee:	\$1.0029 per square foot (Approximately \$152,302).

PREPARED BY:

John Kearns, Senior Planner

REVIEWED/APPROVED BY:

Greg Folsom, City Manager

Deposit:	20,000.
Due Diligence Period:	60 days (upon opening of escrow).
Close of Escrow:	90 days after execution of the PSA.
Property Condition:	As Is.

The PSA also contemplates modifications as may be required by City with respect to acquisition of Mike Day Park and mandates San Francisco Bay Conservation and Development Commission approval of the location of public parking as necessary for the project.

Any future project on this property will be required to follow a typical entitlement process which may include Planning Commission and City Council consideration. Additionally, due to the location of the property, it will be required to receive permitting from the Bay Conservation and Development Commission (BCDC) prior to any construction.

RECOMMENDATION: It is recommended that the Successor Agency Adopt Resolution No. SA 2021- __: Authorizing the Executive Director to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with ZMAN LLC for the Transfer of Approximately 3.49 Acres Located on Civic Center Boulevard (Solano County Assessor's Parcel Numbers 0032-091-170; 180; 190; and 200).

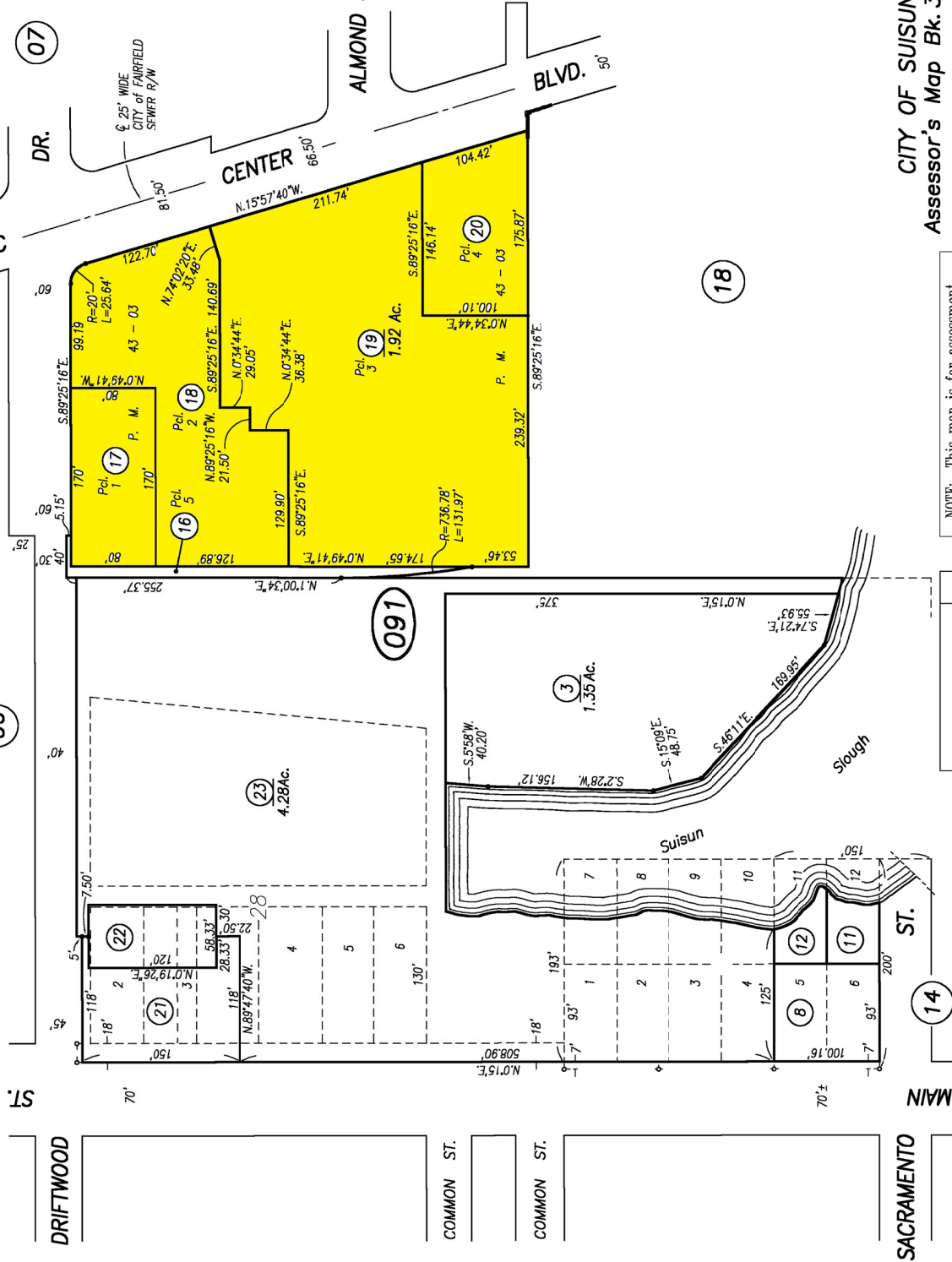
ATTACHMENTS:

1. Property Depiction.
2. Resolution No. SA 2021-__: Authorizing the Executive Director to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions with ZMAN LLC for the Transfer of Approximately 3.49 Acres Located on Civic Center Boulevard (Solano County Assessor's Parcel Numbers 0032-091-170; 180; 190; and 200).
3. Resolution SA 2020-02.

POR. N.W. 1/4 SEC. 36, T.5N., R.2W., M.D.B. & M.

Tax Area Code
5017

32-09



NOTE: This map is for assessment purposes only. It is not intended to define legal boundary rights or imply compliance with land division laws.

Map Corr.	8-14-09	Cr
091-21thm23 Dd	1-18-02	FG
091-16thm20 (Pm)	12-13-01	JS
REVISION	DATE	BY

CITY OF SUISUN CITY
Assessor's Map Bk. 32 Pg. 89
County of Solano, Calif.

Suisun, City of
Assessor's Block Numbers Shown in Ellipses, Assessor's Parcel Numbers Shown in Circles

R.M. Bk. 01 Pg. 105

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RESOLUTION NO. SA 2021-

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS WITH ZMAN LLC FOR THE TRANSFER OF APPROXIMATELY 3.49 ACRES LOCATED ON CIVIC CENTER BOULEVARD (SOLANO COUNTY ASSESSOR'S PARCEL NUMBERS 0032-091-170; 180; 190; AND 200).

WHEREAS, the Successor Agency ("**Agency**") is the owner of that certain unimproved real property located on the west side of Civic Center Boulevard in the City of Suisun City, County of Solano, State of California (Assessor Parcel Nos. 0032-091-170 through 200) ("**Property**"); and

WHEREAS, the Property (together with a number of other parcels of real property) is subject to that certain Disposition and Development Agreement dated as of April 17, 2006 by and between Main Street West Partners, LLC, ("**MSW**") and the Redevelopment Agency of the City of Suisun City as subsequently amended by (i) that certain First Amendment to the DDA dated July 25, 2006; (ii) that certain Second Amendment to the DDA dated September 18, 2007; (iii) that certain Third Amendment to the DDA dated February 19, 2009; (iv) that certain Fourth Amendment to the DDA dated April 29, 2016; and Resolution SA 2020-02 (cumulatively the "**Amendments**"). The Original DDA as modified by the Amendments is hereinafter referred to as the "**DDA**". Under the DDA, the Property was commonly referred to as Lot 13; and

WHEREAS, the Fourth Amendment to the DDA dated April 29, 2016 ("**Fourth Amendment**") was approved by the Successor Agency Board pursuant to resolution and subsequently approved by the Oversight Board ("**OB**") pursuant to Resolutions 2015-01 & 2015-02. However, the California Department of Finance ("**DOF**") disapproved the Fourth Amendment and the OB's resolutions approving the Fourth Amendment. MSW filed a lawsuit for Declaratory Relief, Impairment of Contract and a Petition for Writ of Mandate against the DOF in Superior Court of Sacramento County Case No. 34-2014-00164737 ("**Lawsuit**"). The Lawsuit was settled pursuant to that certain Settlement Agreement which the DOF approved and executed on February 1, 2016 ("**DOF Settlement Agreement**"). However, the DOF Settlement Agreement required the approval of the Oversight Board which did approve it pursuant to Resolutions 2016-02 and 2016-03. The DOF acknowledged compliance with the required conditions to the Settlement Agreement by its letter dated March 2, 2016. Accordingly, pursuant to Health & Safety Code Section 34170 et seq., the Fourth Amendment is in full force and effect and a binding obligation of the Successor Agency; and

WHEREAS, MSW and Agency each alleged that the other had breached the DDA. Subsequently MSW and the Agency entered into that certain Settlement Agreement and General Release of all Claims which was approved by the Successor Agency Board on November 17, 2020 and executed by the Agency on December 1, 2020 ("**2020 Settlement Agreement**"). Pursuant to the 2020 Settlement Agreement, the parties agreed to cooperate with respect to the sale of the remaining parcels including the Property to a Qualified Successor Developer and upon the closing of the sale, a prorata portion of the \$200,000 Disposition Fee shall be paid to MSW, the Qualified Successor Developer will be responsible

1 for the Economic Impact Fee and the Lighthouse Development Fee, and all the DDA shall
2 terminate with respect to the Property; and

3 **WHEREAS**, MSW has requested that it be entitled to assign its rights with respect to
4 the Property to ZMAN LLC (“**ZMAN**”) as a Qualified Successor Developer and the Agency
5 desires to permit such assignment to ZMAN with respect to the Property consistent with the
6 terms of the DDA and the 2020 Settlement Agreement; and

7 **WHEREAS**, pursuant to an appraisal prepared by Ron Garland & Associates, the fair
8 market value for the property was determined to be \$730,000 (\$4.75 per square foot)
9 (“**FMV**”); and

10 **WHEREAS**, the Agency and ZMAN have negotiated terms of that certain Vacant
11 Land Purchase Agreement and Joint Escrow Instructions with the Addendum (“**PSA**”) for the
12 sale of the Property for FMV of \$730,000 (“**Property Sale Price**”). Pursuant to the PSA,
13 ZMAN will open escrow with a \$20,000 deposit with Placer Title Company as escrow holder,
14 a due diligence/feasibility period of 60 days and a closing date of 90 days after the execution
15 of the PSA. The PSA also contemplates modifications as may be required by City with
16 respect to acquisition of Mike Day Park; and mandates work with San Francisco Bay
17 Conservation and Development Commission approval of the location of public parking as
18 necessary for the project; and

19 **WHEREAS**, the Agency desires to sell the Property to ZMAN for a proposed mixed
20 use development consistent with the City’s General Plan and Downtown Waterfront Specific
21 Plan, consistent with the terms of the DDA, subject to all necessary future analysis, approvals
22 and mitigation measures as required by the California Environmental Quality Act (“**CEQA**”),
23 and as provided pursuant to the terms and conditions of the PSA; and

24 **WHEREAS**, the net proceeds from the sale of the Property will be distributed to the
25 affected taxing entities pursuant to redevelopment agency dissolution laws; and

26 **WHEREAS**, CEQA requires the review of projects that have the potential to
27 adversely impact the environment. Before proceeding with the action before the City Council,
28 ZMAN requires the execution of the PSA before it can invest time, money and effort in the
preparation of detailed development plans. At the time adequate detail is known about
development of the Property, the appropriate review as required under CEQA will be
undertaken.

29 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL ACTING**
30 **AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY**
31 **OF SUISUN CITY, AS FOLLOWS:**

32 **Section 1.** The above recitals are true and correct.

33 **Section 2.** The PSA with ZMAN in substantially the form attached hereto is
34 hereby approved as well as the Assignment and Release Agreement among ZMAN, MSW
35 and the Agency attached hereto. The Executive Director (or designee) is hereby authorized
36 on behalf of the Successor Agency to execute the PSA, and to make revisions to the PSA
37 (including approvals and extensions) which do not materially or substantially increase the
38 Agency’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
Agency’s obligations, responsibilities and duties to be performed under the PSA.

PASSED AND ADOPTED at a regular meeting of the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Tuesday, December 21, 2021, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

WITNESS my hand and the seal of said City this 21st day of December, 2021.

Anita Skinner, Secretary

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VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form VLPA, Revised 12/18)

Item 14
Attachment 2.a

Date Prepared: **December 7, 2021**

1. OFFER:

- A. THIS IS AN OFFER FROM Zman, LLC ("Buyer"),
B. THE REAL PROPERTY to be acquired is APNs 0032-091-170 through 200, situated in
Suisun (City), Solano (County), California, 94590 (Zip Code), Assessor's Parcel No. _____ ("Property").
Further Described As _____
C. THE PURCHASE PRICE offered is Seven Hundred Thirty Thousand

Dollars \$ 730,000.00

- D. CLOSE OF ESCROW shall occur on _____ (date) (or ☒ 90 Days After Acceptance).
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).

- B. CONFIRMATION: The following agency relationships are confirmed for this transaction:

Seller's Brokerage Firm

N/A

License Number _____

Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)

Seller's Agent

License Number _____

Is (check one): ☐ the Seller's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)

Buyer's Brokerage Firm

N/A

License Number _____

Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)

Buyer's Agent

License Number _____

Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)

- C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of _____ \$ 20,000.00

(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☒ other wire transfer within 3 business days after Acceptance (or _____);

- OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____ . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of . . . \$ _____ within _____ Days After Acceptance (or _____).

If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

- C. ☒ ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) FIRST LOAN: in the amount of _____ \$

This loan will be conventional financing OR ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing, ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

- (2) ☐ SECOND LOAN in the amount of _____ \$

This loan will be conventional financing OR ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

- (3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA mandatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

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VLPA REVISED 12/18 (PAGE 1 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 1 OF 11)

Downey Brand 621 Capitol Mall, 18th Floor Sacramento, CA 95814
Robert McCormick

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Ashria Waterfr



Property Address: **APNs 0032-091-170 through 200, Suisun, 94590**Date: **December 7, 2021****E. ADDITIONAL FINANCING TERMS:**

F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ **710,000.00**
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. PURCHASE PRICE (TOTAL): \$ **730,000.00**

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within **3 (or ____) Days** After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☐ Verification attached.)

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or ☒ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within **17 (or ____) Days** After Acceptance.

J. LOAN TERMS:

(1) LOAN APPLICATIONS: Within **3 (or ____) Days** After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above **is a contingency** of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs **are not contingencies** of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

Within **21 (or ____) Days** After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) ☐ NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. SELLER FINANCING: The following terms (or ☐ the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within **7 (or ____) Days** After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) TERMS: Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: **(i)** the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; **(ii)** deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; **(iii)** Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; **(iv)** note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; **(v)** note shall contain a late charge of 6% of the installment due (or ____) if the installment is not received within 10 days of the date due; **(vi)** title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and **(vii)** tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. ASSUMED OR "SUBJECT TO" FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

VLPA REVISED 12/18 (PAGE 2 OF 11)**VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 2 OF 11)**

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Ashria Waterfr



Property Address: **APNs 0032-091-170 through 200, Suisun, 94590**Date: **December 7, 2021**

cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ☐ MANUFACTURED HOME PURCHASE: The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer ☐ has ☐ has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (or ☐ this contingency shall remain in effect until the Close Of Escrow of the Property).

6. ☐ CONSTRUCTION LOAN FINANCING: The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan ☐ will ☐ will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or ☐ this contingency shall remain in effect until Close Of Escrow of the Property).

7. ADDENDA AND ADVISORIES:

A. ADDENDA: ☐ Addendum # _____ (C.A.R. Form ADM)
☐ Back Up Offer Addendum (C.A.R. Form BUO) ☐ Court Confirmation Addendum (C.A.R. Form CCA)
☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
☐ Short Sale Addendum (C.A.R. Form SSA) ☐ Other _____

B. BUYER AND SELLER ADVISORIES:

☐ Buyer's Vacant Land Additional Inspection Advisory (C.A.R. Form BVLIA)
☐ Probate Advisory (C.A.R. Form PA) ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
☐ Trust Advisory (C.A.R. Form TA) ☐ REO Advisory (C.A.R. Form REO)
☐ Short Sale Information and Advisory (C.A.R. Form SSIA) ☐ Other _____

8. OTHER TERMS: See attached Addendum**9. ALLOCATION OF COSTS**

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**

(1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: _____ prepared by **Disclosure Source**

(2) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____

(3) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____

B. ESCROW AND TITLE:

(1) (a) ☒ Buyer ☒ Seller shall pay escrow fee **Split 50/50**
(b) Escrow Holder shall be **Placer Title Company (Laura Vierra)**

(c) The Parties shall, within **5 (or _____) Days** After receipt, sign and return Escrow Holder's general provisions.

(2) (a) ☒ Buyer ☐ Seller shall pay for **owner's** title insurance policy specified in paragraph 18E
(b) Owner's title policy to be issued by _____
(Buyer shall pay for any title insurance policy insuring Buyer's **lender**, unless otherwise agreed in writing.)

C. OTHER COSTS:

(1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee _____

(2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee _____

(3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee _____

(4) Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.

(5) Buyer to pay for any HOA certification fee.

(6) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.

(7) ☐ Buyer ☐ Seller shall pay for any private transfer fee _____

(8) ☐ Buyer ☐ Seller shall pay for _____

(9) ☐ Buyer ☐ Seller shall pay for _____

10. CLOSING AND POSSESSION: Possession shall be delivered to Buyer: (i) at 6 PM or (☐ AM/ ☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than _____ calendar days after Close Of Escrow; or (iii) ☐ at ☐ AM/ ☐ PM on _____.

The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners'

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

VLPA REVISED 12/18 (PAGE 3 OF 11)**VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 3 OF 11)**

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Association ("HOA") to obtain keys to accessible HOA facilities.

11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

- A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are **not** included in the purchase price or excluded from the sale unless specified in 11B or C.
- B. ITEMS INCLUDED IN SALE:**
- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) The following items: _____
- (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (4) All items included shall be transferred free of liens and without Seller warranty.
- C. ITEMS EXCLUDED FROM SALE:** _____

12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:

- A. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. WITHHOLDING TAXES:** Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- C. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
- (1) **SELLER HAS: 7 (or ____) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).
- (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has **3 (or ____) Days** After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:

- A.** Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
- (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
- (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
- (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
- (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
- (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
- (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
- (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
- (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
- (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
- (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
- (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
- (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
- (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
- (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C. ☐ TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

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- D. MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: **(i)** make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and **(ii)** promptly deliver to Buyer any such notice obtained.
- E. SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLQ).
- 14. SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**
- 15. CHANGES DURING ESCROW:**
- A.** Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: **(i)** rent or lease any part of the premises; **(ii)** alter, modify or extend any existing rental or lease agreement; **(iii)** enter into, alter, modify or extend any service contract(s); or **(iv)** change the status of the condition of the Property.
- B.** At least **7 (or ____) Days** prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes. Within 5 (or ____) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes, in which case Seller shall not make the Proposed Changes.
- 16. CONDITION OF PROPERTY:** Unless otherwise agreed in writing: **(i)** the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; **(ii)** the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and **(iii)** all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A.** Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B.** Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 19B, based upon information discovered in those investigations: **(i)** cancel this Agreement; or **(ii)** request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**
- 17. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A.** Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: **(i)** inspect for lead-based paint and other lead-based paint hazards; **(ii)** inspect for wood destroying pests and organisms; **(iii)** review the registered sex offender database; **(iv)** confirm the insurability of Buyer and the Property; and **(v)** satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: **(i)** invasive or destructive Buyer Investigations except for minimally invasive testing; or **(ii)** inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B.** Seller shall make the Property available for all Buyer Investigations. Buyer shall **(i)** as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and **(ii)** give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Buyer indemnity and Seller protection for entry upon property:** Buyer shall: **(i)** keep the Property free and clear of liens; **(ii)** repair all damage arising from Buyer Investigations; and **(iii)** indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.
- D. BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**
- E. SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
- F. ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
- G. UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

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- H. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- L. NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.
- M. COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- P. MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.
- 18. TITLE AND VESTING:**
- A.** Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within **7 Days** After Acceptance, give Escrow Holder a completed Statement of Information.
- B.** Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: **(i)** monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and **(ii)** those matters which Seller has agreed to remove in writing.
- C.** Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D.** At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**
- E.** Buyer shall receive a "CLTA/ALTA Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. SELLER HAS: 7 (or) Days** After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or 60) Days** After Acceptance, unless otherwise agreed in writing, to:
- (i)** complete all Buyer Investigations; review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and **(ii)** Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
- (2)** Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
- (3)** By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has **5 (or) Days** After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

Buyer's Initials () ()

Seller's Initials () ()

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- (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).
- C. SELLER RIGHT TO CANCEL:**
- (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; (v) Return Statutory Disclosures as required by paragraph 12A; or (vi) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- D. NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least **2 (or ____) Days** After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than **2 Days** Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.
- E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
- F. CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least **3 (or ____) Days** After Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** Prior to the scheduled close of escrow.
- G. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**
- 20. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 21. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within **5 (or ____) Days** Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 16; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 22. ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)



Property Address: **APNs 0032-091-170 through 200, Suisun, 94590**

23. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: **(i)** for periods after Close Of Escrow, by Buyer; and **(ii)** for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.** Prorations shall be made based on a 30-day month.

24. BROKERS:

- A. COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: **(i)** Does not decide what price Buyer should pay or Seller should accept; **(ii)** Does not guarantee the condition of the Property; **(iii)** Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; **(iv)** Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; **(v)** Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; **(vi)** Shall not be responsible for inspecting public records or permits concerning the title or use of Property; **(vii)** Shall not be responsible for identifying the location of boundary lines or other items affecting title; **(viii)** Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; **(ix)** Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; **(x)** Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and **(xi)** Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

25. REPRESENTATIVE CAPACITY: If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within **3 Days** After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

26. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder,** which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent 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 will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within **3 (or _____) Days**, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.**
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.**
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.**

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

VLPA REVISED 12/18 (PAGE 8 OF 11)**VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 8 OF 11)**

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- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within **3 Days** after mutual execution of the amendment.

27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).**

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

28. DISPUTE RESOLUTION:

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (**www.consumermediation.org**) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 28C.**

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

- 29. SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

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- 30. MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 31. ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 28A.
- 32. ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOAA).
- 33. EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 34. TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counteroffer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 35. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
- 36. DEFINITIONS:** As used in this Agreement:
- A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. **"Agreement"** means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
 - C. **"C.A.R. Form"** means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. **"Close Of Escrow"** means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. **"Copy"** means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. **"Days"** means calendar days. However, after Acceptance, the last **Day** for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - G. **"Days After"** means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - H. **"Days Prior"** means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. **"Deliver", "Delivered" or "Delivery"**, unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. **"Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - K. **"Law"** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - L. **"Repairs"** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. **"Signed"** means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 37. EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by 5:00 ☐ AM/ ☒ PM, on December 23, 2021 (date)).

☐ One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date _____ BUYER _____ See Addendum

(Print name) _____

Date _____ BUYER _____

(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

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Seller's Initials (_____) (_____)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 10 OF 11)

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Property Address: **APNs 0032-091-170 through 200, Suisun, 94590**Date: **December 7, 2021**

38. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SELLER'S ACCEPTANCE IS **SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:**

☐ One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date _____ SELLER _____ See Addendum _____

(Print name) _____

Date _____ SELLER _____

(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(_____/_____) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____

(Initials)

☐ AM/ ☐ PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.**

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING (BUYER'S) BROKER COMPENSATION: Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

E. PRESENTATION OF OFFER: Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm **N/A**

DRE Lic. # _____

By _____ DRE Lic. # _____ Date _____

By _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Seller's Brokerage Firm **N/A**

DRE Lic. # _____

By _____ DRE Lic. # _____ Date _____

By _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____ ☐ Seller's Statement of Information and _____

and agrees to act as Escrow Holder subject to paragraph 26 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail// _____

Escrow Holder has the following license number # _____

☐ Department of Financial Protection and Innovation, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: (_____) Seller's Broker presented this offer to Seller on _____ (date).
Broker or Designee Initials _____

REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
Seller's Initials _____

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Buyer's Acknowledge that page 11 is part of
this Agreement (_____) (_____)



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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 11 OF 11)

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ADDENDUM

The following terms and conditions are hereby incorporated in and made a part of that certain Vacant Land Purchase Agreement and Joint Escrow Instructions dated December 7, 2021 (“**PSA**”) with respect to that certain Property defined therein (APNs 0032-091-170 through 200) in which MAN, LLC, a California limited liability company, is referred to as “**Buyer**” and the Successor Agency to the Redevelopment Agency of the City of Suisun is referred to as “**Seller**”.

MISCELLANEOUS:

A DDA Settlement Agreement The Property is subject to that certain Disposition and Development Agreement dated April 17, 2006 (as subsequently amended) between Main Street West Partners, a California limited liability company (“**MSW**”) and that certain Settlement Agreement & General Release of All Claims with an Effective Date of March 3, 2021 (“**Existing Agreements**”).

B Assignment The right to buy the Property under the Existing Agreements has been assigned by MSW to Buyer pursuant to that certain Assignment and Release Agreement which provides that if the Property is not acquired by Buyer, the right to acquire the Property will be reassigned to MSW.

C Agreement Definition For purposes of clarification, the original PSA as amended/modified by this Addendum is hereinafter referred to as this “**Agreement**.”

D Conflict In the event of a conflict between the PSA and this Addendum, the provisions of this Addendum shall control.

The Agreement is amended/modified/supplemented as follows

1 Non-Applicable Provisions of PSA The Property is vacant land with no improvements and no occupants. Therefore all provisions with respect to same are not applicable, (ii) all provisions referencing financing, agency or brokers are not applicable (iii) there is no personal property included in the sale and (iv) Buyer is a commercial Buyer acquiring the Property for commercial development and, therefore, all mandatory disclosures applicable to residential property being sold to a potential residential owner are not applicable (such as Paragraphs, 12C, 12D, 12E, 33).

2 Project and Related Conditions Precedent

a Project Buyer understands that the Property is located at the Waterfront and, therefore, the proposed development of the Property is of great importance to Seller and the City of Suisun and will have a significant impact on the adjacent properties including, but not limited to, the existing Holiday Inn, another hotel planned for an adjacent Property and the existing adjacent residences. Accordingly Buyer’s proposed development of the Property (“**Project**”) is of critical importance and will be subject to review by the City of Suisun.

b ☐ **BCDC** ☐ As part of the Project Buyer shall work with the San Francisco Bay Conservation and Development Commission ("**BCDC**") to gain approval to relocate the current public parking and extend a portion of the hotel within the previously disallowed zone and to obtain other required approvals ("**BCDC Approvals**"). The BCDC Approvals are not a condition to Closing but the obligation shall survive the Closing.

c ☐ **Par** ☐ Buyer agrees to provide an amenitized replacement park on the Property provided Buyer is able to acquire the Mike Day Park from the City of Suisun City upon mutually agreeable terms. This is not a condition to Closing but reflects a good faith post-closing agreement.

d ☐ **Investigation of Available Credits** ☐ Seller shall work with the City to determine any available credits applicable to the Property due to the prior demolition of previous units on the Property and shall promptly notify Buyer of such determination.

3 ☐ **Feasibility Period** ☐ The 60 day period (as specified in Paragraph 19.B) is hereinafter referred to as the "**Feasibility Period**" ☐

During the Feasibility Period, Buyer shall have the right to inspect the physical condition of the Property for the Project and, at its sole cost and expense, 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 the uses permitted by this Agreement to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Property. Buyer shall further have the right to make an examination of all licenses, permits, authorizations, approvals and governmental regulations which affect the Property, including zoning and land use issues and conditions imposed upon the Property by governmental agencies. During the Feasibility Period, Buyer shall have access to the Property provided it complies with the provisions of Section 5.d. of this Addendum. Paragraphs 13 and 16 of the PSA are deleted in their entirety.

Buyer shall notify Seller on or before the end of the Feasibility Period, in writing, whether Buyer has approved or disapproved the results of its investigation, such approval or disapproval to be given or withheld in Buyer's reasonable discretion. If Buyer disapproves the results of its investigations, such disapproval shall terminate the Agreement, in which case the Deposit will be returned to Buyer (less any cancellation costs) and the parties shall have no further obligations to the other under this Agreement. If Buyer approves the results of its investigations, this Agreement shall remain in full force and effect, the Deposit shall become non-refundable (except in the case of a material default by Seller), and the parties hereto shall have all of the rights and obligations as set forth herein. Failure of Buyer to notify Seller of its approval or disapproval before the end of the Feasibility Period shall be conclusively deemed Buyer's disapproval hereunder.

4 ☐ **Condition of Property** ☐ **AS-IS Acquisition.**

a ☐ **AS-IS Acquisition** ☐ **BU** ☐ **ER ACKNOWLEDGES AND AGREES THAT SELLER IS CONVEYING THE PROPERTY TO BUYER IN "AS-IS" CONDITION**

WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND AND SHALL NOT BE RESPONSIBLE FOR ANY HAZARDOUS MATERIALS OR CONDITIONS ON THE PROPERTY

b Assessment and Remediation Buyer shall be responsible for conducting assessments of the Property and for any required remediation if Buyer accepts the Property pursuant to the terms of this Agreement. Seller shall be entitled to review any remedial workplan prepared for the Property. Seller is conveying the property in an "AS-IS" condition and shall not be responsible for any Hazardous Materials or hazardous conditions on the Property. Seller is acquiring the Property solely to accommodate the Project and, therefore, Buyer acknowledges that the provisions of this Section 5 are material to Seller's entering into this Agreement.

c Disclaimer of Warranties Upon the Close of Escrow, Buyer shall acquire the Property in its "AS-IS" condition and 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, abandoned wells or other structures located on, under or about the Property. Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property, the suitability of the Property for the Project, or the present use of the Property, and specifically disclaims all representations or warranties of any nature concerning the Property made by them, the City and their employees, agents and representatives. The foregoing disclaimer includes, without limitation, topography, climate air, water rights, utilities, present and future zoning, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage. Seller makes no representation or warranty concerning the compaction of soil upon the Property, nor of the suitability of the soil for construction.

d Right to Enter PropertyIndemnification Paragraph 17 of the Agreement is superseded in its entirety by this subsection d. Subject to compliance with the requirements set forth below, Seller grants to 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 entering the Property, Buyer shall obtain Seller's written consent which shall not be unreasonably withheld or delayed provided Buyer complies with all the following requirements. Buyer shall (i) notify Seller prior to each entry of the date and the purpose of intended entry and provide to Seller 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 (including issuance of City permits) (iv) allow an employee of Seller to be present at all times (v) keep the Property free and clear of all materialmen's liens, lis pendens and other liens or encumbrances arising out of the entry and work performed under this paragraph (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 and other requirements specified below (viii) repair all material damage to the Property resulting from Buyer's entry and investigation of the Property and leave the Property in a safe condition (ix) provide Seller copies of all studies, surveys, reports, investigations and other tests derived from any inspection without representation or warranty but with the right of Seller to use the report without further consent from or payment to the issuer and (x) take the Property at Closing subject to any title exceptions caused by Buyer exercising this license to enter. Buyer agrees to indemnify, defend 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 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. Notwithstanding termination of this Agreement for any reason, the obligations of Buyer under this Section shall remain in full force and effect.

The policy of insurance, shall be primary insurance and shall name Seller and its officers, employees, and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against Seller and its officers, employees and agents and their respective insurers. The policy shall provide that it shall not be amended or cancelled without providing thirty (30) days prior written notice to Seller and Buyer. The policy of insurance shall be satisfactory only if issued by companies qualified to do business in California, rated "A-" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances.

e Hazardous Materials Buyer understands and specifically agrees that in the event Buyer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or oil wells and/or underground storage tanks and/or pipelines whether attributable to events occurring prior to or following the Closing, then Buyer may look to current or prior owners of the Property, but under no circumstances shall Buyer look to Seller or City for any liability or indemnification regarding Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines. Buyer, and each of the entities constituting Buyer, if any, from and

after the Closing, hereby waives, releases, remises, acquits and forever discharges Seller, City, their directors, officers, employees, and agents, and their respective heirs, successors, personal representatives and assigns (collectively, the **"Released Parties"**), of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Property, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials therefrom, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of Seller and City, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Buyer, its successors, assigns or any affiliated entity of Buyer, against Seller or City, arising by virtue of the physical or environmental condition of the Property, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material therefrom, whether existing prior to, at or after the Closing, are by this Release provision declared null and void and of no present or future force and effect as to the parties provided, however, that no parties other than the Released Parties shall be deemed third party beneficiaries of such release. **In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have 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'S INITIALS: **SELLER'S INITIALS:**

For purposes of this subsection e, the following terms shall have the following meanings:

a. "Environmental Claim" means any claim for personal injury, death and/or property damage made, asserted, or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Property or its operations and arising or alleged to arise under any Environmental Law.

b. "Environmental Cleanup Liability" means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Property, including the ground water thereunder, including, without limitation, (A) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (B) any cost, expense, loss or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

c. "Environmental Compliance Cost" means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect. "Environmental Compliance Cost" shall include all costs necessary to demonstrate that the Property is capable of such compliance.

d. "Environmental Law" means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (A) pollution or protection of the environment, including natural resources, (B) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (C) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical sub-stances from industrial or commercial activities, or (D) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

e. "Hazardous Material" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental Seller, the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (A) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (B) defined as a "hazardous waste" or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (C) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act) (D) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501(n)(1)-(2) of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (E) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (F) "used oil" as defined under Section 25250.1 of the California Health and Safety Code (G) asbestos (H) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations (I) defined as waste or a hazardous substance pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (J) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317 (K) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* (42 U.S.C. § 6903); (L) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.* (42 U.S.C. § 9601); (M) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.* or (N) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time here-after, in effect.

Notwithstanding any other provision of this Agreement, Buyer's release as set forth in the provisions of this Section, as well as all provisions of this Section, shall survive the

termination of this Agreement and shall continue in perpetuity, with respect to any act or omission of Buyer (its employees, persons, invitees, agents, assignees, contractors, subcontractors) related to the Property and/or the Project.

5 Assignment

a Identification of Buyer Buyer's principal office is located at 9700 Village Center Drive, Suite 120, Granite Bay, CA 95746. Buyer represents and warrants to Seller that, as of the Opening of Escrow and the Closing Date, Buyer is and will be qualified to do business, is in good standing under the laws of the State of California, and has all requisite power to carry out Buyer's business as now and whenever conducted and to enter into and perform Buyer's obligations under this Agreement.

b Qualifications The qualifications and identity of Buyer are of particular concern to Seller, and it is because of such qualifications and identity that Seller has entered into this Agreement with Buyer. Seller has considered the experience, financial capability, and product being marketed by Buyer, the Property location and characteristics, the public costs of acquiring and developing the Property and return on investment, and the product mix necessary to produce a Project. Based upon these considerations, Seller has imposed those restrictions on transfer set forth in this Agreement.

c Restrictions on Transfer Paragraph 32 of the PSA is deleted in its entirety and the provisions of this subsection d shall control as to any transfers after the Assignment Agreement is effective.

i Transfer Defined As used in this Section, the term "**Transfer**" shall include any assignment, hypothecation, mortgage, pledge, conveyance, or encumbrance of this Agreement, the Property, or the improvements thereon, and conveyance of the Property from Seller to Buyer, a limited partnership or a limited liability company in which Buyer (or its affiliate) is the administrative general partner or managing member (as applicable), provided for in this Agreement. A Transfer shall also include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of Buyer in the aggregate, taking all transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the Transferor's immediate family. In the event Buyer or its successor is a corporation or trust, such Transfer shall refer to the Transfer of the issued and outstanding capital stock of Buyer, or of beneficial interests of such trust. In the event that Buyer is a limited or general partnership, such Transfer shall refer to the Transfer of more than twenty-five percent (25%) of the limited or general partnership interest. In the event that Buyer is a joint venture, such Transfer shall refer to the Transfer of more than twenty-five percent (25%) of the ownership and/or control of any such joint venture partner, taking all Transfers into account on a cumulative basis.

- ii **Restrictions Prior to Completion** Prior to substantial completion of the Project, Buyer shall not Transfer this Agreement or any of Buyer's rights hereunder, or any interest in the Property or in the improvements thereon, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of Seller, which shall not be unreasonably withheld, and if so purported to be Transferred, the same shall be null and void. In considering whether it will grant approval to any Transfer by Buyer of its interest in the Property before substantial completion of the Project, which Transfer requires Seller approval, Seller shall consider factors such as (i) whether the completion or implementation of the Project is jeopardized (ii) the financial strength and capability of the proposed assignee to perform Buyer's obligations hereunder; and (iii) the proposed assignee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects.

In the absence of a specific written agreement by Seller, prior to substantial completion of the Project, no Transfer by Buyer of all or any portion of its interest in the Property or this Agreement (including without limitation an assignment or transfer not requiring Seller approval hereunder) shall be deemed to relieve it or any successor party from any obligations under this Agreement with respect to the completion of the development of the Project with respect to that portion of the Property which is so transferred. In addition, no attempted assignment of any of Buyer's obligations hereunder shall be effective unless and until the successor party executes and delivers to Seller an assumption agreement, in a form approved by Seller, assuming such obligations.

- iii **Exceptions** The foregoing prohibition shall not apply to any of the following, all of which shall constitute "**Permitted Transfers**" and shall not require the prior consent of Seller

a. Any mortgage, deed of trust, or other form of conveyance for financing but Buyer shall notify Seller in advance of recording any such mortgage, deed of trust, or other form of conveyance for financing pertaining to the Property.

b. Any mortgage, deed of trust, or other form of conveyance for restructuring or refinancing of any amount of indebtedness described in subsection (a) above, provided that the amount of indebtedness incurred in the restructuring or refinancing does not exceed the outstanding balance on the debt incurred to finance the acquisition of and improvements on the Property, including any additional costs for completion of construction, whether direct or indirect, based upon the estimates of architects and/or contractors.

c. A transfer in connection with a foreclosure or deed-in-lieu of foreclosure under any mortgage, deed of trust, or other form of conveyance described in subsection (a) above.

d. The granting of easements or licenses to any appropriate governmental agency or utility or permits to facilitate the development and/or operation of the Property.

e. A sale or Transfer of forty-nine percent (49%) or more of ownership or control interest between members of the same immediate family, or Transfers to a trust, testamentary or otherwise, in which the beneficiaries consist solely of immediate family members of the Trustor or Transfers to a corporation or partnership in which the immediate family members or shareholders of the Transferor have a controlling majority interest of fifty-one percent (51%) or more.

f. A sale or Transfer to a California limited partnership in which Buyer, or an Affiliate of Buyer, is a general partner or to a California limited liability company in which Buyer, or an Affiliate of Buyer is the managing member. The term “**Affiliate**” shall mean (i) any entity in which Buyer directly or indirectly owns or controls fifty percent (50%) or more of the voting and/or membership interests, or (ii) any entity in which the owner(s) of Buyer directly or indirectly own or control fifty percent (50%) or more of the voting or membership interest.

iv **Restrictions After Completion** Upon substantial completion of the Project, all restrictions on Transfer shall no longer apply.

6 **Title Insurance** PSA Paragraph 18.E is amended to provide that the form of title policy to be provided to Buyer is an ALTA non-extended owner’s policy.

7 **Fee Agreement**. As a condition to Closing, Buyer shall execute a fee agreement in the form attached hereto as Exhibit A with respect to the Lighthouse Development Fee and the Downtown Economic Impact Fee.

8 **Executive Director Authority**. Times of performance under this Agreement may be extended by mutual written agreement by Seller and Buyer. The Executive Director of Seller shall have authority on Seller’s behalf to approve extensions of time.

9 **Grant Deed** The grant deed from Seller to Buyer shall reference the obligations regarding the Project as set forth in this Agreement.

SIGNATURES ON FOLLOWING PAGE

BUYER:

MAN, LLC,
a California limited liability company

By
Camran Nojoomi, Manager

SELLER:

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE
CITY OF SUISUN CITY

By
Greg Folsom, Executive Director

ATTEST

Anita Skinner, Agency Secretary

APPROVED AS TO FORM

ALESHIRE & WYNDER, LLP

By
Elena Gerli, Agency Counsel

Exhibit A

FEE AGREEMENT

This Fee Agreement is made as of , 2021 by and between the CITY OF SUISUN CITY, a municipal corporation ("**City**") and MAN, LLC, a California limited liability company ("**Developer**").

RECITALS:

A ☐ Developer intends to acquire that certain unimproved real property (APNs 0032-091-170 through 200) legally described on Exhibit A ("**Property**") through Main Street West Partners, LLC which has the legal right to acquire it from the Successor Agency to the Redevelopment Agency of the City of Suisun City pursuant to that certain Disposition and Development Agreement dated July 25, 2006 as amended ("**DDA**") which contained the obligation for the payment of certain fees with respect to the development of the Property.

B ☐ Developer intends to construct a residential project ("**Project**") on the Property consisting of a hotel and mixed-use apartment and retail building (each a "**Unit**").

C ☐ As of Developer's acquisition of the Property, the DDA will be of no further force of effect with respect to the Property except with respect to the payment of the fees. The purpose of this Agreement is define the fees which remain in effect and must be paid by Developer with respect to the Project.

NOW, THEREFORE, the parties agree as follows ☐

1 ☐ **Effective Date** ☐ This Agreement shall be effective on the date that the grant deed conveying the Property from the City to Developer is recorded in the Official Records of Solano County. The City hereby agrees, subject to satisfaction of the conditions in the DDA, to convey the Property directly to Developer (instead of to Main Street West Partners, LLC).

2 ☐ **Fees** ☐ As development impact fees, Developer agrees to pay the Lighthouse Development Fee (defined in Section 3) (the "**Fees**") as set forth below.

3 ☐ **Lighthouse Development Fee** ☐ Developer shall pay the Lighthouse Development Fee equal to \$1.0029 per square foot of the gross land area of the Property ("**Lighthouse Fee**"). The Lighthouse Fee will be paid in its entirety to the City prior to the issuance of any Certificate of Occupancy by the City for any portion of the Property.

4 ☐ **Intentionally Deleted** ☐

5 ☐ **Obligation Runs with the Land** ☐ The obligation to pay the Fees shall run with the land and bind successor owners of the Property. Developer shall notify any successor owner of this Agreement.

6 ☐ **Termination** ☐ This Agreement shall terminate upon the payment of the Fees as set forth above and thereafter, upon Developer's written request, City shall execute and deliver to Developer a letter confirming termination of this Agreement.

7 ☐ **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.

8 ☐ **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.

9 ☐ **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 Final Agreement This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter of this Agreement including, but not limited to the DDA.

11 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. Construction shall be in favor of enforcement of the payment of the Fees. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

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

13 Modifications in Writing Any modification or amendment of any provision of this Agreement must be in writing and bear the signature of the duly authorized representatives of Developer and City.

14 No Waiver. The failure of a 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.

15 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 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 or pdf copy of such execution shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates set forth below.

Agency:

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY
OF SUISUN CITY

By _____
Greg Folsom, Executive Director

Dated _____, 2021

ATTEST

Anita Skinner, Agency Secretary

APPROVED AS TO FORM

ALESHIRE & WYNDER, LLP

By _____
Elena Gerli, Agency Counsel

Developer:

MAN, LLC, a California limited liability company

By _____
Camran Nojoomi
Manager

Dated _____, 2021

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

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

TO BE ADDED PRIOR TO EXECUTION

ASSIGNMENT AND RELEASE AGREEMENT

1. **Assignment:** MAIN STREET WEST PARTNERS, LLC, a California limited liability company ("**Assignor**") assigns to ZMAN, LLC, a California limited liability company ("**Assignee**") as a Qualified Successor Developer its right to acquire and develop that certain real property identified as Parcel 13 ("**Assignment**") in that certain Disposition and Development Agreement dated as of April 17, 2006 by and between Assignor and the Redevelopment Agency of the City of Suisun City ("**Agency**") as subsequently amended by (i) that certain First Amendment to the DDA dated July 25, 2006; (ii) that certain Second Amendment to the DDA dated September 18, 2007; (iii) that certain Third Amendment to the DDA dated February 19, 2009; and (iv) that certain Fourth Amendment to the DDA dated April 29, 2016 (collectively the "**DDA**").
2. **Acceptance.** The Assignment shall be deemed automatically accepted by Assignee upon execution of that certain Purchase and Sale Agreement for Vacant Land and Joint Escrow Instructions between the Assignee and Agency ("**PSA**").
3. **Qualified Successor Developer:** Agency hereby approves Assignee as a Qualified Successor Developer under the DDA.
4. **Reassignment.** If for any reason, the PSA is not consummated by recordation of the Grant Deed as set forth therein ("**Grant Deed**"), all rights under this Assignment shall be deemed automatically assigned back to Assignor. Assignee shall cooperate with executing any documents reasonably requested to confirm the reassignment.
5. **Payment to Assignor at Closing.** Concurrently with the recordation of the Grant Deed under the PSA to Assignee ("**Closing**"), Agency shall pay to Assignor the sum of One Hundred Seventeen Thousand Forty-One Dollars (\$117,041) which is the prorata portion of the Disposition Fee pursuant to Section 7 of the Settlement Agreement and General Release of All Claims.
6. **Release on Closing.** Concurrently with the recordation of the Grant Deed under the PSA to Assignee, all obligations under the DDA with respect to Parcel 13 are deemed terminated in their entirety and both Assignee and Assignor are released from any obligations under the DDA as to Parcel 13 and Parcel 13 shall no longer be subject to the DDA. Notwithstanding the foregoing, Assignor shall remain obligated with respect to the remaining DDA obligations pursuant to the Settlement Agreement and General Release of All Claims with the Effective Date of March 3, 2021.

ASSIGNOR:

MAIN STREET WEST PARTNERS, LLC, a California limited liability company

By: Michael E. Rice, President

By: [Signature]
Frank J. Marinello, Vice President/Member

AGENCY:

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY
OF SUISUN CITY

By: [Signature]
Greg Folsom, Executive Director

ATTEST:

Anita Skinner, Agency Secretary

ASSIGNEE:

ZMAN, LLC, a California limited liability company

By: [Signature]
Camran Nojoomi, Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDELL LLP

By: [Signature]
Elena Gerli, Agency Counsel

ASSIGNMENT AND RELEASE AGREEMENT

1. **Assignment:** MAIN STREET WEST PARTNERS, LLC, a California limited liability company ("**Assignor**") assigns to ZMAN, LLC, a California limited liability company ("**Assignee**") as a Qualified Successor Developer its right to acquire and develop that certain real property identified as Parcel 13 ("**Assignment**") in that certain Disposition and Development Agreement dated as of April 17, 2006 by and between Assignor and the Redevelopment Agency of the City of Suisun City ("**Agency**") as subsequently amended by (i) that certain First Amendment to the DDA dated July 25, 2006; (ii) that certain Second Amendment to the DDA dated September 18, 2007; (iii) that certain Third Amendment to the DDA dated February 19, 2009; and (iv) that certain Fourth Amendment to the DDA dated April 29, 2016 (collectively the "**DDA**").
2. **Acceptance.** The Assignment shall be deemed automatically accepted by Assignee upon execution of that certain Purchase and Sale Agreement for Vacant Land and Joint Escrow Instructions between the Assignee and Agency ("**PSA**").
3. **Qualified Successor Developer:** Agency hereby approves Assignee as a Qualified Successor Developer under the DDA.
4. **Reassignment.** If for any reason, the PSA is not consummated by recordation of the Grant Deed as set forth therein ("**Grant Deed**"), all rights under this Assignment shall be deemed automatically assigned back to Assignor. Assignee shall cooperate with executing any documents reasonably requested to confirm the reassignment.
5. **Payment to Assignor at Closing.** Concurrently with the recordation of the Grant Deed under the PSA to Assignee ("**Closing**"), Agency shall pay to Assignor the sum of One Hundred Seventeen Thousand Forty-One Dollars (\$117,041) which is the prorata portion of the Disposition Fee pursuant to Section 7 of the Settlement Agreement and General Release of All Claims.
6. **Release on Closing.** Concurrently with the recordation of the Grant Deed under the PSA to Assignee, all obligations under the DDA with respect to Parcel 13 are deemed terminated in their entirety and both Assignee and Assignor are released from any obligations under the DDA as to Parcel 13 and Parcel 13 shall no longer be subject to the DDA. Notwithstanding the foregoing, Assignor shall remain obligated with respect to the remaining DDA obligations pursuant to the Settlement Agreement and General Release of All Claims with the Effective Date of March 3, 2021.

ASSIGNOR:

MAIN STREET WEST PARTNERS, LLC, a California limited liability company

By: 

Michael E. Rice, President

By: _____

Frank J. Marinello, Vice President/Member

ASSIGNEE:

ZMAN, LLC, a California limited liability company

By: 

Camran Nojoom, Manager

AGENCY:

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY
OF SUISUN CITY

By: _____

Greg Folsom, Executive Director

ATTEST:

Anita Skinner, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: 

Elena Gerli, Agency Counsel

RESOLUTION NO. SA 2020-02

A RESOLUTION OF THE CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SETTLEMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND DEVELOPER MAIN STREET WEST PARTNERS LLC, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN 18-MONTH EXTENSION TO THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE DEVELOPER AND SUCCESSOR AGENCY, AND DIRECTING THE EXECUTIVE DIRECTOR TO FORWARD THE EXECUTED SETTLEMENT AGREEMENT AND DDA EXTENSION TO THE SOLANO CONSOLIDATED OVERSIGHT BOARD FOR APPROVAL, AND DIRECTING MAYOR WILSON, IN HER CAPACITY AS MEMBER OF THE SOLANO CONSOLIDATED OVERSIGHT BOARD, TO VOTE TO APPROVE THE SETTLEMENT AGREEMENT

WHEREAS, On April 17, 2006, the Redevelopment Agency of the City of Suisun City (“RDA”) and Main Street West Partners LLC (“Developer“) entered into a Disposition and Development Agreement (“DDA”) regarding the following RDA-owned properties:

PROPERTY IDENTIFICATION		SITE SIZE	
Developer PROPERTY ID	APN	ACRES	SF
Parcels 1 & 2	32-141-15	0.59	25,700
Parcel 3	32-142-30	0.17	7,459
Parcel 5 (701 Main)	32-130-01	0.10	4,425
Parcel 7	32-142-28	0.15	6,372
Parcel 8	32-142-25	0.10	4,300
Parcel 9	32-142-24	0.11	4,900
Parcel 4	32-130-06	0.05	2,131
Parcel 6	32-082-05	0.16	7,183
Parcel 10	32-042-30, 36, 44, 46, 48, 50, 52, 54, 56, 58, 60, 68	1.56	67,854
Parcel 11	32.061-39	0.16	7,150
Parcel 12	32-061-26 through 36	1.65	71,870

Parcel 13	32-091-17 through 20	3.49	151,862
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WHEREAS, the parcels were to be built out with single family homes, a residential development, mixed use structures (commercial, office, residential), and commercial structures. RDA required as a part of the DDA that commercial properties were to be improved first with residential properties to follow. In addition, RDA committed to providing certain public improvements, and Developer committed to payment of a Lighthouse Development Fee per parcel, and a Developer Reinvestment fee from each residential unit into the enhancement of certain commercial portions of the project.

WHEREAS, on July 18, 2006, the DDA was amended ("First Amendment") to add the former Crystal Middle School site, APN 32-152-18 (Parcel 14). Parcel 14 is 7.44 acres in size (324,086 square feet).

WHEREAS, on September 18, 2007, the DDA was amended ("Second Amendment") to update Developer's schedule of performance.

WHEREAS, on February 19, 2009, in response to changed conditions due to the Great Recession, the DDA was amended again ("Third Amendment"). The Third Amendment provided that the RDA would acquire parcels 3, 5, 7, 8, and 9, as well as 711 and 713 Main Street (Parcel 15, APN 32-130-03 & 04; 3,049 sq. ft.) from Developer for \$717,257. Developer's cost to acquire. Developer was to buy the properties back at a later date, in accordance with the updated performance schedule. To assist Developer in leasing space during the Great Recession, the RDA further agreed to loan Developer \$500,000, secured by a personal note, at a 6% interest rate ("RDA Loan"). Those funds were for rent abatement, tenant improvements and other benefits for tenants to encourage rental of commercial space. The Third Amendment also included a repayment schedule. The Third Amendment also included a repayment schedule.

WHEREAS, on April 29, 2016, the DDA was amended ("Fourth Amendment") following settlement approved by the Department of Finance in the case of *Main Street West Partners, LLC v. Successor Agency of the Redevelopment Agency of the City of Suisun City, et*

1 al., Sacramento Superior Court, Case No. 34-2014-00164737as follows: the Successor
2 Agency to the Redevelopment Agency of the City of Suisun City ("Successor Agency")
3 entered into the Fourth Amendment as successor-in-interest to the RDA; an updated schedule
4 of performance; the Developer Reinvestment fee per residential unit was renegotiated; a
5 contingent Downtown Economic Development Impact Fee was added in the event that utility
6 connection credits of an equal amount were available to the Developer; successor developer
7 provisions were added; the RDA Loan limit was lowered; and the RDA Loan repayment
8 provisions were revised. The RDA's commitment to construct certain public improvements
9 was removed and Developer agreed to undertake such improvements.

10 WHEREAS, Parcels 1, 2, 6, and 12 have been developed and/or assigned to a
11 successor developer. All other parcels remain subject to the provisions of the DDA.

12 WHEREAS, Successor Agency and Developer each allege that the other has
13 materially breached the DDA (the "Dispute"). Developer has threatened litigation against the
14 Successor Agency to recoup its costs and lost profits, however, are agreeable to assign the
15 DDA in conjunction with a settlement. The Parties have been engaged in good faith
16 settlement negotiations. The Successor Agency's priority is to have the remaining parcels sold
17 or assigned to successor developers so that development can go forward. Assignment of the
18 remaining parcels to one or more successor developers so that they can be developed will
19 support the economic development of the City. Developer's priority is to partially recoup a
20 small part of its losses and to end their obligations under the DDA.

21
22 WHEREAS, Developer and Successor Agency have been engaged in good faith
23 settlement negotiations, and now wish to resolve the Dispute and settle all potential litigation
24 arising therefrom in accordance with the terms and conditions articulated in the Settlement
25 Agreement and General Release of All Claims ("Settlement Agreement") attached hereto.
26 Assignment of the remaining parcels to successor developer so that they can be developed
27 will support the economic development of the City.

28

1 WHEREAS, on April 13, 2020, Successor Agency sent a letter to Developer, invoking
2 Force Majeure in accordance with Section 3.02(A) of part Two of the DDA. Developer and
3 Successor Agency now wish to extend the DDA at the current terms and conditions in order
4 to have sufficient time to implement the provisions of the Settlement Agreement.

5 WHEREAS, the Successor Agency Board wishes for Mayor Wilson, the City of
6 Suisun City's representative on the Solano Consolidated Oversight Board, to vote to approve
7 the Settlement Agreement when it comes before the Oversight Board for consideration.

8
9 **NOW, THEREFORE, THE CITY COUNCIL ACTING AS SUCCESSOR**
10 **AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY**
11 **DOES RESOLVE AS FOLLOWS:**

12 Section 1. The above recitals are true and correct, and are incorporated herein by
13 reference.

14 Section 2. The Settlement Agreement in substantially the form attached hereto as
15 Attachment "A" is hereby approved. The Executive Director of the Successor Agency is
16 hereby authorized on behalf of the Successor Agency to execute the Settlement Agreement,
17 subject to necessary approvals from the Solano Consolidated Oversight Board, and to make
18 revisions to the Settlement Agreement that do not materially or substantially increase the
19 Agency's obligations thereunder, to sign all documents, to make all approvals and take all
20 actions necessary or appropriate to carry out and implement the Settlement Agreement.

21 Section 3. In accordance with Section 3.02(A) of part Two of the DDA (Force
22 Majeure), and subject to the approval of the Solano Consolidated Oversight Board, the
23 Executive Director of the Successor Agency is hereby authorized on behalf of the Successor
24 Agency to execute an extension to the DDA, subject to all current terms and conditions, for a
25 period of 18 months past the expiration date of April 29, 2021, through October 29, 2022. As
26 approved by Successor Agency Board Resolution 2020-01, Successor Agency sent a letter to
27 Developer on April 13, 2020 letter to Developer invoking the Force Majeure clause.
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ATTACHMENT "A"
SETTLEMENT AGREEMENT & GENERAL RELEASE OF ALL CLAIMS

SETTLEMENT AGREEMENT & GENERAL RELEASE OF ALL CLAIMS

This SETTLEMENT AGREEMENT AND RELEASE ("Agreement") is entered into by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY ("Successor Agency"), and MAIN STREET WEST PARTNERS, LLC, a limited liability company organized under the laws of the State of California ("Developer"). Successor Agency and Developer may be referred to, individually or collectively, as "Party" or "Parties."

RECITALS

A. On April 17, 2006, the Redevelopment Agency of the City of Suisun City ("RDA") and Developer entered into a Disposition and Development Agreement ("DDA") regarding the following RDA-owned properties:

PROPERTY IDENTIFICATION		SITE SIZE	
PROPERTY ID	APN	ACRES	SF
Parcels 1 & 2	32-141-15	0.59	25,700
Parcel 3	32-142-30	0.17	7,459
Parcel 5 (701 Main)	32-130-01	0.10	4,425
Parcel 7	32-142-28	0.15	6,372
Parcel 8	32-142-25	0.10	4,300
Parcel 9	32-142-24	0.11	4,900
Parcel 4	32-130-06	0.05	2,131
Parcel 6	32-082-05	0.16	7,183
Parcel 10	32-042-30, 36, 44, 46, 48, 50, 52, 54, 56, 58, 60, 68	1.56	67,854
Parcel 11	32.061-39	0.16	7,150
Parcel 12	32-061-26 through 36	1.65	71,870
Parcel 13	32-091-17 through 20	3.49	151,862

The parcels were to be built out with single family homes, a residential development, mixed use structures (commercial, office, residential), and commercial structures. RDA required as a part of the DDA that commercial properties were to be improved first with residential properties to follow. RDA acknowledged that the Developer would have significantly increased costs related to development of the commercial properties and would have to wait for residential development to

recoup costs and losses on the commercial properties. In addition, RDA committed to providing certain public improvements, and Developer committed to payment of a Lighthouse Development Fee of \$1.0029/sq. ft., and a reinvestment by Developer of \$35,000 from each residential unit into the enhancement of certain commercial portions of the project ("**Developer Reinvestment**").

B. On July 18, 2006, the DDA was amended ("**First Amendment**") to add the former Crystal Middle School site, APN 32-152-18 (Parcel 14). Parcel 14 is 7.44 acres in size (324,086 square feet).

C. On September 18, 2007, the DDA was amended again ("**Second Amendment**") primarily to update Developer's schedule of performance.

D. On February 19, 2009, in response to changed conditions due to the Great Recession, the DDA was amended again ("**Third Amendment**"). The Third Amendment provided that the RDA would reacquire parcels 3, 5, 7, 8, and 9, as well as 711 and 713 Main Street (Parcel 15, APN 32-130-03 & 04; 3,049 sq. ft.) from Developer for \$717,257, Developer's cost to acquire. Developer was to buy the properties back at a later date, in accordance with the updated schedule. To assist Developer in leasing space during the Great Recession, the RDA further agreed to loan Developer \$500,000, secured by a personal note, at a 6% interest rate ("**RDA Loan**"). Those funds were for rent abatement, tenant improvements and other benefits for tenants to encourage rental of commercial space. The Third Amendment also included a repayment schedule.

E. On April 29, 2016, the DDA was amended ("**Fourth Amendment**") as follows: the Successor Agency entered into the Fourth Amendment as successor-in-interest to the RDA; an updated schedule of performance; the reinvestment fee of \$35,000 per residential unit was decreased to \$5,500 per unit; a contingent Downtown Economic Development Impact Fee was added (\$4,800 per single family home for the creation of a Downtown Economic Development Fund) in the event that utility connection credits of an equal amount were available to the Developer; successor developer provisions were added; the RDA loan limit was lowered to \$440,927.40 (from \$500,000); and the RDA loan repayment provisions were revised. The RDA's commitment to construct certain public improvements was removed and Developer agreed to undertake such improvements.

F. Going forward, references to the DDA shall include the First through Fourth Amendments.

G. As of the date of this Agreement, Parcels 1, 2, 6, and 12 have been developed and/or assigned to a successor developer. All other parcels remain subject to the provisions of the DDA.

H. A dispute has arisen, and both Parties are alleging material breaches by the other Party.

I. Successor Agency and Developer each allege that the other has materially breached the DDA. Developer has threatened litigation against the Successor Agency to recoup its costs and lost profits, however, are agreeable to assign the DDA in conjunction with a settlement. The Parties have been engaged in good faith settlement negotiations. The Successor Agency's priority is to have the remaining parcels sold or assigned to successor developers so that development can go forward. Assignment of the remaining parcels to one or more successor developers so that they can be developed will support the economic development of the City. Developer's priority is to partially

recoup a small part of its losses and to end their obligations under the DDA. The Parties therefore now wish to resolve the dispute and settle all potential litigation arising therefrom.

NOW, THEREFORE, for full and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained herein, all Parties hereto agree as follows:

AGREEMENT

1. Validity and Effective Date.

(a) Except for Section 8, below, this Agreement shall take effect only upon approval by the Solano Consolidated Oversight Board ("**Oversight Board**").

(b) In accordance with Section 34179(h) of the Health & Safety Code, the "**Effective Date**" shall be (5) five business days after submission to the Department of Finance ("**DOF**") by the Oversight Board of the approved Agreement, provided the DOF does not request a review of the Agreement within that period of time. The Effective Date shall be filled out once it is determined based on Oversight Board/DOF action, and shall be inserted herein below.

(c) In the event the DOF indicates it is reviewing the Agreement or returns the Agreement to the Oversight Board for further action, this Agreement shall be null and void and the Parties may, in good faith, renegotiate the terms of settlement pursuant to DOF/Oversight Board direction.

2. Dispute. Successor Agency and Developer each allege that the other has materially breached the DDA (the "Dispute**") as follows:**

(a) Successor Agency alleges that Developer has breached its contract obligations by failing to diligently pursue development of the remaining parcels, in accordance with the DDA's schedule of performance. The Successor Agency has considered filing suit for specific performance, or to compel Developer to sell the remaining parcels to successor developers. Assignment of the remaining parcels to one or more successor developers so that they can be developed will support the economic development of the City.

(b) Developer alleges that the Successor Agency breached its contract obligations by obstructing Developer and by unilaterally refusing to allow Parcel 13 to proceed as a residential development in violation of the DDA, thereby causing Developer to lose millions of dollars in anticipated revenues. Developer alleges the actions and inactions of the Successor Agency have created an intolerable situation and Developer is unable to finance their obligations under the DDA. Developer has asserted they are prepared to file suit against the Successor Agency to recoup their costs to date and significant lost profits.

3. Applicable Parcels.

(a) The Parties acknowledge that the following parcels are currently subject to the provisions of the DDA. The properties may be referred to individually as "**Parcel**" and collectively as "**Properties**." Parcels 1, 2, 6, and 12 have been developed and/or assigned and are,

therefore, not subject to the DDA or to this Agreement. The provisions of this Agreement shall apply to all the Properties.

(b) Notwithstanding anything to the contrary in this Agreement, assignment and sale of Parcel 14 to a **“Qualified Successor Developer,”** as defined in Part One, Section 6.04 of the DDA, shall proceed except as set forth herein. In the event that the currently identified Qualified Successor Developer does not complete the purchase transaction, Developer is entitled to all rights available under the DDA regarding Parcel 14, including but not limited to the right of sale/assignment of Parcel 14 to another Qualified Successor Developer, or directly acquiring Parcel 14. Pursuant to the DDA and further documentation between Successor Agency and Developer, Fair Market Value for Parcel 14 has been determined on the basis of that certain appraisal from Garland & Associates dated August 16, 2016.

4. **RDA Loan:** Subject to approval by the Oversight Board, the RDA Loan shall be deemed paid in full, including all principal and past interest owed. This RDA Loan shall not be assigned to any successor developer. The original note shall be returned to counsel for the developer marked “Paid in Full” or “Void” within 5 (five) days of the Effective Date.

5. **Developer Reinvestment.** The Developer Reinvestment fee shall be waived in its entirety, and shall not be assigned to any successor developer.

6. **Economic Impact Fee/Lighthouse Dev. Fee.** The Parties agree that pursuant to the Fourth Amendment to the Development Agreement (a) the Downtown Economic Impact Fee of \$4,800 per unit with respect to the Property and (b) the Lighthouse Development Fee of \$1.0029 per square foot of land area will be assigned to a Qualified Successor Developer.

7. **Disposition Fee:** Subject to approval by the Oversight Board, Successor Agency shall pay Developer a disposition fee in the amount of \$200,000 (two hundred thousand dollars) for the sale and assignment of Parcels 3, 4, 5, 7, 8, 9, 10, 11, 13, and 15. Compensation shall be made on a *pro rata* basis upon sale and assignment of each of the Properties, but in no event later than two (2) years following the Effective Date. If Successor Agency does not sell the Parcels within two years from the Effective Date, then Successor Agency shall advance the difference between amounts already received by Developer from the sale of the properties and \$200,000. Successor Agency shall be reimbursed for any advance made under this section from the sale and assignment of any Parcel that occurs after the two-year deadline, provided that Developer shall have no obligation to Successor Agency hereunder.

8. **Escrow Deposits; Plans and Studies.** Upon execution of the Agreement, and without the necessity of any approvals, Successor Agency shall, within 5 (five) days of the date the Agreement is fully executed, release back to Developer the \$30,000 per parcel escrow deposits made by Developer for the purchase of Parcel 10 and Parcel 13, currently on deposit with Placer Title Co. Upon execution of the Agreement, Developer shall provide copies of all architectural plans, drawings, CEQA studies, engineering drawings, and reports to the Successor Agency, for all Properties except Parcel 14. Alternatively, the parties may enter into a separate letter agreement through their attorneys to achieve this result in advance of execution of the Agreement.

9. DDA Extension. Subject to approval by the Oversight Board in accordance with Section 3.02(A) of part Two of the DDA (Force Majeure), Developer and Successor Agency shall execute an extension for the DDA for a period of 18 months past the expiration date of April 29, 2021, through October 29, 2022. Successor Agency invoked the Force Majeure clause by submitting a letter to Developer on April 13, 2020.

10. Parties' Obligations Under the DDA. All rights, duties, and obligations of the Parties to each other under the DDA shall terminate upon the Effective Date, with the exception of Parcel 14 only and all duties and obligations regarding Parcel 14 shall terminate upon transfer of Parcel 14 by Developer. Nothing herein shall impact the ability of the Successor Agency to assign the remaining Properties until the termination of the DDA pursuant to Section 9, above.

11. Indemnification.

(a) Developer Indemnity. Successor Agency agrees to indemnify, defend and hold harmless Developer, its managers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, attorney's fees and costs, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened that may be asserted or claimed by any person, firm or entity arising out any action (or inaction, such as failure to approve an amendment to the DDA reflecting the terms of this Agreement) by the State of California or other governing body that concerns the DDA. The indemnity obligation shall be binding on successors and assigns of Successor Agency and shall survive termination of this Agreement. Successor Agency shall have no indemnification obligations to the Indemnified Parties prior to the Effective Date.

(b) Successor Agency Indemnity under the DDA. Developer's indemnification of Successor Agency for each Property under the DDA shall terminate upon the Effective Date, with the exception of Parcel 14 only and all duties and obligations regarding Parcel 14 shall terminate upon transfer of Parcel 14 by Developer.

12. Release.

(a) General Release. For valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree to release and forever discharge the the other Party, including the City of Suisun City, and their elected or appointed public officials, officers, employees and agents, and their managers and owners or partners, including their respective attorneys, subsidiaries, divisions or affiliated corporations or organizations, agents, successors or assigns, predecessors, whether previously or hereafter affiliated in any manner, and all persons acting by, through, under or in concert with them, or any of them (collectively, "Releasees"), of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, costs or expenses, of any nature whatsoever, known or unknown, fixed or contingent, past, present and future (collectively, "Claims"), by reason of any act, omission, matter, cause, or thing whatsoever from the beginning of time to the date hereof including, without limiting the generality of the foregoing, any Claims constituting, arising out of, based upon, or relating to the

Dispute or the DDA. Notwithstanding the foregoing, the specific rights of the Parties under this Agreement and as set forth herein shall survive and be enforceable.

(b) Discovery of Different or Additional Facts. The Parties acknowledge that they may hereafter discover facts different from or in addition to those that they now know or believe to be true with respect to any Claims that are the subject of the Release set forth herein, and expressly agree to assume the risk of the possible discovery of additional or different facts, and the Parties agree that this Agreement shall be and remain effective in all respects regardless of such additional or different facts.

(c) Release of Unknown Claims. The Release set forth herein is a release of all claims, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever that are described in the Release and is intended to encompass all known and unknown, foreseen and unforeseen claims which either Party has or may have against the other Party, except for any claims which may arise from the terms of this Agreement.

(d) Waiver of Civil Code Section 1542. Further, the Parties expressly agrees to waive and relinquish all rights and benefits it may have against the the other Party herein based on Section 1542 of the Civil Code of the State of California. That section reads as follows:

§1542. [General release; extent]

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.

(e) No Other Pending Actions. Developer represents that it has not filed any complaints or charges against the Successor Agency with any local, state or federal Successor Agency or court; and that if any such Successor Agency or court assumes jurisdiction of any complaint or charge against the Successor Agency on behalf of Developer, whenever filed, Developer will request such Successor Agency or court to withdraw and dismiss the matter forthwith.

(f) Non-Admission of Liability. The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by either Party.

(g) No Assignment of Claims. The Parties each warrant that they have made no assignment, and will make no assignment, of any claim, cause of action, right of action or any right of any kind whatsoever, embodied in any of the claims and allegations referred to herein, and that no other person or entity of any kind had or has any interest in any of the demands, obligations, actions, causes of action, debts, liabilities, rights, contracts, damages, attorneys' fees, costs, expenses, losses or claims referred to herein.

13. Further Assurance. The Parties covenant that they will do whatever is reasonably necessary help perfect the title on any Parcel should the need arise to effect this Agreement in a

timely fashion. This could involve executing additional legal documents or correcting mistakes found in previous documents.

14. Successors and Assigns. This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

15. Authority. Each of the signatories below represent that he/she has the authority to execute this Agreement.

16. Knowing and Voluntary. This Agreement is an important legal document and in all respects has been voluntarily and knowingly executed by the Parties hereto. The Parties specifically represent that prior to signing this Agreement they have been provided a reasonable period of time within which to consider whether to accept this Agreement. The Parties further represent that they have each carefully read and fully understand all of the provisions of this Agreement, and that they are voluntarily, knowingly, and without coercion entering into this Agreement based upon their own judgment. The Parties further specifically represent that prior to signing this Agreement they have conferred with their counsel to the extent desired concerning the legal effect of this Agreement.

17. Assistance of Counsel. The Parties each specifically represent that they have consulted to their satisfaction with and received independent advice from their respective counsel prior to executing this Agreement concerning the terms and conditions of this Agreement.

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute one agreement.

19. Singular and Plural. Whenever required by the context, as used in this Agreement the singular shall include the plural, and the masculine gender shall include the feminine and the neuter, and the feminine gender shall include the masculine and the neuter.

20. Enforcement Costs. Should any legal action be required to enforce the terms of this Agreement, the prevailing party shall be entitled to all attorneys' fees and costs, all expert witness or consultant fees and costs, all Alternative Dispute Resolution fees and costs, in addition to any other relief to which that party may be entitled.

21. Injunctive Relief for Breach. The Parties acknowledge and agree that any material violation of this Agreement is likely to result in immediate and irreparable harm for which monetary damages are likely to be inadequate. Accordingly, the Parties consent to injunctive and other appropriate equitable relief upon the institution of proceedings therefor by any other party in order to protect the rights of the Parties under this Agreement. Such relief shall be in addition to any other relief to which the Parties may be entitled at law or in equity.

22. Severability. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.

23. Headings. Headings at the beginning of each numbered section of this Agreement are solely for the convenience of the Parties and are not a substantive part of this Agreement.

24. Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against any of the Parties, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

25. Waiver. Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

26. Governing Law. This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles.

27. Entire Agreement. This Agreement constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements, or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement, that they have not executed this Agreement in reliance on any such representation, inducement, promise, agreement or warranty, and that no representation, inducement, promise, agreement or warranty not contained in this Agreement, including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.

28. Modifications. Any alteration, change, or modification of or to this Agreement shall be made by written instrument executed by each party hereto in order to become effective.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Agreement, consisting of a total of 9 pages, and agree to all of the above terms and conditions, as of the Effective Date set forth below.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF SUISUN CITY

By: 
Successor Agency Executive Director

Date: 12/1/2020

ATTEST:

By: 
Successor Agency Secretary

APPROVED AS TO FORM:

By: 
Successor Agency Counsel

MAIN STREET WEST PARTNERS, LLC, a
California limited liability company

By: 
Michael E. Rice, President

Date: 10/12/20

By: 
Frank J. Marinello, Vice President

Date: 11/12/2020

Effective Date: 3/3/2021



CITY COUNCIL
Lori Wilson, Mayor
Alma Hernandez, Mayor Pro-Tem
Jane Day
Michael J. Hudson
Wanda Williams

CITY COUNCIL MEETING

First and Third Tuesday
Every Month

MINUTES

SPECIAL MEETING OF THE SUISUN CITY COUNCIL

TUESDAY, DECEMBER 7, 2021

5:30 P.M.

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

NOTICE

Pursuant to Government Code Section 54953, subdivision (b), and in accordance with the provisions of SB 361 (2021), the following Council/Successor Agency/Housing Authority meeting includes teleconference participation by: Council/Board Members Jane Day, Michael Hudson, Wanda Williams, Mayor Pro Tem Alma Hernandez, and Mayor/Chair Lori Wilson. Teleconference locations are on file at City Hall, 701 Civic Center Blvd., Suisun City, CA 94585.

PER CITY POLICY, MEMBERS OF THE PUBLIC ARE REQUIRED TO WEAR FACE MASKS WHILE IN CITY FACILITIES IF NOT FULLY VACCINATED. IF YOU DO NOT HAVE A FACE MASK, ONE WILL BE PROVIDED FOR YOU.

THE CITY COUNCIL HAS RESUMED IN-PERSON MEETINGS IN ADDITION TO ZOOM. A LIMITED NUMBER OF SEATS ARE AVAILABLE, TO RESERVE A SEAT PLEASE CONTACT THE CITY CLERK AT clerk@suisun.com OR 707 421-7302.

ZOOM MEETING INFORMATION:

WEBSITE: <https://zoom.us/join>

MEETING ID: 813 7513 5665

CALL IN PHONE NUMBER: (707) 438-1720

*TO VIEW TONIGHT'S MEETING ON SUISUN WEBSITE, LIVESTREAM
(URL: <https://www.suisun.com/government/meeting-video/>)*

*REMOTE PUBLIC COMMENT IS AVAILABLE FOR THE CITY COUNCIL MEETING
BY EMAILING CLERK@SUISUN.COM (PRIOR TO 4pm) OR
VIA WEBSITE OR PHONE APPLICATION, ZOOM*

*(If attending the meeting via phone press *9 to raise your hand and *6 to unmute/mute for public comment.)*

ROLL CALL

Mayor Wilson called the meeting to order at 5:32pm with the following Council Members present:

PRESENT: Day, Hernandez, Hudson, Wilson

ABSENT: Williams (joined the meeting at 5:48pm)

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.)

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.)

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 Legal Counsel - Existing Litigation**

Name of case: Louisa Pickering and Michael Pickering (Plaintiffs) v. City of Suisun City (Defendants), et al - Case # FCS055707

2. PERSONNEL MATTERS

Pursuant to California Government Code Section 54957(b)(1) et seq. the Suisun City Council will hold a Closed Session for the purpose of Public Employee Performance Evaluation: City Manager

3. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency negotiator: City Manager

Employee organizations:

Unrepresented Employees;

SCEA (Suisun City Employees' Association);

SCMPEA (Suisun City Management and Professional Employees' Association).

SCPOA (Suisun City Police Officers Association).

Council entered into Closed Session at 5:35pm.

CONVENE OPEN SESSION

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

ADJOURNMENT

There being no further business the meeting was adjourned at 7:03pm.

Anita Skinner, City Clerk

CITY COUNCIL
Lori Wilson, Mayor
Alma Hernandez, Mayor Pro-Tem
Jane Day
Michael J. Hudson
Wanda Williams



CITY COUNCIL MEETING

First and Third Tuesday
Every Month

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, DECEMBER 7, 2021
6:30 P.M.**

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

NOTICE

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ZOOM MEETING INFORMATION:

WEBSITE: <https://zoom.us/join>

MEETING ID: 890 8874 4329

CALL IN PHONE NUMBER: (707) 438-1720

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(URL: <https://www.suisun.com/government/meeting-video/>)*

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*(If attending the meeting via phone press *9 to raise your hand and *6 to unmute/mute for public comment.)*

(Next Ord. No. – 789)

(Next City Council Res. No. 2021 – 119)

Next Suisun City Council Acting as Successor Agency Res. No. SA2021 - 06)

(Next Housing Authority Res. No. HA2021 – 04)

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

ROLL CALL

Mayor Wilson called the meeting to order with the following Council Members present:

Present: Day, Hernandez, Hudson, Williams, Wilson

Absent: None

Pledge of Allegiance was led by Vice Mayor Hernandez.

Invocation was given by Greg Folsom.

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.)

REPORTS: (Informational items only)**1. City Manager/Executive Director/Staff**

- Thank you to Public Works and Parks, Recreation & Marina staff for a job well done for our very first Blessing of the Menorah and the Christmas on the Waterfront event.
- Congratulations to the Public Works Department for being Solano Transportation Agency's Agency of the Year. It was very well deserved.
- Accolades to the Public Works Department for receiving a \$2.1m grant from Caltrans to beautify Highway 12.

Council Members congratulated the Public Works Department for all their accomplishments.

2. Informational Update on the Traffic Safety Committee Accomplishments and On-going Work for the 2021 Calendar Year – (Vue: nvue@suisun.com).

Nouae Vue, Public Works Director, presented the staff report as provided in the packet.

PUBLIC COMMENTS

Steve Olry commented he is a member of the Pedestrian Advisory Committee and feels he hasn't had the opportunity to comment on projects. He asked for updates on projects like McCoy Creek Phase Two, traffic calming on Main Street and bicycle lanes on Railroad Avenue that were to have taken place last year. He also asked if there were programs we can apply for with matching grants.

Donna LeBlanc asked if the City planned on doing other crosswalks in town particularly along Highway 12. Is it City or Caltrans that would do them and if it is Caltrans how do we go about getting them done?

Mayor Wilson reviewed public comment questions with PW Director Vue responding.

PRESENTATION/APPOINTMENTS NONE

(Presentations, Awards, Proclamations, Appointments).

CONSENT CALENDAR

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

City Council

3. Council Consideration and possible action to adopt Resolution No. 2021-119: A Resolution of the City Council of the City of Suisun City proclaiming a local emergency persists and authorizing the use of remote teleconference meeting procedures by the City's legislative

bodies, as authorized by government code section 54953(e) *et seq.*, through January 6, 2022— (Folsom: gfolson@suisun.com).

4. Council Adoption of Resolution No. 2021-120: Reaffirming the Necessity of the Development Impact Fees, and Accepting the Annual Report on Development Impact Fees – (Deol: ldeol@suisun.com).
5. Council Adoption of Resolution No. 2021-121: A Resolution of the City Council of the City of Suisun City Authorizing the Chief of Police, or his designee, to apply for and receive funding through the Boating Safety and Enforcement Financial Aid Program from the California Department of Boating and Waterways.— (Roth: aroth@suisun.com).
6. Council Adoption of Resolution No. 2021-122: Authorizing the City Manager, or his designee, to execute a lease agreement with Flock Group Inc., or its assignee, for Automated License Plate Readers (ALPRs). – (Roth: aroth@suisun.com).

Suisun City Council Acting as Successor Agency

7. Successor Agency Adoption of Resolution No. SA 2021-06: Authorizing the Executive Director to Execute the Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions (with Addendum) with Ashria LLC for the Transfer of Approximately 1.56 Acres Located on Lotz Way (Solano County Assessor's Parcel Numbers 0032-042-300, 360, 440, 460, 480, 500, 520, 540, 560, 580, 600, & 680) - (Kearns jkearns@suisun.com).

Joint City Council / Housing Authority

8. Technical and Administrative Updates to the Investment Policy – (Deol: ldeol@suisun.com).
 - a. Council Adoption of Resolution No. 2021-123: Adopting a Revised City Investment Policy to Reflect Technical and Administrative Updates; and
 - b. Authority Adoption of Resolution No. HA 2021-04: Adopting a Revised Authority Investment Policy to Reflect Technical and Administrative Updates.

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

9. 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 November 2, 2021, November 8, 2021, November 16, 2021 and November 30, 2021 - (Skinner: askinner@suisun.com).

Joint City Council / Suisun City Council Acting as Successor Agency

10. Council/Agency Approval of November 2021 Payroll Warrants in the Amount of \$506,334.08, and Council/Agency Approval of the November 2021 Accounts Payable Warrants in the Amount of \$1,816,997.63 – (Finance).

Council Member Hudson pulled Items #6 & #8 for clarifying questions.

Motion by Vice Mayor Hernandez to adopt Consent Calendar Items 3,4,5,7,9 & 10 and seconded by Mayor Wilson. Motion passed by the following vote:

AYES: Day, Hernandez, Hudson, Williams, Wilson

NOES: None

Item #6

Council Member Hudson, referring to Page 51, Section 9.1 Data Preservation, asked for clarification on how data is stored and will the equipment be placed on poles or in vehicles.

Police Commander Healy explained how data is stored and for how long based on the type of incident. He also commented that no info stored unless there is a crime and a case number is assigned; equipment will be placed on posts which will be provided by the Flock Group.

Motion by Council Member Hudson to adopt Item #6 and seconded by Vice Mayor Hernandez. Motion passed by the following vote:

AYES: Day, Hernandez, Hudson, Williams, Wilson

NOES: None

Item #8

Council Member Hudson asked for clarification on the editing remarks in different colors in the Investment Policy and were they all this year's updates?

Ms. Deol explained the different colors and also that the last policy update was in 2012 and updates should be done yearly.

Motion by Council Member Hudson to adopt Item #8 and seconded by Vice Mayor Hernandez. Motion passed by the following vote:

AYES: Day, Hernandez, Hudson, Williams, Wilson

NOES: None

PUBLIC COMMENTS

(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.)

George Guynn commented he had attended the Board of Supervisor's meeting early in the day and they will be changing the maps and redistricting and decided there would be 2 representatives for Suisun City; commented on the attorney costs of late and need to watch that type of spending as there is no money; commented that the Fire Chief is no longer with the City and there was no party for his leaving.

Steve Olry commented on the lack of transparency; another \$40k spent on attorney fees; concerned about closed meeting and filtered info to the public; huge even when you lose a Fire Chief and don't let the public know gossip takes over and it is harmful to his credibility.

PUBLIC HEARING**City Council**

11. Council Introduction and Waive Reading of Ordinance No. 789: Amending Chapter 13.14 Public Art in Title 13, Public Services to the Suisun City Municipal Code.– (Lofthus: klofthus@suisun.com).

Kris Lofthus, RPMA Director presented the staff report as provided in the packet. Found inconsistencies in ordinance, this updates language for staff and developers.

Mayor Wilson opened the Public Hearing.

Steve Olry asked who do we blame for the taste in art? Art is very subjective who makes the decisions on the art?

Hearing no further comments Mayor Wilson closed the Public Hearing.

Mr. Lofthus explained that the art selection follows the Public Arts Policy which was adopted last year and following a process Council has final approval.

Motion made by Vice Mayor Hernandez to introduce Ordinance No. 789 and seconded by Mayor Wilson. Motion passed by the following vote:

AYES: Day, Hernandez, Hudson, Williams, Wilson

NOES: None

GENERAL BUSINESS**City Council**

12. Waterfront District Business Improvement District: - (Lofthus: klofthus@suisun.com).

- a. Council Adoption of Resolution No. 2021-124: Approving the Annual Assessment Report for the Waterfront District Business Improvement District.
- b. Council Adoption of Resolution No. 2021-125: Declaring its Intent to Consider Reauthorizing the Suisun City Historic Waterfront Business Improvement District and the Assessment Levy for the District for Fiscal Year 2022, and Setting a Public Hearing to Consider these Matters for December 21, 2021

Mr. Lofthus presented the staff report. Laura Cole-Rowe, BID, was available to answer questions.

PUBLIC COMMENTS

Steve Olry feels this is a classic case for the use of ARPA funds or do a general business tax.

Motion by Vice Mayor Hernandez to adopt Resolution No. 2021-125 and seconded by Mayor Wilson. Motion passed by the following vote:

AYES: Hernandez, Hudson, Williams, Wilson

NOES: Day

13. Council Consider Resolution No. 2021-126: Setting a Public Hearing for December 21, 2021 to consider extending FAST bus routes 5 and 6 and approve a budget of \$50,000 for the Solano Transportation Authority (STA) local taxi program using Transportation Development Act (TDA) funding. – (Folsom: gfolson@suisun.com).

Ron Grassi with STA presented the taxi card program as provided in the packet.

Brandon Thomson, STA presented Suisun City's State of Transit as provided in the packet.

Further information on what the continued partnership with FAST will be provided at the December 21, 2021 meeting.

Mr. Folsom stated that a Public Hearing is not need so this will be a general business item.

Motion by Council Member Williams to adopt Resolution No. 2021-126 and seconded by Mayor Wilson. Motion passed by the following vote:

AYES: Day, Hernandez, Hudson, Williams, Wilson

NOES: None

REPORTS: (Informational items only)

14. Council Updates

a. Council/Boardmembers

Council Member Hudson thanked to Kris Lofthus, RPMA staff, Public Works staff and Police Department for a very very successful Christmas on the Waterfront.

Council Member Williams commented she had great feedback from the public for the event; Blossom and Gadwall Drive has a blind spot turning left from Gadwall onto Blossom to be placed on list to be checked.

Vice Mayor Hernandez congratulated the RPMA staff for a great Christmas on the Waterfront event; thanked Public Safety for being out in full force for the safety of our community; Saturday also had the unveiling of the art at the STA building and very happy that we were able to showcase the art and artist.

b. Mayor

Mayor Wilson commented on how festive City Hall looks. Staff not only decorated the lobby by the Council Chambers as well; each department dressed up their own spaces and cubicles; great to see the community at City Hall do things that brighten up one another and create such a great and collaborative atmosphere to get the work done on behalf of the people. Thank you to staff we appreciate each and every one of you.

Faith Leaders Group which meets every first Monday of the month. Last night we had our Appreciation dinner which was hosted through her office. Invited key members of staff to make the connection between the leaders and the city as they both work with the same set of goals. It is good to know we have members of our community who are doing great work.

15. Non-Discussion Items

ADJOURNMENT

There being no further business the meeting was adjourned at 9:24pm.

Anita Skinner, City Clerk

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

JOINT AGENDA ITEM: Selection of Chavan & Associates, LLP as the City's/Agency/Authority's new Financial Auditors.

1. Adopt Resolution No. 2021-____, A Resolution of the City Council of the City of Suisun City Approving a Professional Services Contract with Chavan & Associates, LLP to be the City's outside Financial Auditors.
2. Adopt Resolution No. SA 2021-____, A Resolution of the Suisun City Council Acting as the Successor Agency to the Redevelopment Agency of the City of Suisun City Approving a Professional Services Contract with Chavan & Associates, LLP to be the Agency's outside Financial Auditors.
3. Adopt Resolution No. HA 2021-____, A Resolution of the Board of Directors of the Suisun City Housing Authority Approving a Professional Services Contract with Chavan & Associates, LLP to be the Authority's outside Financial Auditors.

FISCAL IMPACT: The financial audit for the fiscal year ended June 30, 2022 will cost \$44,500 (assuming the Single Audit will involve three major programs). The contract for three years of auditing services will be \$133,500.

STRATEGIC PLAN IMPACT: Provide Good Governance and Ensure Fiscal Solvency

BACKGROUND: Every three to five years, cities solicit proposals for outside financial auditing services. Government Code section 12410.6.(b) indicates that commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. This is a best practice to ensure that the relationship between staff and the Auditors remain professional but objective. In 2016, the City solicited proposals for audit services and received eight proposals. The City selected Chavan & Associates, LLP and they have done an excellent job.

During October 2021, the City sent out the Request for Proposals to obtain financial auditing services for the Fiscal Years 2021-22, 2022-23, and 2023-24. The City received five proposals and the City Finance staff conducted interviews of three potential firms to initiate a contract to conduct financial auditing services.

After the interviews and comprehensive review of the City's needs for the financial auditing services, the staff decided to recommend a contract with Chavan & Associates, LLP.

PREPARED BY:

Lakhwinder Deol, Finance Director

REVIEWED/APPROVED BY:

Greg Folsom, City Manager

STAFF REPORT: During October 2021, staff sent out a Request for Proposals (RFP) to eight companies and the RFP was available on the City's website along with the California Society of Municipal Finance Officers' (CSMFO) website. Five companies responded including the last auditor. After careful review of the proposals, three companies were interviewed.

Staff's goals in reviewing the proposals were threefold:

1. Select a firm that had substantial public auditing experience, particularly with Cities, Special Districts, Successor Agencies of Redevelopment Agencies, Non-Profit Corporations and Housing Authorities.
2. We also wanted a firm large enough to have the depth and experience necessary to assure the Council and the public that we would continue to be held to the highest financial standards.
3. Lastly, we wanted to clarify what the Auditors would do in terms of preparing the financial statements and Comprehensive Annual Financial Report (CAFR), and what they expected staff to do. Considering our limited staffing and resources, we did not want to be in the position of preparing all the documents and the Auditor's role limited to merely reviewing and certifying the results. In short, we did not want to save money on the contract but spend that savings on extra staff time.

Based on the goals above, as well as all the available information, staff is recommending Chavan & Associates, LLP to be the City/Successor Agency/Housing Authority Auditors for the next three years. Chavan & Associates, LLP has the experience and depth to do an excellent job, and we are comfortable that this firm will share the workload in preparing the annual financial reports.

During the interview, Chavan & Associates, LLP stated that the firm will be rotating the Engagement Partner and significant auditing staff to comply with the recommendation of the Government Code section 12410.6 (b). The firm will perform all necessary procedures to ensure compliance with the Local, State, and Federal level auditing standards.

RECOMMENDATION: It is recommended that the Council/Agency/Authority:

1. Adopt Resolution No. 2021-___, A Resolution of the City Council of the City of Suisun City Approving a Professional Services Contract with Chavan & Associates, LLP to be the City's outside Financial Auditors.
2. Adopt Resolution No. SA 2021-___, A Resolution of the Board of Directors of the Suisun City Redevelopment Agency Approving a Professional Services Contract with Chavan & Associates, LLP to be the Agency's outside Financial Auditors.
3. Adopt Resolution No. HA 2021-___, A Resolution of the Board of Directors of the Suisun City Housing Authority Approving a Professional Services Contract with Chavan & Associates, LLP to be the Authority's outside Financial Auditors.

ATTACHMENTS:

1. Resolution No. 2021-____, A Resolution of the City Council of the City of Suisun City Approving a Professional Services Contract with Chavan & Associates, LLP to be the City's outside Financial Auditors.
2. Resolution No. SA 2021-____, A Resolution of the Board of Directors of the Suisun City Redevelopment Agency Approving a Professional Services Contract with Chavan & Associates, LLP to be the Agency's outside Financial Auditors.
3. Resolution No. HA 2021-____, A Resolution of the Board of Directors of the Suisun City Housing Authority Approving a Professional Services Contract with Chavan & Associates, LLP to be the Authority's outside Financial Auditors.
4. 2022 Audit RFP Results Summary
5. Chavan & Associates, LLP Proposal for Auditing Services
6. Chavan & Associates, LLP Dollar Cost Bid

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
APPROVING A PROFESSIONAL SERVICES CONTRACT WITH CHAVAN &
ASSOCIATES, LLP TO BE THE CITY'S OUTSIDE FINANCIAL AUDITORS.**

WHEREAS, it is prudent to solicit proposals for outside financial auditors every three to five years; and

WHEREAS, Request For Proposal (RFP) was sent to eight professional Financial Auditing Firms and five firms responded. The RFP was also advertised at the City's website and the California Society of Municipal Finance Officers (CSMFO) website; and

WHEREAS, after careful consideration of the five firms, including review of their proposals, reference checks and actual interviews, Chavan & Associates, LLP was selected as the firm best suited for the City's needs

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN CITY DOES HEREBY RESOLVE that the firm of Chavan & Associates, LLP is selected to be the City's outside Financial Auditors; and

BE IT FURTHER RESOLVED, that the City Manager is authorized to execute all documents necessary and expend funds as appropriate, provided the first year Audit does not exceed \$44,500, including three major programs for Single Audit.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk

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RESOLUTION NO. SA 2021-

**A RESOLUTION OF THE SUISUN CITY COUNCIL ACTING AS THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY
OF SUISUN CITY APPROVING A PROFESSIONAL SERVICES CONTRACT
WITH CHAVAN & ASSOCIATES, LLP TO BE THE AGENCY'S OUTSIDE
FINANCIAL AUDITORS.**

WHEREAS, it is prudent to solicit proposals for outside financial auditors every three to five years; and

WHEREAS, Request For Proposal (RFP) was sent to eight professional Financial Auditing Firms and five firms responded. The RFP was also advertised at the City's website and the California Society of Municipal Finance Officers (CSMFO) website; and

WHEREAS, after careful consideration of the five firms, including review of their proposals, reference checks and actual interviews, Chavan & Associates, LLP was selected as the firm best suited for the City's needs

**NOW, THEREFORE, THE SUISUN CITY COUNCIL ACTING AS THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
SUISUN CITY DOES HEREBY RESOLVE** that the firm of Chavan & Associates, LLP is selected to be the Agency's outside Financial Auditors; and

BE IT FURTHER RESOLVED, that the Executive Director is authorized to execute all documents necessary and expend funds as appropriate, provided the first year Audit does not exceed \$44,500, including three major programs for Single Audit.

PASSED AND ADOPTED at a regular meeting of the City Council serving as the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Tuesday, the 21st of December 2021, by the following vote:

AYES:	Boardmembers:	_____
NOES:	Boardmembers:	_____
ABSENT:	Boardmembers:	_____
ABSTAIN:	Boardmembers:	_____

WITNESS my hand and seal of the City of Suisun City this 21st day of December 2021.

Anita Skinner
Agency Secretary

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RESOLUTION NO. HA 2021-

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUISUN CITY
HOUSING AUTHORITY APPROVING A PROFESSIONAL SERVICES
CONTRACT WITH CHAVAN & ASSOCIATES, LLP TO BE THE CITY'S
OUTSIDE FINANCIAL AUDITORS.**

WHEREAS, it is prudent to solicit proposals for outside financial auditors every three to five years; and

WHEREAS, Request For Proposal (RFP) was sent to eight professional Financial Auditing Firms and five firms responded. The RFP was also advertised at the City's website and the California Society of Municipal Finance Officers (CSMFO) website; and

WHEREAS, after careful consideration of the five firms, including review of their proposals, reference checks and actual interviews, Chavan & Associates, LLP was selected as the firm best suited for the City's needs

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUISUN CITY HOUSING AUTHORITY DOES HEREBY RESOLVE that the firm of Chavan & Associates, LLP is selected to be the Authority's outside Financial Auditors; and

BE IT FURTHER RESOLVED, that the Executive Director is authorized to execute all documents necessary and expend funds as appropriate, provided the first year Audit does not exceed \$44,500, including three major programs for Single Audit.

PASSED AND ADOPTED at the Regular Meeting of the Housing Authority of the City of Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

AYES:	Commissioners:	_____
NOES:	Commissioners:	_____
ABSENT:	Commissioners:	_____
ABSTAIN:	Commissioners:	_____

WITNESS my hand and the seal of said Authority this 21st day of December 2021.

Anita Skinner
Housing Authority Secretary


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City of Suisun City

2022 Audit RFP Results					
Audit Cost Comparison from RFP Submittals					
Description	Chavan & Associates	Badawi & Associates	Vasquez & Company LLP	Eide Bailly LLP	MUN CPAs
<u>Fiscal Year 2022 Detail</u>					
City ACFR (incl compliance with new GASB pronouncements)	19,500	24,000	36,200	38,000	42,300
Successor Agency	-	-	-	-	-
SSWA	6,000	4,565	2,500	23,000	7,500
Bay Homes Development Corp.	5,000	4,565	2,500	19,000	10,000
Single Audit (note the number of programs below)	6,000	3,620	4,500	3,000	4,000
Appropriations Limitation Calculation (GANN Limit)	1,000	440	500	500	400
Transportation Compliance Audit (TDA Program)	1,500	1,520	1,500	500	3,500
Housing REAC Submission	-		1,800	-	-
Measure S Audit and Fin Statement Preparation	4,000	2,465	3,500	5,000	4,500
Bay Homes Annual 990, CA-199 and RRF-1	1,500	1,520	2,500	4,000	2,500
Proposed Total	\$ 44,500	\$ 42,695	\$ 55,500	\$ 93,000	\$ 74,700
Fiscal Year 2022	\$ 44,500	\$ 42,695	\$ 55,500	\$ 93,000	\$ 74,700
Fiscal Year 2023	\$ 44,500	\$ 44,010	\$ 57,165	\$ 97,400	\$ 76,100
Fiscal Year 2024	\$ 44,500	\$ 45,355	\$ 58,880	\$102,300	\$ 77,600
3 Year Estimated Total	\$ 133,500	\$ 132,060	\$ 171,545	\$292,700	\$ 228,400
Fiscal Year 2025	\$ 50,750	n/a	\$ 60,646	n/a	\$ 79,100
Fiscal Year 2026	\$ 50,750	n/a	\$ 62,466	n/a	\$ 80,600

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<p>PROPOSAL FOR CONDUCTING</p> <p>THE ANNUAL INDEPENDENT AUDIT</p> <p>OF THE</p> <p>CITY OF SUISUN CITY</p>

<p><i>Submitted November 5, 2021</i></p>
<div></div> <p>Chavan & Associates, LLP Certified Public Accountants 15105 Concord Circle, Suite 130 Morgan Hill, CA 95037 Phone: (650) 346-1329 Fax: (408) 872-4159 E-mail: sheldon@cnallp.com Contact: Sheldon Chavan, Partner</p>

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Chavan and Associates, llp
Certified Public Accountants

November 5, 2021

Elizabeth Luna, Accounting Services Manager
City of Suisun City
Finance Department
701 Civic Center Boulevard
Suisun City, CA 94585

We are pleased to have this opportunity to submit our proposal to provide auditing services for the City of Suisun City (the "City"). Our understanding of the work outlined in the request for proposal is that we will audit the financial statements of the City for fiscal years ending June 30, 2022, 2023 and 2024, with two option years.

Our audits will be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996; the U. S. Office of Management and Budget's (OMB) guidance for federal awards and agreements as provided in the Code of Federal Regulation (CFR) 2 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and relevant Governmental Accounting Standards Board (GASB) Statements. We will also apply the necessary procedures to prepare the reports as requested in the RFP, such as the ACFR, single audit, management letter, SSWA, Bay Homes, TDA and the GANN limit reports.

As a result of our audit, we will express an opinion on the fair presentation of the basic financial statements, as listed in the RFP, in accordance with GAAP. We will also issue a report on internal controls over financial reporting and on compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Throughout the contract period, we will provide consultation on accounting and compliance issues and attend meetings to discuss the audit and management comments. **It is our commitment to the City that we will complete the work within the agreed time frame and that we have the resources, time and personnel to dedicate to this engagement for the entirety of the contact.** We are confident Chavan & Associates LLP ("C&A") is the best-qualified firm to serve as your independent auditors. A brief list of reasons includes:

- We specialize in the audits of local governments and not for profit entities.
- Our partners have 37 years of combined experience auditing local governments.
- Our firm and key professionals are properly licensed to practice in the state of California.
- Our service will be dependable, reliable and timely.
- We will be sensitive to your workload. We understand you and your staff must keep up with your current work as well as deal with the audit.



Chavan and Associates, LLP
Certified Public Accountants

- Our staff and partners are available twelve months of the year to serve our audit clients. You are important to our firm and we promise a high level of involvement and enthusiasm at all levels.
- The engagement partner will be the lead for your audit. He will attend all conferences and meetings and will supervise the audit directly during each year and phase of the engagement.
- We offer flexible staffing and scheduling, especially during COVID-19. We can send a full team onsite, work 100% remotely, or send a small team on site to minimize exposure. All of our team members are vaccinated and will follow your policies in regard to COVID-19.
- To improve the efficiency of the audit process, we use an online software, Engagement Organizer (EO), to provide a list of information and monitor the workflow during the audit. The link to EO is provided early during the planning process and includes items for both interim and year-end work, such that we can edit the list as needed moving forward. All documents can be uploaded here and notes, status updates and comments are done through EO. We also have a secure portal as an additional way to share information.

We are secure in our belief that our firm is the best qualified to meet your needs. Once you have examined our proposal and contacted our references, we feel you will agree.

Staffing for the audit will include one Engagement Partner, one Associate Partner, one Supervisor, one Senior Auditor, one Professional Staff and one Administrative Staff. The Engagement Partner, one Senior and two Staff will be assigned to visit your offices, as feasible with regard to COVID-19 circumstances. The Engagement Partner, Associate Partner, Supervisor and Senior Auditor will be available throughout the entire contract period.

Sheldon Chavan (15105 Concord Circle, Suite 130, Morgan Hill, CA, 95037, 650-346-1329, Sheldon@cnallp.com) is the partner authorized to sign and obligate the firm contractually and represent the firm. He is empowered to submit the bid and authorized to sign a contract. This proposal is a firm and irrevocable offer for 90 days.

We look forward to being of service to you.

Very truly yours,

Sheldon Chavan, C.P.A., Partner
Chavan & Associates, LLP

Section A

*Independence, License to Practice in California,
and Firm's Qualifications & Experience*

Section A
Independence, License to Practice in California,
and Firm's Qualifications & Experience
City of Suisun City Proposal for Auditing Services

Independence

C&A is independent of the City and all of its component units as defined by generally accepted auditing standards and the **U.S. General Accountability Office's Government Auditing Standards**. *In all matters relating to the audit work, the audit organization and individual auditors, whether government or public, should be free from personal and external impairments to independence, should be fiscally independent, and should maintain an independent attitude and appearance.*

C&A did not have any professional relationships involving the City of Suisun City, or any of its agencies and component units, for the past five (5) years that would cause a conflict of interest relative to the scope of services identified in the request for proposal. However, C&A did provide the City's auditing services for the fiscal year ended June 30, 2021, and the 4 years prior. Providing audit services to an entity does not create a conflict of interest, nor compromise independence.

License to Practice in the State of California

C&A and all key professionals are properly licensed to practice as certified public accountants in the State of California and do not have any record of substandard work or unsatisfactory performance pending with the State Board of Accountancy. C&A is registered with the California State Board of Accountancy and our stat number is PAR 7294.

Contractor Identification and Introduction

Company Name: Chavan & Associates, LLP (C&A)
Address: 15105 Concord Circle, Suite 130, Morgan Hill, CA 95037
Office: 408-217-8749
Fax: 408-872-4159
E-mail: Sheldon@cnallp.com
CA File Number: 202009218003
FEIN: 27-0630496
Authorized to Sign: Sheldon Chavan, Partner; Paul Pham, Partner

Our partners have performed audits under Governmental Auditing Standards, the Single Audit Act and the State Controller's Office Minimum Audit Requirements for a combined 37 years; Sheldon for 23 years and Paul Pham for 14 years. In August of 2009, we established C&A as a limited liability partnership. C&A is a local audit firm in San Jose, CA specializing in local government auditing and consulting. We have audited and prepared Annual Comprehensive Financial Reports (**ACFRs**) and basic financial statements as required by the Government Finance Officers Association (**GFOA**) and the Governmental Accounting Standards Board (**GASB**) for cities, fire districts, water districts, sanitation districts, JPAs and other types of special districts. Our partners have been reviewers of ACFRs for the **GFOA** and **CSMFO**. Most recently, C&A prepared **ACFRs** of City of Saratoga, the City of Oroville, City of Suisun, City of Pacific Grove, and City of Carmel-by-the Sea for the year ending June 30, 2020 (working on 2021). Our goal at C&A is to provide premium audit services at a

*Single Audit
Experience*

Section A
Independence, License to Practice in California,
and Firm's Qualifications & Experience
City of Suisun City Proposal for Auditing Services

reasonable fee. We believe that continuous partner involvement helps us achieve our goal, which is why our partners are constantly involved in every audit. Ultimately, minimizing on-the-job training allows us to focus exclusively on servicing our clients.

After starting the firm with only 9 clients in 2009, we currently have **100 government**, nonprofit and grant **clients**, 40 of which were required to have a single audit under uniform guidance in 2019-20. Our firm's experience includes numerous audits under state and federal compliance audit guides, including the Minimum Audit Requirements and Reporting Guidelines for Cities as required by the State Controller's Office. **What makes us unique from other audit firms** is that we eliminate "on-the-job" training through intensive in-house training, audit planning, and by having partners in the field throughout the entire engagement (not just "spot-checking"). The daily interaction with our Engagement Partner has been invaluable to our clients as it provides the opportunity for immediate feedback and the chance to ask questions related to accounting, account coding, grant requirements, ACFR requirements, budgeting, and much more. Auditing is the main focus of our practice and we are available to start as early as February 1st, however **our calendar is flexible**.

C&A is also a member of the **AICPA's Government Audit Quality Center** which promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

Firm Size, Staff Size, Location and Staffing

We also have **twelve** professional, full-time staff in addition to our three partners and one administrative person that will be available to assist as needed throughout the engagement. Our engagement partners are directly involved with the audits. Our central office is located in Morgan Hill, CA. Staffing for the City's audit will include the following professionals (audit experience):

Sheldon Chavan, CPA, Managing Partner (23 years)

Paul Pham, CPA, Engagement Partner (14 years)

Niru Machiraju, CPA, Supervisor (6 years)

Andrew Quintero, Senior Auditor (4 years)

Matthew Ojeda, Senior Auditor (6 years)

One of the professional staff could change from year to year. The City will be notified of any staff changes prior to field work. The Engagement Partner, manager, and supervisor will be the same during each year of the engagement.

Section A

Independence, License to Practice in California, and Firm's Qualifications & Experience

City of Suisun City Proposal for Auditing Services

Range of Services

The following summarizes the range of services we provide:

Entity Type	Number of Clients	Percent by Entity	Auditing	Management, Accounting & Other	Contractor Prequalification Services	Nonprofit Tax
Local Education Agencies	37	37%	89%	0%	14%	0%
Charter Schools	11	11%	100%	0%	0%	100%
Non-profit Organizations	17	17%	94%	0%	0%	82%
Cities and Towns	10	10%	90%	0%	0%	0%
Special Districts	17	17%	88%	12%	0%	0%
Privately Held	7	7%	71%	29%	0%	0%

	GAS Audit	GAGAS Audit	Single Audit	Bond Audit	EAAP Audit	Other
Percent by Service Type	91%	73%	40%	22%	41%	39%

Contract Terminations and Affirmation Concerning Substandard Audit Work

C&A and all assigned personnel do not have any record of substandard work, contract failures, outstanding claims, litigation, investigations, or other unsatisfactory performance issues against us or pending with the State Board of Accountancy or any other entity. In addition, we have not had any federal or state desk review or field reviews of our audits. C&A has no record of lost clients or contract failures.

Equal Opportunity Employer

C&A is an equal opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality.

Subcontractor

C&A will not be engaged with any subcontractors during this engagement.

Business Licenses

C&A will obtain and maintain a valid business license with throughout the duration of the contract, as applicable.

Section A
Independence, License to Practice in California,
and Firm's Qualifications & Experience
City of Suisun City Proposal for Auditing Services

Insurance

C&A maintains the following insurance:

- Commercial General Liability Insurance (bodily injury and property damage) is \$4,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Automobile Bodily Injury and Property damage liability insurance is \$2,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Professional Liability Insurance carrier is Philadelphia Insurance Company. The per claim/aggregate limit of the liability is \$3,000,000.
- Workers Compensation Insurance carrier is Twin City Insurance Company. The per claim/aggregate limit of the liability is \$1,000,000.

Quality Control Review

We are enrolled in the AICPA quality control peer review program. Our peer review was performed in compliance with AICPA and GAO requirements and included a selection of government audit engagements. Our audits complied with auditing standards generally accepted in the United States of America and Generally Accepted Governmental Auditing Standards.

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Section B

Partner, Supervisory and Staff Qualifications and Resumes

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

We are aware of the need for continuity of personnel on the engagement and promise that the Engagement Partner will be directly involved in the audit **during each year** of the contract. We believe that extensive partner involvement provides continuity that could not be achieved in any other way. All staff committed in this proposal will be available for the entire June 30, 2022 audit and are available 12 months a year for questions, comments and implementation support. We understand that the Engagement Partners, managers and other supervisory staff and specialists may be changed only with the express prior written permission of the City. Other audit personnel may be changed at our discretion as long as the replacements have substantially the same or better qualifications or experience. The City retains the right to approve or reject replacements.

Sheldon Chavan, CPA

Managing Partner (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Sheldon holds a B.S. in Accounting from San Jose State University. He began his career in public accounting in **1998** and has been auditing local governments and nonprofit organizations ever since. Sheldon is a CPA licensed in California and a member of AICPA, CalCPA, CSMFO, GAQC and GFOA. **He has also been a member of the GFOA Special Review Committee, with responsibility for reviewing ACFR's for award of the Certificate of Excellence in Financial Reporting.** Sheldon has prepared/reviewed ACFR's for the City of Berkeley, City of Sunnyvale, City of Pittsburg and many others over his career. Most recently, Sheldon prepared the ACFR of the City of Oroville, City of Saratoga and the City of Pacific Grove for the fiscal years ended June 30, 2020 (partial listing).

*ACFR
Preparation*

Sheldon has managed governmental audits his entire career, which includes the technical review of all work papers, staffing, scheduling, reporting, state compliance, federal compliance, state controllers reports and much more. He is responsible for running the audit in the field and providing accounting and auditing technical support to other partners and staff, primarily in the areas of compliance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, and the provisions of the Federal Single Audit Act and the United States Office of Management and Title 2 CFR Part 200 (Uniform Guidance). Sheldon also ensures that each staff has met the continuing professional education requirements under these standards and teaches several in-house seminars a year. He also administers our firm's quality control system as required by GAAS and Yellow Book standards. Sheldon has been performing audits under the Single Audit Act his entire career. Understanding the complexities of the various federal programs is one of his specialties. Over the years, Sheldon has audited major programs such as National School Lunch, Title II Education Technology, IDEA Special Education Local Assistance, Title I, Education Jobs Fund, Title IV Drug Free Schools, NCLB Title III, Title II Improving Teacher Quality, CDBG, Shelter Plus Care, Home Investment in Affordable Housing, HUD Section 8, Highway Planning and Construction, Medi-Cal, Low-income Low Energy Assistance, and many more.

Sheldon has extensive experience auditing government bond programs and can assist the City with bond covenant calculations, bond compliance, tax filings, bond arbitrage issues and any other general

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

reporting requirements. In addition, we currently have multiple clients for which we complete special bond performance audits each year. We also provide contractor prequalification services for some clients who use restricted bond funds for modernization and infrastructure improvements.

Sheldon's recent continuing professional education:

Description of Program/Training
Yellow Book: Revised Government Auditing Standards
Government Auditing Standards - Yellow Book
Frequent Government and NPO Frauds: Misuse of Assets
Governmental and Nonprofit Annual Update: Federal Government Activities
Single Audit Lighting Round
Governmental Audit Quality Center Annual Update Webcast
Program-Specific Audits' plus 'Audit Tools and Guidance'
Applying Risk Assessment Standards: Understanding the Entity and Its Environment
GASB Updates
Governmental Accounting and Auditing Conference Webcast - 5121266C
Not-for-Profit Organizations Conference Webcast - 5121343C
Cases in NFP Acct. & Auditing: 'Financial Statement Requirements' plus 'Net Asset Classifications'
Governmental Auditing: Course Two Performance Audits
Governmental Auditing: Course Three Financial Audits, Attestation Engagements, and..
Governmental Accounting and Reporting
Ethics: AA&C LLP - Accounting Firm Practice Development Committee
State and Local Govt Planning Considerations
Cases in NFP Acct. & Auditing: Contributions
Field Work Documentation: Preparation, Maintenance, Types of Workpapers
School District Update Including LCFF and LCAP Compliance
School Districts Conference
Understanding the Changes to Yellow Book Independence
California Regulatory Review Course
Fraud Audit Techniques Using Excel
Applying the Uniform Guidance in Your Single Audits
Testing Compliance' plus 'Reporting Requirements
Fid Act Understanding impacts of GASB 84
Its Here! Fid Act Implementation Considerations
Accounting and Auditing Conference
Bernard Madoff Investment Securities' Auditor'
The Detection and Prevention of Fraud in Financial Statements
Governmental Auditing: Course One Fundamental Principles for Government Auditing

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

The following is a **partial list** of Sheldon's clients over the years:

Cities and Towns	Special Districts/JPA's	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	2006 Washington St.
City of Berkeley	Central Marin Sanitation Agency	Belmont Redwood Shores	Bay Area Special Education JPA
City of Carmel-by-the-Sea	East Bay Dischargers Authority	Burlingame	Bay Area Water Users Association
City of Del Rey Oaks	Fairfield-Suisan Sanitation	Cabrillo Unified	Black Adoption Placement
City of Marina	Half Moon Bay Fire Protection	Campbell Union	Boys and Girls Clubs of Sonoma
City of Novato	Hayward Area Parks and Rec	Cloverdale Unified	Center for Empowering Refugees
City of Oroville	Highland Recreation District	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Los Trancos Water District	Hillsborough City	Collective Roots
City of Pittsburg	Mckinney Water District	La Honda Pescadero	Credo High School
City of Point Arena	Menlo Park Fire Protection	Lakeside	Diagnostics for the Real World
City of Salinas	Midpen Regional Open Space	Las Lomas Elementary	Hidaya Foundation
City of San Rafael	Pleasant Hill Parks and Rec	Lassen View Elementary	Livebooks
City of Saratoga	Point Montara Fire District	Los Altos Elementary	Mashery
City of Scotts Valley	Santa Clara Regional Open Space	Luther Burbank	Mission Charter
City of Sonoma	Saratoga Cemetery District	Manton Joint Union	Mission Language and Vocational
City of South San Francisco	South Bayside System Authority	Menlo Park City	Morgan Hill Charter Foundation
City of Suisun City	South San Francisco Conf. Ctr.	Millbrae Elementary	Morgan Hill Charter School
City of Sunnyvale	Sausalito-Marin City Sanitation	Mineral	Nob Hill Home Owners Assoc.
City of Tracy	Tahoe Regional Planning Agency	Mountain View Whisman	O'Conner Water
Town of Los Gatos	The Cities Group	Orchard	One Million Lights
Town of Windsor	Valley of the Moon Fire	Pacifica	Orange County Charter School
	West Bay Sanitary District	Plum Valley	Pathway to Choices
	West County Wastewater District	Portola Valley Elementary	Pyramid Alternatives
	Westborough Water District	Red Bluff	Redwood City Education Foundation
	Woodside Fire Protection District	Salinas Union High	San Jose Conservation Charter
		San Bruno Park	San Jose Conservation Corps
		San Carlos Elementary	Singularity University
		San Mateo County Office	Sociometrics
		San Mateo Union High	South Tahoe Area Transit Authority
		Scotts Valley Unified	Stone Bridge Charter School
		Sequoia Union High	Woodside Atherton Authority
		Sonoma Valley Unified	Work2future Foundation
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

Paul Pham, CPA

Engagement Partner (AICPA, CalCPA)

Paul received his Bachelor of Science from Pacific University and hopes to pursue a Master of Accountancy in the near future. Paul has been working in public and private accounting since 2007 and has completed Fourteen governmental audit seasons. He has completed financial and compliance audits for the entities (including LEA's) listed below since 2007. Besides the standard control documentation and substantive testing required for GAAS audits, Paul has performed audits and prepared reports under OMB Subpart F and the Single Audit Act for most of the entities listed below. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education (Title I, Special Education, Title II, Adult Ed) and much more.

Paul's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a partial list of Paul's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Berkeley	Central Marin Sanitation Agency	Burlingame	Black Adoption Placement
City of Carmel-by-the-Sea	Fairfield-Suisan Sanitation District	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Menlo Park Fire Protection	Cotati Rohnert Park	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Hillsborough City	Children of Grace
City of Pacific Grove	Santa Clara Regional Open Space	La Honda Pescadero	Collective Roots
City of Point Arena	Saratoga Cemetery District	Las Lomitas Elementary	Credo High School
City of Rocklin	South Bayside System Authority	Lassen View Elementary	Hidaya Foundation
City of Saratoga	South San Francisco Conf. Ctr.	Los Altos Elementary	Livebooks
City of Sonoma	Suasalito-Marin City Sanitation District	Luther Burbank	Mashery
City of Suisun City	Tahoe Regional Planning Agency	Manton Joint Union	Mission Charter
City of Tracy	The Cities Group	Millbrae Elementary	Mission Language and Vocational School
Town of Los Gatos	Valley of the Moon Fire	Mineral	NASA AMES Exchange
	West Bay Sanitary District	Mountain View Whisman	Orange County Charter School
	Westborough Water District	Orchard	Pathway to Choices
		Pacifica	Pyramid Alternatives
		Plum Valley	Redwood City Education Foundation
		Portola Valley Elementary	San Jose Conservation Charter
		Red Bluff	San Jose Conservation Corps
		San Bruno Park	Sociometrics
		San Carlos Elementary	South Tahoe Area Transit Authority
		San Lorenzo Valley Unified	Stone Bridge Charter School
		San Mateo County Office	Work2future Foundation
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

Niru Machiraju, CPA

Audit Supervisor (Member AICPA, CalCPA)

Niru received her Bachelor and Master of Science in Accounting from the University of Saint Thomas. She received her CPA license in 2020. Niru has been working in public accounting since 2015 and has completed six audit seasons. During the 2021 audit season, she completed the financial and compliance audits for the entities listed below and has additional experience in the manufacturing, distribution, and non-profit industries. Niru has audited over sixty local governments and nonprofits since 2015. Besides the standard control documentation and substantive testing required for GAAS audits, Niru has performed audits and prepared reports under GAGAS and Uniform Guidance. She has also audited Federal grants from various agencies, including HUD and the Department of Education (Title I, Special Education) and much more.

Niru's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Niru's clients over the past year:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Carmel-by-the-Sea	Chico Area Recreation and Park District	Burlingame	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Lake Canyon Community Services District	Cabrillo Unified	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Ross Valley Sanitary District	Hillsborough City	Credo High School
City of Point Arena	Santa Clara Regional Open Space	Las Lomas Elementary	Hidaya Foundation
City of Rocklin	South San Francisco Conf. Ctr.	Lassen View Elementary	Mission Charter
City of Saratoga	Stege Sanitary District	Los Altos Elementary	NASA AMES Exchange
City of Marina	Suasalito-Marin City Sanitation District	Luther Burbank	Pathway to Choices
City of Suisun City	The Cities Group	Millbrae Elementary	Peninsula Conflict Resolution Center
	Valley of the Moon Fire	Orchard	Redwood City Education Foundation
	West Bay Sanitary District	Pacifica	Stone Bridge Charter School
	Westborough Water District	Red Bluff	Work2future Foundation
		San Bruno Park	Stone Bridge Charter School
		San Carlos Elementary	
		San Lorenzo Valley Unified	
		San Mateo County Office	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Woodside Elementary	

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

Andrew Quintero

Senior Auditor

Andrew has successfully completed three seasons of governmental auditing. Andrew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and cities. He has been the Senior Auditor in-charge of clients such as the Town of Yountville, City of Suisun City, Fairfield-Suisun Sanitary District and many more. Besides the standard control documentation and substantive testing required for GAAS audits, Andrew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Andrew's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Andrew's clients:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Oroville	Bay Area Water Supply Conservation Agency	Jefferson Union High School District	Peninsula Conflict Resolution Center
City of Pacific Grove	Castro Valley Sanitary District	John Swett Unified School District	Redwood City Education Foundation
City of Point Arena	El Dorado Hills Community Services District	Las Lomitas School District	San Mateo County Exposition and Fair Association
City of Rocklin	Lake Canyon Community Services District	Lassen View Union Elementary School District	Sonoma Valley Hospital Foundation
City of Saratoga	Midpeninsula Regional Open Space District	Los Altos School District	The Moca Foundation
City of Suisun City	Purissima Hills Water District	Luther Burbank School District	The San Jose Library Foundation
Town of Yountville	Ross Valley Sanitary District	Menlo Park City School District	
	Santa Clara County Regional Open Space Auth	Millbrae School District	
	Sausalito-Marin City Sanitation District	Mountain View Whisman School District	
	Stege Sanitary District	Napa Valley Unified School District	
	Silicon Valley Clean Water	Orchard School District	
	South San Francisco Conference Center	Pacifica School District	
	The Cities' Group	Red Bluff Joint Union High School District	
	Valley of the Moon Fire District	Red Bluff Union Elementary School District	
	West Bay Sanitary District	Roseland Elementary School District	
	West Valley Sanitation District	San Bruno Park School District	
	Westborough Water District	San Carlos School District	
		San Lorenzo Valley Unified School District	
		San Mateo Foster City School District	
		San Rafael City Schools	
		Santa Rosa City Schools	
		Woodside Elementary	

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

Matthew Ojeda

Senior Auditor

Matthew graduated from the San Jose State University, with a B.S. in Accounting. Starting in public accounting in 2014, he has successfully completed six seasons of governmental auditing. Matthew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and school districts. Besides the standard control documentation and substantive testing required for GAAS audits, Matthew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Matthew's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a list of Matthew's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Other
City of Del Rey Oaks	Castro Valley Sanitary District	Antelope Elementary	Boys and Girls Club of Central Sonoma County
City of Oroville	Central Marin Sanitation Agency	Burlingame	Boys and Girls Clubs of Sonoma Valley
City of Pacific Grove	Fairfield-Suisan Sanitation District	Cabrillo Unified	Credo High School
City of Point Arena	Midpen Regional Open Space Auth	Cotati Rohnert Park	Diagnostics for the Real World
City of Rocklin	Oro Loma Sanitary District	Golden Valley Unified	Mission Language and Vocational School
City of Saratoga	Santa Clara Regional Open Space Auth	Hillsborough City	Morgan Hill Charter Foundation
City of Suisun City	Saratoga Cemetery District	Las Lomitas Elementary	Morgan Hill Charter School
Town of Los Gatos	Sausalito-Marin City Sanitation District	Lassen View Elementary	Orange County Charter School
	Silicon Valley Clean Water	Los Altos Elementary	Organic Farming Research Foundation
	The Cities Group	Luther Burbank	Prohealth Homecare
	West Valley Sanitation District	Millbrae Elementary	Redwood City Education Foundation
		Mission Preparatory School	San Jose Conservation Charter
		Mountain View Whisman	San Jose Conservation Corps
		Napa Valley Unified	San Mateo County Exposition Fair Association
		Orchard	Sociometrics
		Pacifica	Work2future Foundation
		Palo Alto Unified	
		Portola Valley Elementary	
		Red Bluff	
		Roseland Charter	
		Roseland Elementary	
		San Bruno Park	
		San Carlos Elementary	
		San Lorenzo Valley Unified	
		San Mateo County Office	
		San Mateo Foster City	
		Santa Rosa City School	
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		South San Francisco Unified	
		Union School District	
		Woodside Elementary	

Section B - Partner, Supervisory and Staff Qualifications and Resumes

City of Suisun City Proposal for Auditing Services

Professional Education and Training

Our professionals complete 80 hours of continuing professional education every two years in auditing and accounting which includes at least 80 hours of governmental auditing and accounting training specific to local governments. We use a combination of in-house seminars, self-study and outside seminars sponsored by AICPA, GFOA, the California Education Foundation and other recognized groups.

All assigned staff meet the educational requirements for Governmental engagements as specified by the California Board of Accountancy, Federal General Accounting Office, Governmental Accounting Standards Board, and the AICPA as appropriate.

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Section C

Similar Engagements

Section C - Similar Engagements

City of Suisun City Proposal for Auditing Services

Client References and Similar Engagements

The following projects were completed by C&A in 2019-20 and are ongoing in 2020-21:

Entity Name	City of Del Rey Oaks	City of Saratoga	City of Carmel
Contact Person	Roberto Moreno	Dennis Jaw	Robin Scattini
Title	Chief Business Officer	Finance Manager	Finance Director
Address	650 Canyon Del Rey Road, Del Rey Oaks, CA 93940	13777 Fruitvale Ave, Saratoga, CA 95070	PO Box CC, Carmel-by-the Sea, CA 93921
Phone	831-394-8511	408-868-1227	831-620-2019
E-mail	RobertoM@GovernmentFinancialSolutionsInc.com	djaw@saratoga.ca.us	rscattini@ci.carmel.ca.us
Audit Period	6/30/2021	6/30/2021	6/30/2021
Hours	260	360	320
Contract Amount	26,750	39,000	32,000
Fiscal Years Audited	3	5	3
Partner	Sheldon Chavan	Sheldon Chavan	Sheldon Chavan
GFOA Award	No	Yes	Yes
Entity Type	City	City	City
Finance Dept Staff	3	6	3
Scope of Work	Report Prep GAGAS Audit SAS 114 Report Management Letter GANN Limit AUP Measure S Audit Year Round Consultation	CAFR Review GAGAS Audit Single Audit/OMB SAS 114 Report Management Letter TDA Audit GANN Limit AUP Year Round Consultation	CAFR Prep Single Audit/OMB SAS 114 Report Management Letter GANN Limit AUP Measure S Audit SCO FTR/Streets Year Round Consultation

Entity Name	City of Rocklin	City of Pacific Grove
Contact Person	Angela Doyle	Tori Hannah
Title	Senior Accountant	Administrative Services Director
Address	3970 Rocklin Road, Rocklin, CA 95677	300 Forest Ave, Pacific Grove, CA 93950
Phone	916-625-5033	831-648-3103
E-mail	angela.doyle@rocklin.ca.us	thannah@cityofpacificgrove.org
Audit Period	6/30/2021	6/30/2021
Hours	340	340
Contract Amount	33,500	34,450
Fiscal Years Audited	4	5
Partner	Sheldon Chavan	Sheldon Chavan
GFOA Award	No	Yes
Entity Type	City	City
General Fund Budget	\$10,000,000	\$17,500,000
Finance Dept Staff	2	6
Scope of Work	ACFR GAGAS Audit Single Audit/OMB SAS 114 Report Management Letter GANN Limit AUP PFA Audit Successor Agency Audit Year Round Consultation	ACFR GAGAS Audit Single Audit/OMB GANN Limit AUP SAS 114 Report Management Letter Measure S Audit Year Round Consultation

Section D

Specific Audit Approach

Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

The C&A audit approach begins with an entrance conference between Sheldon Chavan and management to gather information for risk assessment and audit planning. Upon the conclusion of the entrance conference, Sheldon will plan and schedule C&A's **three phase audit** approach and prepare a list of items to be provided for Phase I of the audit. Significant aspects of each phase are outlined below as augmented based on our review of the City's financial reports, RFP, Budget documents, and Council and Finance Commission agendas and minutes:

Three Phase Audit Approach

Phase I - Planning and Risk Assessment

This phase is designed to evaluate your operating and accounting procedures and will provide the basis for a significant portion of our letter to management. The results of our work during this phase will determine our audit approach for significant accounts and compliance. We plan to begin this phase by meeting with management and the Finance Commission to plan the audit and discuss any significant issues with the proposed audit plan and timeline.

At least six weeks prior to the beginning of this phase, we intend to provide the City with a link to Engagement Organizer ("EO") detailing the information and timing that will be needed in order to facilitate the completion of the audit in a timely manner. Having all items in EO uploaded prior to the beginning of the audit field work will allow us to complete the audit within the allotted time frame or earlier. We will also begin the testing of federal compliance for major programs during this phase, if applicable. The EO will include Phase I, II, and III items once uploaded and will be updated during the year. The City will be able to leave notes on each item, upload attachments and message our team through EO.

We plan the audit and obtain our **understanding of the internal control structure**, control environment, and accounting system through:

Internal Controls Documentation

- Inquiries of appropriate management and staff personnel.
- Inspection of the City's documents, records, budget and related materials, organizational charts, manuals and programs.
- Observation of the City's activities and operations to corroborate the results of inquiries.
- Testing of the controls to determine they are operating as planned.
- Performance of preliminary analytical review on interim financials. The analytical review entails comparing similar information for the same time frame from the prior year and also comparing current year-to-date information to the budget to determine areas that may need additional attention during Phase II.
- Review and evaluation of the City's financial and other management **information system controls** and procedures. Our staff has gained invaluable experience with systems such as HTE, Multiple Operation Management (MOM), Springbrook, Pentamotion, QuickBooks, Digital Schools, **SunGuard**, Escape, FUNDS, CECC, SACS, Financial 2000, SASi and many others. It is our goal to maximize the usage of your computer system during the audit.

This phase constitutes approximately 42% of all non-clerical hours of the engagement and may be combined with Phase II if desired. At the completion of Phase I, an exit conference will be held to discuss findings and recommendations and prepare for Phase II.

Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

Phase II - Substantive Audit Procedures and Compliance

This phase is designed to complete our substantive and compliance audit procedures on the accounts of the City. The approach for Phase II will be based on the results of Phase I. Audit programs will be tailored for your City's needs. This work will begin after the closing of your books.

Sample size and selection is based on our assessment of risk and planned or actual deviations. A typical **sample size will be 25 to 60** items and be randomly selected. Our sampling methods vary depending

Sampling Methods

on the type of tests we perform. Sample selection for compliance work will be based on the respective compliance and audit guides, KC, our experience and judgment, and other various sources. We use Knowledge Coach (KC) audit programs by Commerce Clearing House (CCH) to assist in our risk determination and sampling selection. We also use **ProSystems fx Engagement** paperless audit, Microsoft Excel, and Microsoft Word on laptops to perform the audit. Generally, we prefer

information provided in electronic format, however we use production scanners in the office and portable scanners in the field for information that is unavailable in electronic format.

Analytical procedures during Phase II involve comparing current data to prior year and budget data, calculating dollar and percentage variances and investigating differences. We also analyze trends and relationships of the various financial statement components and ratios.

Analytical Procedures & Laws and Regulations

Laws and regulations subject to audit will be determined based on inquiry and familiarity we gain with the City and with state and federal compliance requirements. We also attend seminars and webinars related to state and federal regulations to keep abreast of new requirements.

Phase II will take approximately 42% of the engagement hours. At this time, an exit conference will be held to discuss findings and recommendations, the status of new accounting principles and reporting requirements, and prepare for Phase III.

Phase III - Financial Statement Preparation and Review

This phase consists of preparing or assisting with the preparation of your financial statements, **as required in the RFP**, in conformity with accounting principles generally accepted in the United States of America. We will also prepare all other financial and compliance reports required of us as listed on the RFP. The required reports and management letter will be submitted to management as noted in the timeline in the RFP, unless otherwise agreed. We will also ensure that new GASB pronouncements identified in phase I and II have been appropriately accounted for and disclosed in the financial statements and that the impact of these statements is sufficiently presented in our audit reports. The most efficient way to ensure we meet the reporting deadlines is to have the audited trial balance and final adjustment completed by the last day of field work. This, in combination of the automation provided by Prosystems engagement will reduce the lag time from the completion of field work and report issuance.

Our reporting process is automated through our audit software. Once we obtain the City's trial balance in electronic format, we can import that into our system, which will automatically code and update all financial statements and most note disclosures in the financial statements and notes. We can also auto

Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

link tables, charts and other documents the City would like to generate. **All of this information can be shared through our online secure lockbox/filesshare website at www.cnallp.com** and through our **online engagement portal** which is linked to our list of items. All agreed upon adjustments will be linked in our audit software. This greatly reduces the report preparation time and involvement of City staff and creates more opportunity for review of information systems, internal controls and management recommendations. At the end of this phase we will provide a summary of audit adjustments and uncorrected misstatements (passed adjustments).

We anticipate that Phase III will comprise approximately 16% of the engagement hours, including the majority of the clerical hours. The timing of each phase of the audit is estimated based on the assumption that the City will meet their close schedule and responsibilities as noted in the request for proposal.

Please note that we generally hold entrance conferences at the beginning of Phase I and II and exit conferences at the end of Phase I, II and III. However, we are available to meet with the City at any time.

Compliance and Program Specific Auditing

Included in all phases are specific procedures required to complete individual compliance items. Analytic and sampling procedures generally follow those described in the preceding phase, but are modified, when needed, to meet specific guidelines of the programs audited.

Recommendations for Improved Operations

We feel we have accumulated valuable knowledge in accounting and auditing which has allowed us to offer a wide range of specific recommendations to increase the efficiency and effectiveness of our audit clients. With our background, we can provide services that may be very beneficial to you presently and in the future. As our client, you can look to us for informed support **year-round in all areas of interest or concern**. In the course of our engagement with the City, we will provide prompt, knowledgeable answers to your questions regarding all aspects of accounting, finance, management, and operations. It is our policy to discuss discrepancies and recommendations with City staff directly involved and then with management, as necessary. If an item warrants inclusion in the report as a finding, we will obtain management's responses to each finding. All responses will be reviewed with management and relevant committees before they are presented to the City Council.

Irregularities and Illegal Acts

We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the Audit Committee (or similar) and Attorney.

Control Risk Assessment

As part of our audit approach, we use KC forms, narratives, questionnaires and summary schedules to gain an understanding of the control environment and assess its overall effectiveness. This helps us identify the types of potential misstatements and factors that affect the risk of material misstatement and their impact on the audit plan.

Analytical Procedures

Analytical procedures are used at three points of time during our audit; planning, substantive testing, and final review of the completed financial statements. Analytical procedures are used to obtain

Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

knowledge of conditions and events, to indicate the presence of possible misstatements, to provide substantive evidence of balances and to assess the financial condition of the City.

As we obtain knowledge about the City, we will be able to direct our attention to areas requiring greater audit emphasis as well as provide substantive evidence in support of recorded account balances.

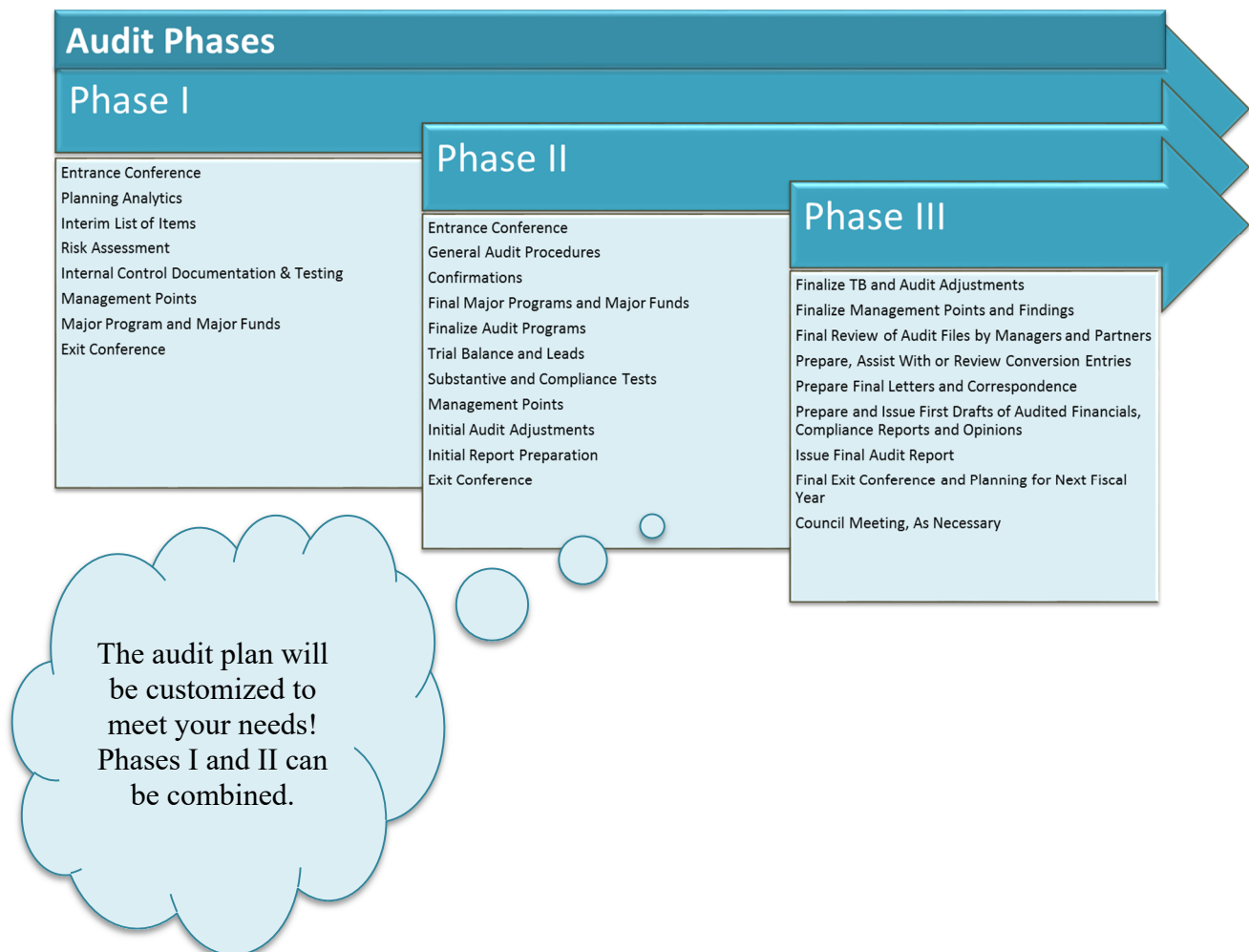
Identification of Potential Audit Problems

Each year we approach the audit objectively and use a risk-based approach to anticipate any potential audit problems. If anything were to come to our attention during the course of the audit, it would be reported to the proper management level depending on the nature of the problem and as noted in the RFP.

Resources Available for Standards Interpretations

In addition to the items published by GFOA, AICPA, FASB, and GASB, we use RIA checkpoint and Thompsons as our main online reference material. As our client, the City will have access to all our resources.

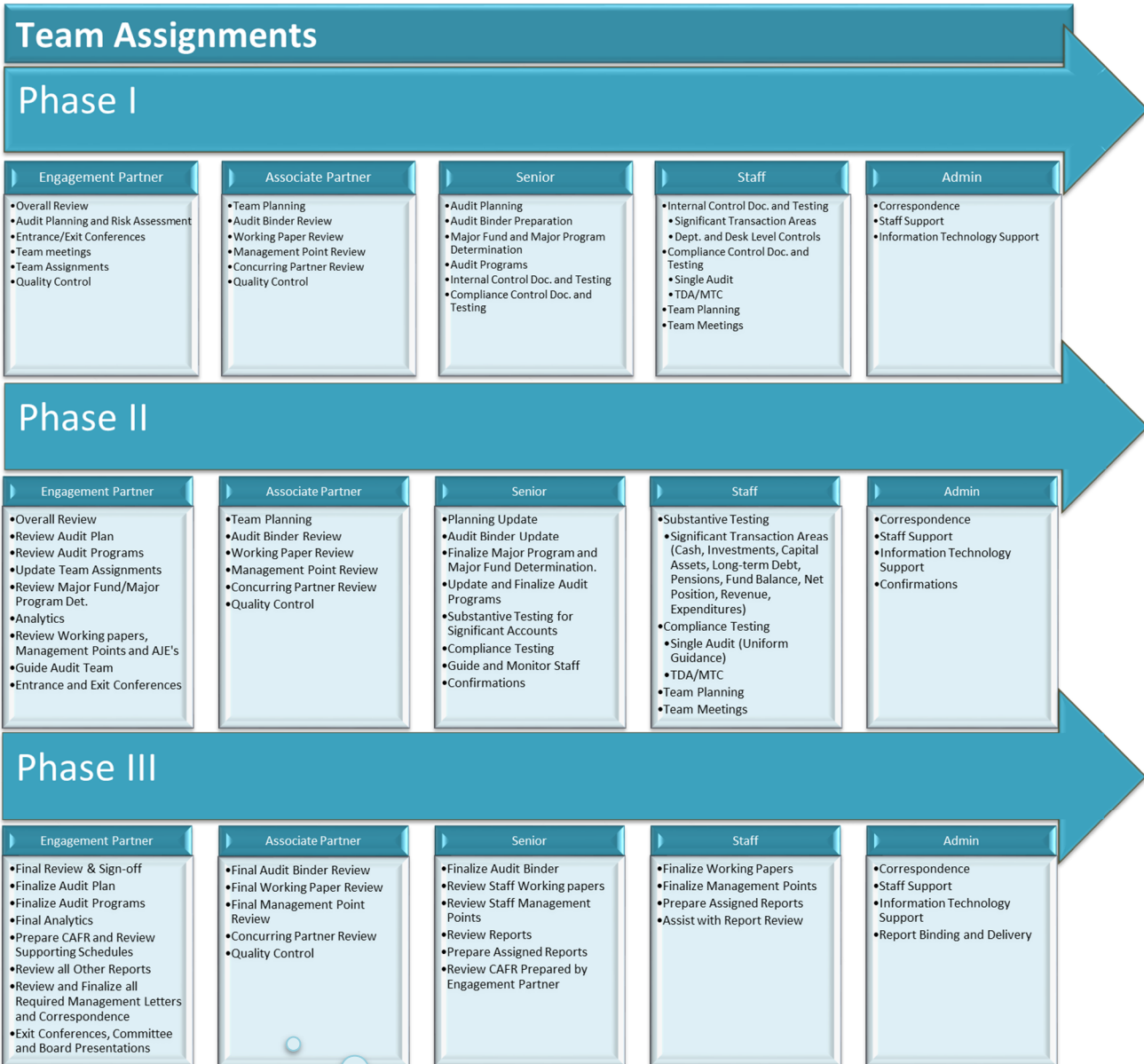
Summary of Audit Phases (Generalized, Not All-Inclusive)



Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

Summary of Team Assignments (Generalized, All-Inclusive)



The above chart provides a general overview of typical team assignments.

Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

Summary of Roles and Responsibilities (Not All-Inclusive)

General Roles and Responsibilities

Phase I

C&A LLP

The Engagement Partner will be responsible the overall planning, scheduling, review and coordination of Phase I.

The Associate Partner will provide fieldwork support when necessary and help maintain quality control.

The Senior/Manager will review workpapers, letters and reports and help maintain quality control.

The Senior Professional Staff will focus on the more complex areas of controls and support the Engagement Partner.

The Professional Staff will focus on detail of tests of controls over financial, federal compliance and other areas as needed.

City' Staff

During this phase, your staff will be expected to provide a preliminary balance sheet and revenues and expenditures by fund, policies and procedures for key controls, a preliminary summary of federal grants, the original budget, contact information for departments and confirmations, and generally provide the information included in the lists of items for interim. We also plan to interview various staff to document and test controls. Testing controls will include sampling for significant areas. Our documentation of internal controls will be done in person and via interviews, unless otherwise requested.

Phase II

C&A LLP

The Engagement Partner's focus will include finalizing the audit programs, substantive analytics, and overseeing the audit.

The Associate Partner will provide fieldwork support when necessary and help maintain quality control.

The Senior/Manager will review workpapers, letters and reports and help maintain quality control.

The Senior Professional Staff will focus on substantive tests for significant accounts.

The Professional Staff will focus on substantive tests for significant accounts, federal compliance, and other required audits.

City' Staff

During this Phase, your staff will be expected to provide the final balance sheet and revenue expenditures by fund and accounts from the GL. We will prepare leadsheets in our audit software, but the organization should have adequate support for significant accounts. We will perform a review of journal entries at this time and again before the final reports are issued, thus we will need access to journal entries. We will request reports for major grant programs, certain other programs, and business type activities. We will also perform a number of analytical procedures which will require staff responses, and this will be done in person in most cases.

Phase III

C&ALLP

The Engagement Partner's focus will be on overall reporting, guidance and working with District staff to complete the reporting phase.

The Associate Partner will assist in report preparation and client communication.

The Senior/Manager will review workpapers, letters and reports, and help maintain quality control.

The Senior Professional Staff will focus on report preparation and assisting the engagement partner and guiding our staff.

The Professional Staff will act in a support role during this phase.

City's Staff

We expect the City' staff to review and respond to all reports required to complete the audit. We anticipate the City will provide or assist us in gathering information needed for the ACFR and note disclosures. Management will be required to sign a representation letter which will be provided by us. Management will be required to provide responses to any and all recommendations and findings included in the management letter. Report preparation will be completed as outlined in the RFP, unless otherwise agreed prior to Phase III of the audit.

Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

Summary of Staff Hours by Phase

Level of Staff	Phases			Total Hours
	I	II	III	
Managing Partner	4	4	8	16
Engagement Partner	32	32	24	88
Supervisor	48	48	24	120
Senior Staff	48	48	16	112
Professional Staff	48	48	8	104
Administrative Staff	4	4	8	16
Totals	184	184	88	456

Summary Timeline

Segment	Estimated	Phase
Entrance Conference	March 1, 2022	I
Audit Planning C&A's Office	March 1, 2022	I
List of Items Required by Client	March 15, 2022	I
Interim Testing	May 2, 2022	I
Interim Exit Conference and Completion	May 9, 2022	I
Preparation and Mailing of Confirmation Letters to 3rd Parties	July 1, 2022	II
Year-end Field Work Planning Meeting	August 1, 2022	II
Update List of Items Required by Client - Final (Initial Done at Interim)	August 1, 2022	II
Year-end Field Work and Compliance Testing	September 26, 2022	II
Exit Conference	September 30, 2022	II
Progress List of Management Point and Recommendations	October 7, 2022	II
Final List of Management Point and Recommendations	October 21, 2022	II/III
Audit Adjustments	October 21, 2022	II/III
Draft Reports, Financials, Management Letters	November 4, 2022	III
Final Reports, Financials, Management Letters	November 25, 2022	III
Council, Commission & Public Presentations	As Needed	III

Section D - Specific Audit Approach

City of Suisun City Proposal for Auditing Services

Audit Scope

We understand the scope of our services to be as follows:

- A. C&A will perform a financial and compliance audit to determine (a) whether the combined financial statements of the City fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles and (b) whether the City and its component units have complied with laws and regulations that may have a material effect upon the financial statements. C&A will prepare and publish the annual comprehensive financial report (ACFR), and in accordance with all GASB requirements.
- B. C&A will examine the combined financial statements of the City, SSWA, Single Audit, and Bay Homes as of and for the years ending on June 30, 2022, June 30, 2023, and June 30, 2024.
- C. As a part of the audit, C&A will examine the City's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the City Manager as required under generally accepted governmental auditing standards.
- D. If C&A finds indications of defalcation or other circumstances requiring an extension of procedures beyond the scope of the audit which would be sufficient under ordinary circumstances, C&A will provide the City Manager with all readily ascertainable facts relative to such extraordinary circumstances together with an estimate for the additional cost of investigating same. Fees relating to such additional services are not contemplated as being within the scope of services to be performed under the paragraphs above and will be subject to approval by the City Council.
- E. The Accounting Services Manager will be responsible for coordinating the audit process internally. C&A will meet on a weekly basis or as required with the Finance Director and/or the Accounting Services Manager to discuss preliminary audit findings.
- F. Prior to issuing their final reports, C&A will meet with representatives of the Administrative Services Department. All audit reports will be addressed to the City Council.
- G. We will provide consultation regarding accounting and compliance issues found throughout the contract period.
- H. We will attend City Council meetings as requested throughout the contract period.
- I. A partner will be available to present the audit reports and letters to committees, boards and the Council as needed.
- J. All working papers and reports will be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. C&A will make such working papers available, on request, to the following parties or their designees:
 - a. City of Los Gatos
 - b. Parties designated by the City, or federal or state governments, as part of an audit quality review process

Section D - Specific Audit Approach
City of Suisun City Proposal for Auditing Services

c. Auditors of entities of which the City is a subrecipient of grant funds

K. Deliverables:

1. Audit of the basic financial statements and review of the preparation of the ACFR, and deliver opinion letter for the ACFR by December 31, 2022. The auditors will then produce the ACFR including but not limited to GASB 34 Government-Wide Statements to meet GFOA deadlines for the Outstanding Financial Reports award program. Issue camera-ready and PDF website upload-ready ACFR by December 31, 2022.
 2. Audit of SSWA financial statements and prepare Financial Statement. Provide 20 copies and a PDF copy by November 30, 2022.
 3. Audit Bay Homes Development Corporation and prepare financial statements. Provide 15 copies and a PDF by November 15, 2022.
 4. Testing of compliance with the Single Audit Act of 1984, as amended in 1996, and applicable laws and regulations. Provide 15 copies and a PDF deliver by December 31, 2022, or prior to the deadline of March 31, 2023. Included in the Single Audit scope of work are: (a) the issuance of Financial Data Schedule (FDS) analysis as required by the U.S. Department of Housing and Urban Development, and (b) the electronic filing of Data Collection Form (SF-SAC) with the A-133 reporting package to the Federal Audit Clearinghouse (FAC). Suisun City Housing Authority is a component unit of the City of Suisun City. Also, to be included is the auditor's required certification of REAC FASS-PH online reporting.
 5. Transportation Development Act –Compliance Report. Provide 5 copies and deliver by December 31, 2022, if necessary.
 6. Testing of compliance with Proposition 4 Appropriation Limit Increment (GANN). Provide 5 copies and deliver by December 15, 2022
 7. Management letter and recommendations on internal control and audit adjusting journal entries. Provide 10 report copies and deliver by December 31, 2022.
- L. C&A shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Section E

Discussion of Relevant Accounting Issues

Section E - Discussion of Relevant Accounting Issues

City of Suisun City Proposal for Auditing Services

Discussion of Relevant Accounting Issues

The Governmental Accounting Standards Board (GASB) continues to issue new statements in an effort to make financial information accounted for, and reported by, local governments more reliable. Often, the statements issued by GASB are confusing and difficult to apply. Therefore, it is our goal to keep our clients informed about upcoming standards and how they may affect their future. Our technical expertise and guidance in the implementation and interpretation of GASB statements will be available throughout the year. We offer inclusive consultation throughout the term of our contract. We also offer in-house training via internally developed seminars. For example, we have given presentations and training on compliance requirements for specific grants and the key controls needed to meet those requirements. Generally, these sessions provide about 8 hours of training, in addition to year-round consultation, and are included in the audit.

In addition, we will send periodic e-mails and newsletters when significant new accounting pronouncements are issued. The most important factors we have discussed include: The potential impact of new pronouncements, the due date and the changes in the reporting presentation, planning the City should do to ensure it is prepared and the assistance we can provide to ensure compliance. We also prepare template note disclosures and update our template financial statements to meet the reporting standards. In relation to GASB 84, we provided clients with an analysis workbook that is a Q&A document to help them identify component units and how to report pensions, postemployment plans and custodial funds.

The following is a summary of upcoming accounting pronouncements that could have an impact on the City:

1. Disclosure Framework:

The objective of this project is to develop concepts related to a framework for the development and evaluation of notes to financial statements for the purpose of improving the effectiveness of note disclosures in government financial reports. The framework will establish criteria for the Board to use in evaluating potential note disclosure requirements during future standards-setting activities and in reexamining existing note disclosure requirements. Those concepts also will provide governments a basis for considering the essentiality of information items for which the GASB does not specifically provide authoritative disclosure guidance.

Update: The Concepts Statement, Communication Methods in General Purpose External Financial Reports that Contain Basic Financial Statements; Notes to Financial Statements, has taken a turn from the original timeline. There were specific discussions related to the concept of essentiality. As the concept of essentiality is significant to the Concepts Statement, it would have a broad impact to users of the financial statements and Governmental Accounting Standards Advisory Council indicated some concern over the significance of the change in the proposed definition; the Board voted to re-expose the proposed concepts in an exposure draft. GASB anticipates the comment period on this revised exposure draft of this Concepts Statement to open in July 2021.

2. Financial Reporting Model:

Reexamination of Statements Nos. 34, 35, 37, 41 and 46 and Interpretation 6: The objective of this project is to make improvements to the financial reporting model, including Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local

Section E - Discussion of Relevant Accounting Issues

City of Suisun City Proposal for Auditing Services

Governments, and other reporting model-related pronouncements (Statements No. 35, Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities, No. 37, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus, No. 41, Budgetary Comparison Schedules—Perspective Differences, and No. 46, Net Assets Restricted by Enabling Legislation, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements). The objective of these improvements would be to enhance the effectiveness of the model in providing information that is essential for decision-making and enhance the ability to assess a government’s accounting and to address certain application issues, based upon the results of the pre-agenda research on the financial reporting model.

Update: After public hearings were held in March and April 2021, GASB is currently redeliberating the drafted Statement, Financial Reporting Model Improvements. The agenda on this Concepts Statement extends into 2022 with a draft expected in first quarter 2022.

3. Revenue and Expense Recognition:

The overall objective of this project is to develop a comprehensive, principles-based model that would establish categorization, recognition and measurement guidance applicable to a wide range of revenue and expense transactions. Achieving that objective will include: (1) development of guidance applicable to topics for which existing guidance is limited, (2) improvement of existing guidance that has been identified as challenging to apply, (3) consideration of a performance obligation approach to the GASB’s authoritative literature and (4) assessment of existing and proposed guidance based on the conceptual framework. The expected outcome of the project is enhanced quality of information that users rely upon in making decisions and assessing accountability.

On the heels of the Financial Accounting Standards Boards (FASB) roll out of the revenue recognition guidance, GASB has taken up a similar project reviewing the guidance for recognition of revenues and expenses. Deliberations are anticipated to be ongoing through November 2022. While this project is not anticipated for completion until 2025, the broad application and impact will make it one to keep up to date with its progress.

4. GASB Statement No. 87 – Leases

Most organizations have transitioned their immediate focus on the implementation of GASB 87 as it will become effective for most fiscal 2022 year-end financial statements. GASB 87 defines a lease as a contract that conveys control of the right to use another entity’s non-financial asset for a period of greater than one year. Purchased power agreements are exempt from this treatment (unlike the Financial Accounting Standards Board lease standard). GASB 87 is effective for fiscal years beginning after June 15, 2021.

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Section F

Additional Information

Section F - Additional Information

City of Suisun City Proposal for Auditing Services

Current Client List

Cities/Towns	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
City of Albany	✓	✓	✓			✓	
City of Del Rey Oaks		✓	✓				
City of Lincoln	✓					✓	
City of Marina	✓	✓	✓	✓		✓	
City of Oroville	✓	✓	✓	✓			
City of Pacific Grove	✓	✓	✓	✓			
City of Point Arena		✓	✓				
City of Rocklin	✓	✓	✓	✓			
City of Saratoga	✓	✓	✓	✓			
City of Suisun City	✓	✓	✓	✓		✓	
Town of Yountville	✓	✓	✓			✓	

Local Education Agencies	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Antelope School District		✓	✓		✓		
Berkeley Unified School District						✓	
Burlingame School District		✓	✓	✓	✓		✓
Cabrillo Unified School District		✓	✓	✓	✓		✓
Corning Union High School District		✓	✓	✓			
Cotati-Rohnert Park Unified School District		✓	✓	✓	✓		✓
Cottonwood Union School District		✓	✓		✓		
Golden Valley Unified School District		✓	✓	✓	✓		
Hillsborough City School District		✓	✓	✓	✓		
Jefferson Union High School District		✓	✓	✓	✓		✓
John Swett Unified School District						✓	
Las Lomas School District		✓	✓		✓		✓
Lassen View Union Elementary School District		✓	✓		✓		
Los Altos School District	✓	✓	✓	✓	✓		✓
Luther Burbank School District		✓	✓	✓	✓		
Menlo Park City School District		✓	✓	✓	✓		
Millbrae School District		✓	✓		✓		✓
Mountain View Whisman School District		✓	✓	✓	✓		✓
Napa Valley Unified School District		✓	✓	✓	✓		✓
Orchard School District		✓	✓		✓		✓
Pacifica School District		✓	✓	✓	✓		
Red Bluff Joint Union High School District		✓	✓	✓	✓		✓
Red Bluff Union Elementary School District		✓	✓	✓	✓		
Roseland Elementary School District		✓	✓	✓	✓		✓
San Bruno Park School District		✓	✓	✓	✓		
San Carlos School District		✓	✓	✓	✓		✓
San Lorenzo Valley Unified School District		✓	✓	✓	✓		✓
San Mateo Foster City School District		✓	✓	✓	✓		✓
San Rafael City Schools						✓	
Santa Rosa City Schools		✓	✓	✓	✓		✓
Sequoia Union High School District		✓	✓	✓	✓	✓	✓
Sonoma Valley Unified School District		✓	✓	✓	✓		✓
Soquel Union Elementary School District		✓	✓	✓	✓		✓
South San Francisco Unified School District						✓	✓
Union School District		✓	✓	✓	✓		✓
West County Transportation Agency		✓	✓		✓		
Woodside Elementary School District		✓	✓		✓		✓

Section F - Additional Information

City of Suisun City Proposal for Auditing Services

Charter Schools	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Charter School of Morgan Hill		✓	✓		✓	✓	
Cottonwood Creek Charter School		✓	✓		✓	✓	
Credo High School		✓	✓		✓	✓	
Kid Street Charter School		✓	✓			✓	
The Reach Charter School		✓	✓			✓	
Mission Preparatory School		✓	✓		✓	✓	
Pathways Charter School		✓	✓		✓	✓	
Roseland Charter School		✓	✓	✓	✓	✓	
RSTEM Academy Charter School		✓	✓		✓	✓	
Stone Bridge Charter School		✓	✓		✓	✓	
Woodland Star Charter School		✓	✓		✓	✓	

Special Districts	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Bay Area Water Supply Conservation Agency		✓	✓	✓			
Castro Valley Sanitary District		✓	✓				
El Dorado Hills Community Services District	✓	✓	✓				
Lake Canyon Community Services District		✓	✓				
Midpeninsula Regional Open Space District		✓	✓	✓			
Purissima Hills Water District						✓	
Ross Valley Sanitary District	✓	✓	✓				
Santa Clara County Regional Open Space Auth		✓	✓	✓			
Sausalito-Marín City Sanitation District		✓	✓	✓			
Stege Sanitary District		✓	✓				
Silicon Valley Clean Water		✓	✓				
South San Francisco Conference Center		✓					
The Cities' Group		✓	✓				
Valley of the Moon Fire District		✓	✓				
West Bay Sanitary District		✓	✓				
West Valley Sanitation District		✓	✓				
Westborough Water District						✓	

NonProfit Organizations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Boys and Girls Clubs of Sonoma Valley		✓				✓	
Center for Empowering Refugees & Immigrants		✓				✓	
Children of Grace						✓	
Far West Wheel Chair Association		✓					
Hidaya Foundation		✓				✓	
Mission Language and Vocational School		✓				✓	
Morgan Hill Charter School Foundation		✓				✓	
NASA AMES Exchange		✓				✓	
O'Connor Tract Co-Operative Water Co.		✓				✓	
Peninsula Conflict Resolution Center		✓				✓	
Redwood City Education Foundation		✓				✓	
San Mateo County Exposition and Fair Association		✓				✓	
Sonoma Valley Hospital Foundation		✓				✓	
The Moca Foundation		✓					
The San Jose Library Foundation		✓				✓	
Tru		✓					
Work2future Foundation		✓	✓	✓		✓	

Privately Held Corporations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Air Filter/Control		✓	✓	✓		✓	
Dfusion, Inc.		✓	✓	✓			
Diagnostics for the Real World		✓					
FRTek US, LLC		✓					
Pathway to Choices		✓					
Roberts of Woodside						✓	
Sociometrics		✓	✓	✓			

Section F - Additional Information

City of Suisun City Proposal for Auditing Services

Technology in the Audit

C&A is a paperless firm and we use secure cloud servers for file sharing. We have Lenovo laptops and Fujitsu scanners that we use in the field. Our secured laptops are synchronized to our cloud server every day to avoid loss of data. The scanners allow for flexibility during the audit since it is not feasible to expect every document in electronic format.

Our secure online fileshare and engagement organizer provide for a better option over e-mailing electronic files. Each of our clients has an account login username and password through our website or an emailed link that allows them to upload files. This is especially helpful with sensitive information such as payroll data as it is much more secure than e-mail.

Our audit software is **ProSystems fx Engagement** which we compliment with Knowledge Coach (KC) audit programs and workpapers. These programs allow us to roll-forward audit information without having to replace the audit programs in the binder because they automatically update with changes in auditing and accounting standards every month. Finally, we have purchased data extraction software for each of our laptops that convert Adobe and other file types to Word and Excel.

All of the above-mentioned technological innovations make the audit more efficient and provides us the opportunity to spend time in areas that are more meaningful to the District. It also reduces the time and effort required by District staff to provide information and minimizes redundancy from year to year in the audit.


Proposal Exceptions

C&A did **not** have any exceptions or requested changes to the City's RFP conditions or requirements.

C&A's Responsibility for Detecting Fraud

While audits are not designed to root out every instance of fraud, we have a responsibility to detect material misstatements in the financial statements caused by either fraud or error. Accordingly, generally accepted auditing principles prescribe specific audit procedures to detect fraud that must be carried out during each audit. C&A must hold a fraud brainstorming session at the beginning of the audit. This session is designed to provide a time for the audit team to consider how the client could commit fraud. The brainstorming meeting is used to set a tone of professional skepticism in the audit. Because committing material financial statement fraud often requires adjustments to financial records, C&A will test journal entries for any signs of manipulation. Another likely place for fraud is in accounting estimates since management may be able to influence accounting estimates to manipulate the financial statements. Generally, we perform procedures to determine if the methodology for completing accounting estimates has changed from the prior year and examine the directionality of estimates as a whole. We also closely examine significant unusual transactions outside of normal operations. This examination requires organizations to explain the purpose and rationale for the transaction and we corroborate management's response with other information received during the audit.

<p>DOLLAR COST BID</p> <p>FOR THE ANNUAL INDEPENDENT AUDIT</p> <p>OF THE</p> <p>CITY OF SUISUN CITY</p>

<p><i>Submitted November 5, 2021</i></p>
<div><p>Chavan & Associates, LLP Certified Public Accountants 15105 Concord Circle, Suite 130 Morgan Hill, CA 95037 Phone: (650) 346-1329 Fax: (408) 872-4159 E-mail: sheldon@cnallp.com Contact: Sheldon Chavan, Partner</p></div>

Dollar Cost Bid
City of Suisun City Proposal for Auditing Services

Date: November 5, 2021

Firm: Chavan & Associates, LLP (C&A)
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329

Contact Person: Sheldon Chavan, Partner
Sheldon@cnallp.com
650-346-1329

Price per Year by Service Level:

Services	Hours	Optional				
		2022	2023	2024	2025	2026
City Audit and ACFR Preparation	261	\$ 19,500	\$ 19,500	\$ 19,500	\$ 24,000	\$ 24,000
SSWA Audit and Fin. Statement Prep.	60	6,000	6,000	6,000	6,500	6,500
Bay Homes Audit and Fin. Statement Prep.	50	5,000	5,000	5,000	5,500	5,500
Single Audit (3 Major Programs)	60	6,000	6,000	6,000	6,500	6,500
TDA Audit	15	1,500	1,500	1,500	1,500	1,500
GANN Limit	10	1,000	1,000	1,000	1,000	1,000
Management Letters/Internal Controls	N/A	Included	Included	Included	Included	Included
Meals, Lodging and Transportation	N/A	Included	Included	Included	Included	Included
ACFR Preparation	N/A	Included	Included	Included	Included	Included
Consulting, Updates and Guidance	N/A	Included	Included	Included	Included	Included
Present Reports to Board and Committees	N/A	Included	Included	Included	Included	Included
Conversion Entries	N/A	Included	Included	Included	Included	Included
Subtotal Base Audit	456	39,000	39,000	39,000	45,000	45,000
Measure S Audit and Fin. Statement Preparation	32	4,000	4,000	4,000	4,000	4,000
Annual Financial Transactions Report Preparation	N/A	Included	Included	Included	Included	Included
Bay Homes Annual 990, CA-199 and RRF-1	8	1,500	1,500	1,500	1,750	1,750
Total All-Inclusive Maximum Price	496	\$ 44,500	\$ 44,500	\$ 44,500	\$ 50,750	\$ 50,750

Certification: I, the undersigned, certify I am duly authorized to represent C&A and I am empowered to submit this bid. In addition, I certify I am authorized to contract with the City of Suisun City on behalf of C&A.


November 5, 2021

Signature Title Date

Sheldon Chavan
Name

Dollar Cost Bid

City of Suisun City Proposal for Auditing Services

Schedule of Professional Fees

Our professional fees are based on actual time devoted to an engagement, at hourly rates related to the experience levels of the individuals performing the work. The following is our standard fee schedule for our audit personnel:

	Standard & Quoted Hourly Rates	Hours	Optional				
			Fiscal Year Ending				
			2022	2023	2024	2025	2026
Managing Partner	\$ 200	16	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,296	\$ 3,395
Engagement Partner	165	88	14,520	14,520	14,520	14,956	15,405
Supervisor	95	120	11,400	11,400	11,400	11,742	12,094
Senior Auditor	80	112	8,960	8,960	8,960	9,229	9,506
Professional Staff	65	104	6,760	6,760	6,760	6,963	7,172
Administrative Staff	50	16	800	800	800	824	849
Professional Discount	N/A	N/A	(6,640)	(6,640)	(6,640)	(2,010)	(3,421)
Total Fees Base Audit		456	\$ 39,000	\$ 39,000	\$ 39,000	\$ 45,000	\$ 45,000

Manner of Payment

The District will be invoiced for our services as work progresses on the basis of hours of work completed, but not more often than once per month.

Rates for Additional Professional Services

In the event that extraordinary circumstances require additional services beyond the agreed upon scope, C&A will provide, in writing and in advance, the reasons for the additional services along with our estimated costs and a statement that no work will be performed prior to District approval. Rates for additional services would be the same as those identified under the quoted hourly rates above.

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: PUBLIC HEARING: Council Introduce and Waive Reading of Ordinance No. ____: Amending Chapter 2.20 “Planning Commission” of the Suisun City Code.

FISCAL IMPACT: The possible reduction in Commissioners from seven to five would reduce the financial burden on the City from \$700 to \$500 per meeting.

STRATEGIC PLAN: Provide Good Governance.

BACKGROUND: In 1998, the City Council passed an ordinance (No. 644) which dissolved the Architectural Review Board and modified the membership of the Planning Commission from five to seven members. The Planning Commission has since operated with seven members.

STAFF REPORT: It has become difficult for the city to retain Planning Commissioners, as within the last six months three Commissioners have resigned from the Commission. Additionally, it has been difficult to recruit new commissioners to fill those vacancies and with vacancies it can be problematic to have a quorum of Commissioners for meetings. Staff has reviewed the Planning Commission membership of nearby cities and counties in which the normal composition is either five or seven members. Staff has provided a table below which shows the results of the research.

Name of Jurisdiction	Membership Number
Benicia	7
Concord	5
Dixon	7
Fairfield	7
City of Napa	5
Napa County	5
Rio Vista	7
San Pablo	5
Solano County	5
Vallejo	7

If introduced and reading waived, an item would be brought back at the January 18, 2022, City Council meeting for ordinance adoption.

RECOMMENDATION: It is recommended that the City Council Introduce and Waive Reading of Ordinance No. ____: Amending Chapter 2.20 “Planning Commission-Membership” of the Suisun City Code

PREPARED BY:

REVIEWED/APPROVED BY:

John Kearns, Senior Planner

Greg Folsom, City Manager

ATTACHMENTS:

1. Ordinance No. ____: Amending Chapter 2.20 “Planning Commission” of the Suisun City Code.
2. Ordinance (clean).
3. Ordinance (redline).

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY,
CALIFORNIA AMENDING CHAPTER 2.20 "PLANNING COMMISSION" OF THE
SUISUN CITY CODE**

WHEREAS, Section 2.20.020 of the City of Suisun City Code establishes the number of members of the Suisun City Planning Commission; and

WHEREAS, the City Council at its regular meeting on December 21, 2021 did hold a public hearing to consider amendments to Chapter 2.20 of the Suisun City Code; and

WHEREAS, notice of the City Council's public hearing to consider such amendments was published in the Daily Republic on or before December 3, 2021 consistent with State Law and the Suisun City Code; and

WHEREAS, the City Council has determined that amendments to Chapter 2.20 are in the interest of effective governance and consistent with applicable provisions of state law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUISUN CITY as follows:

SECTION 1. The City Council does hereby amend Chapter 2.20 – Planning Commission, of the City of Suisun City Municipal Code as follows:

- **Chapter 2.20 - PLANNING COMMISSION**

Section:

2.20.020 – Membership.

"The planning commission of the city shall consist of ~~seven~~ five members, appointed by the mayor with the approval of the city council. All members shall be residents of Suisun City and shall maintain U.S. citizenship."

SECTION 2. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Suisun City hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion

thereof, irrespective of the fact that anyone or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 3. This Ordinance shall be in full force and effect thirty (30) days after its adoption following second reading.

SECTION 4. The City Clerk is hereby authorized and directed to certify as the passage of this Ordinance and to give notice thereof by causing copies of this Ordinance to be posted in three public places throughout the City, or published in a county newspaper that is circulated in the City, within 15 days after its passage, there being no newspaper of general circulation printed and published within the City.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Suisun City, California, on this 18th day of January 2022.

Lori D. Wilson, Mayor

ATTEST:

Anita Skinner, City Clerk

CERTIFICATION

I, Anita Skinner, City Clerk of the City of Suisun City and ex-officio Clerk of the City Council of said City, do hereby certify that the above and foregoing ordinance was introduced at a regular meeting of the said City Council held on Tuesday, December 21, 2021 and regularly passed and adopted at a regular meeting of said City Council held on Tuesday, January 18, 2022, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

ABSTAIN: Councilmembers:

WITNESS my hand and the seal of said City this 18th day of January 2022.

Anita Skinner, City Clerk

ATTACHMENT 2

Chapter 2.20 PLANNING COMMISSION

2.20.010 Established.

A planning commission of the city is created and established.

(Ord. 268 § 1, 1955)

(Ord. No. 735, § 1, 10-20-2015)

2.20.020 Membership.

The planning commission of the city shall consist of five members, appointed by the mayor with the approval of the city council. All members shall be residents of the city and shall maintain U.S. citizenship.

(Ord. 469 § 1, 1983; Ord. 268 § 2, 1955)

(Ord. No. 735, § 1, 10-20-2015; Ord. No. 760, § 1, 6-4-2019)

2.20.030 Powers and duties.

Except as otherwise established within this Code, Title 17 and Title 18, the planning commission shall have the powers and duties conferred upon the planning agency by the provisions of Title 7 of the Government Code of California, and any other laws of the state applicable thereto.

(Ord. 268 § 3, 1955)

(Ord. No. 735, § 1, 10-20-2015)

2.20.035 Compensation.

All members of the planning commission shall receive compensation as determined from time to time by the city council.

(Ord. 584 § 1, 1990)

(Ord. No. 735, § 1, 10-20-2015)

2.20.040 Terms, vacancies and removal.

Terms of office shall expire on January 5th in odd years. Terms shall be staggered with four of the commissioners' terms expiring on one odd year and the other three expiring two years later. Planning commissioners shall serve until a successor is appointed.

Vacancies on the commission shall be filled for the unexpired term by appointment of the mayor with city council approval.

Commissioners may be removed from the planning commission at any time by a majority vote of the city council.

(Ord. 644 § 1, 1998; Ord. 505 § 2, 1984; Ord. 268 § 4, 1955)

(Ord. No. 735, § 1, 10-20-2015; Ord. No. 760 , § 1, 6-4-2019)

Editor's note(s)—Ord. No. 735, § 1, adopted October 20, 2015, amended § 2.20.040 to read as set out herein. Previously § 2.20.040 was titled "Terms."

2.20.050 Failure to attend meetings.

If any commissioner fails to attend three meetings of the commission scheduled in any fiscal year without any such absence being excused by the mayor, his or her office as commissioner shall automatically and immediately become vacant.

(Ord. 469 § 2, 1983; Ord. 268 § 5, 1955)

(Ord. No. 735, § 1, 10-20-2015; Ord. No. 760 , § 1, 6-4-2019)

2.20.055 Bylaws.

The planning commission is authorized and directed to prepare and adopt such bylaws as it determines appropriate to guide the conduct of commission business. Such bylaws shall be adopted by a majority of the planning commission and shall be forwarded to the city council for approval. City council may at any time, by a majority vote of the city council, direct revisions to the planning commission bylaws as determined necessary and appropriate by the city council. Lacking any such direction the planning commission bylaws shall be considered valid and in effect.

(Ord. No. 735, § 1, 10-20-2015)

AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Consideration of the Following for the Historic Waterfront Business Improvement District:

- A. Council Adoption of Resolution No. 2021-__ Reauthorizing and Renewing the Historic Waterfront Business Improvement District and the Assessment Levy for the District; and
- B. Council Adoption of Resolution No. 2021-__ Approving the Proposed Calendar-Based Fiscal Year 2022 Operating Budget for the Suisun City Historic Waterfront Business Improvement District.

FISCAL IMPACT: Reauthorization of the BID assessments has no fiscal impact on the City General Fund as these assessments are paid by businesses within the District.

STRATEGIC PLAN IMPACT: Revitalize Downtown Waterfront District.

BACKGROUND: Per City Ordinance No. 667, enacted April 18, 2003, the Main Street Waterfront Business Improvement District, commonly known as the Suisun City Historic Waterfront Business Improvement District (the “District”), was established. The District is a non-profit organization created at the request of downtown merchants to promote improved business conditions and marketing of downtown Suisun City. Under procedures described in the California Streets and Highways Code, the City, on behalf of the District, levies assessments on those businesses within the District area (see attached map) for use in various marketing and improvement activities, as determined beneficial by the District board. Each year since 2003, the Council has reauthorized the continued operation of the District. On December 7, 2021, the City Council set the Public Hearing and requested staff to publish the public notice and notify each business owner (within the BID) of such meeting.

STAFF REPORT: In order for the BID to continue operation, the City Council must adopt a resolution of reauthorization.

1. Protest Hearing

A Public Hearing is required by law to review any written protests to the proposed re-authorization of the District, the assessment levy or any specific expenditure. If written protests from businesses representing more than 50 percent of the District’s collected assessments are received, State Law requires the City Council to initiate proceedings to eliminate the District and its assessment, or the specific expenditure listed in the protests.

As of preparation of this report, Staff was unaware of any effort or intent of any businesses within the District to collect such written protests. Staff will advise the City Council at the hearing whether written protests have been submitted.

PREPARED BY:

Kris Lofthus, Recreation, Parks, and Marina Director

REVIEWED/APPROVED BY:

Greg Folsom, City Manager

2. Consider Renewing the District

The City Council annually considers adoption of a resolution renewing the establishment of the District, as described in Ordinance 667. The resolution describes the boundaries of the District, the general purposes for which assessments may be used, and three benefit zones with associated assessment rates according to business type.

The descriptions of the District were included in the Resolution of Intent mailed to all businesses subject to the assessment and known to the City. The District proposes to continue the boundaries, uses of funds, benefit zones and assessment rates that have existed since the District was formed with no changes.

3. Review and Approve the Proposed District Budget

State law and City Code require the District to submit at least annually a proposed budget for review and approval by the City Council. Last month, the District submitted its 2019 Annual Report and Proposed 2020 Budget to City staff for review. The reports were distributed for review by the City Council and the City Manager's Office. A copy of the reports were also filed with the City Clerk to be maintained for public review.

According to City Code Section 3.40.110, the City Council must annually review and approve the District budget prior to the start of the fiscal year. However, the City Council's role is described in City Code and MOU as one of general oversight:

“City shall not adopt, modify or otherwise amend any Fiscal Year budget of the District that is inconsistent in any way with said Fiscal Year's budget as agreed to and presented by the BID Board except in the case of a written majority protest ... from business owners...”.

“Decisions of the BID Board regarding expenditure of all funds generated under this program shall be final.”

The City Council is empowered to approve or disapprove the District budget. In the event the City Council wishes to recommend changes in the budget, such direction should be delineated and consideration of the budget resolution continued to allow the District board to consider amending its budget accordingly. Though the District may not spend additional resources without an approved budget, renewal of the assessment will allow the Finance Department to collect the assessments with the business license renewals, and hold the proceeds until such time as a District budget is approved.

RECOMMENDATION: It is recommended that the City Council:

1. Conduct a Public Hearing to receive any protests against renewal of the District, the assessment or any portion of the proposed District budget; and
2. Adopt Resolution No. 2021-__: Reauthorizing and Renewing the Historic Waterfront Business Improvement District and the Assessment Levy for the District; and
3. Adopt Resolution No. 2021-__: Approving the Proposed Calendar-Based Fiscal Year 2022 Operating Budget for the Suisun City Historic Waterfront Business Improvement District.

ATTACHMENTS:

1. Resolution No. 2021-__: Reauthorizing and Renewing the Historic Waterfront Business Improvement District and the Assessment Levy for the District; and
2. Resolution No. 2021-__: Approving the Proposed Calendar-Based Fiscal Year 2022 Operating Budget for the Suisun City Historic Waterfront Business Improvement District.
3. Proposed 2022 Budget with Adopted 2021 Budget and Actuals
4. City Ordinance No. 667
5. Power Point Presentation

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
REAUTHORIZING AND RENEWING THE HISTORIC WATERFRONT BUSINESS
IMPROVEMENT DISTRICT AND THE ASSESSMENT LEVY FOR THE DISTRICT**

WHEREAS, the California Streets and Highways Code Section 36500 *et seq.* authorizes cities to establish parking and business improvement areas for the purpose of promoting economic revitalization and physical maintenance of business districts in order to create jobs, attract new business and prevent erosion of the new business district; and

WHEREAS, The Main Street-Waterfront Business Improvement District, commonly known as the Suisun City Historic Waterfront Business Improvement District (District), was formed, at the request of the Main Street-Waterfront Business Improvement District Formation Committee (Committee), by City Council approval of City Ordinance No. 667 on April 18, 2003; and

WHEREAS, at the request of the Committee, Ordinance No. 667 established an annual special assessment on all businesses within the District, which said assessment must be renewed annually by City Council; and

WHEREAS, the District Board of Directors (Board) has requested the Suisun City Council renew the special assessment on all businesses within the District; and

WHEREAS, renewal of the special assessment may occur only after City Council conducts a noticed public hearing pursuant to the Parking and Business Improvement District Area Law of 1989, Part 6 (commencing with Section 36500) of Division 18 of the California Streets and Highways Code; and

WHEREAS, said public hearing has been held and the City Council has heard and considered all oral and written protests and other comments regarding such proposed actions; and

WHEREAS, protests in writing from businesses in the District paying 50% or more of the proposed assessment have not been received; and

WHEREAS, this City Council has now determined to re-authorize the imposition of a benefit assessment for the District; and

WHEREAS, in the opinion of this City Council, the businesses within the District will be benefited by the expenditure of the funds raised by the assessments levied hereby in the manner prescribed herein; and

WHEREAS, the assessments or charges levied on businesses pursuant to this Ordinance shall be levied, to the maximum extent feasible, on the basis of the estimated benefit to the businesses within the District.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Suisun City does hereby determine that:

1. The recitals set forth herein are true and correct.
2. The City Council does, at the request of the Board, and pursuant to the California Streets and Highways Code, declare its intent to consider reauthorizing and renewing the "Main Street-Waterfront Business Improvement District" (District).

3. The boundaries of the entire area to be included in the District, and the boundaries of each separate benefit zone within the District, are set forth in the Map, EXHIBIT A, incorporated herein by reference. A true and correct copy of the map is on file with the City Clerk of the City of Suisun City.
4. The types of improvements and activities proposed to be funded by the levy of assessments on business in the District are in EXHIBIT B hereto and incorporated by reference.
5. The City Council intends to consider reauthorizing the District and renewing the levy of an annual benefit fee on businesses in the District to pay for selected improvements and activities of the District.
6. All funds of the District shall be expended on improvements and activities within the District.
7. The method and the basis for levying the benefit fee on all the businesses within the District are set forth in the EXHIBIT C hereto, incorporated herein by reference.
8. The Annual Benefit fees shall be incorporated into the City Business License fee for those businesses within the District and shall be due and payable as part of obtaining the required City Business License pursuant to City Code Title 5.
9. A public hearing to consider re-authorization of the District was held on **December 21, 2021, at 6:30 p.m.** before the City Council of the City of Suisun City, at the City Council Chambers at 701 Civic Center Blvd., Suisun City, CA 94585.
10. At the public hearing, the testimony of all interested persons, for or against the establishment of the District, interested in matters concerning the boundaries of the District, the areas of benefit within the District and the assessments to be levied, were be heard.
11. A protest against the District, or any aspect of it, may be made orally or in writing. An oral protest shall be made at the said public hearing. To count in the majority protest against the District, a protest must be in writing. A written protest may be withdrawn from record at any time before the conclusion of the public hearing. Each written protest shall contain a written description of the business in which the person signing the protest is interested, sufficient to identify the business, and its address. If the person signing the protest is not shown on the official records of the City of Suisun City as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business. Any written protest as to the regularity or sufficiency of the proceedings shall be in writing and clearly state the irregularity or defect to which objection is made.
12. If, at the conclusion of the public hearing, there are of record, written protest by the owners of the businesses within the District that will pay fifty percent (50%) or more of the total assessments of the entire District, no further proceedings to create the District shall occur. New proceedings to reauthorize and renew the District and levy the benefit assessment fee shall not be undertaken again for a period of at least one (1) year from the date of the finding of the majority written protest by the City Council. If the majority written protest is only as to an improvement or activity proposed, then that type of improvement or activity shall not be included in the District.

13. Further information regarding the proposed Main Street-Waterfront Business Improvement District may be obtained from the City Clerk of the City of Suisun City, at Suisun City Hall, 701 Civic Center Blvd., Suisun City, CA, and or by calling (707) 421-7309.

14. The City Clerk noticed the public hearing as follows:

- a. Published the Resolution of Intention in a newspaper of general circulation in the City of Suisun City once, at least ten (10) days before the hearing.
- b. Mailed a complete copy of this Resolution of Intention to each and every business owner in the District within seven (7) days of the adoption of the Resolution of Intent.

15. This Resolution is effective on its adoption.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City held on Tuesday the 21st of December, 2021 by the following vote:

AYES:	Council Members:	_____
NOES:	Council Members:	_____
ABSENT:	Council Members:	_____
ABSTAIN:	Council Members:	_____

WITNESS my hand and the seal of said City this 21st day of December, 2021.

Anita Skinner
City Clerk

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RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
APPROVING THE PROPOSED CALENDAR-BASED FISCAL YEAR 2022
OPERATING BUDGET FOR THE MAIN STREET WATERFRONT BUSINESS
IMPROVEMENT DISTRICT**

WHEREAS, the City Council has passed Ordinance No 667 establishing the Main Street-Waterfront Business Improvement District, commonly known as the Suisun City Historic Waterfront Business Improvement District (District); and

WHEREAS, said Ordinance requires the District to present its annual budget to the City of Suisun City for review and approval; and

WHEREAS, the City Council of the City of Suisun City has reviewed the proposed District budget; and

WHEREAS, the City Council desires to promote and assist the District to insure the success of the projects and programs of the District.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Suisun City does hereby approve the calendar year 2022 operating budget for the District.

BE IT FURTHER RESOLVED, that the City Council of the City of Suisun City authorizes the City Manager to take all appropriate and necessary actions to ensure implementation of this Resolution.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City held on Tuesday the 21st of December, 2021 by the following vote:

AYES:	Council Members:	_____
NOES:	Council Members:	_____
ABSENT:	Council Members:	_____
ABSTAIN:	Council Members:	_____

WITNESS my hand and the seal of the City of Suisun City this 21st day of December 2021.

Anita Skinner
City Clerk

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Suisun Historic Waterfront BID							
2021 Budget DRAFT							
					2021 Adopted Budget	Actual 1-1-21/ 10-31-21	2022 Proposed Budget
	Ordinary Income/Expense						
		Income					
		REVENUE					
			Mothers Day Income		10,000.00	0.00	10,000.00
			Business Assessments		11,875.00	10,400.00	10,400.00
			Art Wine Income		10,000.00	13,562.00	14,000.00
		Total REVENUE			31,875.00	23,962.00	34,400.00
			Transfer from reserve		12,000.00	12,000.00	8,000.00
	Total Income				43,875.00	35,962.00	42,400.00
	Expense						
		Advertising Expense					
			Electronic Media		650.00	1,471.32	650.00
			Print Media		1,500.00	1,000.00	1,500.00
			Social Media Campaigns		600.00	500.00	600.00
			Marketing Program		11,250.00	1,076.12	10,000.00
		Total Advertising Expense			14,000.00	4,047.44	12,750.00
	Event Expenses						
			Art, Wine & Chocolate Festival		2,500.00	7,281.32	8,000.00
			Mothers Day Craft Faire		2,500.00	0.00	2,500.00
			Restaurant Week		2,000.00	500.00	2,000.00
			BID Mixer		600.00	0.00	600.00
		Total Event Expenses			7,600.00	7,781.32	13,100.00
	Operating Expenses						
			Accounting Fees		1,200.00	1,878.00	1,800.00
			Bank Charges		35.00	162.10	200.00
			Contract Labor		3,000.00	1,200.00	800.00
			Insurance		2,000.00	2,020.44	2,100.00
			Miscellaneous Expenses (banners, etc)		700.00	460.00	700.00
			Office Supplies		450.00	1,071.18	600.00
			Postage, shipping, delivery		400.00	0.00	300.00
			Tax Preparation		550.00	650.00	650.00
			Taxes		200.00	0.00	200.00
			Web Hosting & Upgrades		495.00	450.00	495.00
		Total Operating Expenses			9,030.00	7,891.72	7,845.00
		Beautification - Cleanup			14,400.00	10,260.00	8,000.00
		Total Expense			45,030.00	29,980.48	41,695.00
	Net Ordinary Income				-1,155.00	5,981.52	705.00
Net Income					-1,155.00	5,981.52	705.00

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ORDINANCE NO. 667

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY,
CALIFORNIA, ADDING A CHAPTER TO THE SUISUN CITY MUNICIPAL CODE
ESTABLISHING THE MAIN STREET-WATERFRONT BUSINESS
IMPROVEMENT DISTRICT.**

WHEREAS, on February 4, 2003, the Suisun City Council, (the "City"), adopted Resolution No. 2003-03 (the "Resolution"), declaring its intention to establish a Parking and Business Improvement District (hereinafter referred to as the "District"), to levy a benefit assessment on all businesses, trades, professions, and vendors within said District, the proceeds of which shall be used for the public purposes herein described to benefit the businesses in the District, pursuant to the Parking and Business Improvement Area Law of 1989, Part 6 (commencing with Section 36500) of Division 18 of the California Streets and Highways Code (the "Act"); and,

WHEREAS, pursuant to the Act and the Resolution, City conducted a public hearing, after having given due notice thereof as required by law, on March 4, 2003, at 7:00 p.m., at Suisun City Hall, 701 Civic Center Blvd, Suisun City, CA 94585; and,

WHEREAS, said public hearing has been held and the City Council has heard and considered all oral and written protests and other comments regarding such proposed actions; and,

WHEREAS, protests in writing from businesses in the proposed District paying 50% or more of the proposed assessment have not been received; and,

WHEREAS, this City Council has now determined to establish the proposed District as a Parking and Business Improvement District, to provide for the imposition of a benefit assessment and to adopt an ordinance to such effect; and,

WHEREAS, in the opinion of this City Council, the businesses within the District will be benefited by the expenditure of the funds raised by the assessments levied hereby in the manner prescribed herein; and,

WHEREAS, this City Council may, for each of the purposes set forth in Section 36510 & 36513 of the Act, establish one or more separate benefit zones based upon the degree of benefit derived from the formation of the District, and may impose a tiered assessment or charge within each of the benefit zones; and,

WHEREAS, all provisions of the Act applicable to the establishment, modification, or disestablishment of a District shall apply to the establishment, modification, or disestablishment of benefit zones pursuant to the Act, and the establishment or the modification of any benefit zone shall follow the same procedure as provided for under the establishment of a Parking and Business Improvement District; and the disestablishment of a

benefit zone shall follow the same procedure as provide for disestablishment of a District; and,

WHEREAS, upon the request of the BID Establishment Committee, this City Council shall commence the proceedings required by law to amend the boundaries, assessments or charges established pursuant to this Ordinance subject to approval of the Board of Directors of the District as expressly provided for herein; said modifications being made pursuant to the procedural requirements of the Act, but no assessment or charge shall be modified which would impair the ability of the District to meet the obligations of a contract to construct or operate physical improvements in the District; and,

WHEREAS, adjustments may be made in the assessments or charges to businesses in the District, or in the uses to which the revenue shall be put, as specified in this Ordinance and subject to Board approval, provided such changes are made by a supplemental Ordinance adopted after a hearing before the City Council; and,

WHEREAS, for purposes of the assessments or charges to be imposed pursuant to this Ordinance, this City Council may make a reasonable classification of businesses, giving consideration to various factors, including general benefit to businesses and the degree of benefit received from District programs; and,

WHEREAS, the assessments or charges levied on businesses pursuant to this Ordinance shall, to the maximum extent feasible, be levied on the basis of the estimated benefit to the businesses within the District.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUISUN CITY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I.

Title 3, Chapter 3.40 Sections 3.40.10 – 3.40.160, inclusive, of the Suisun City Code are hereby added as follows:

MAIN STREET-WATERFRONT BUSINESS IMPROVEMENT DISTRICT.

3.40.10 Resolution of Intention, Public Hearing and Findings.

The Recitals hereof, which set forth facts regarding the adoption of Council Resolutions, the conduct of public hearings and certain findings of the City Council, are true and correct and incorporated herein by reference.

3.40.20 Definitions.

In order to distinguish between District businesses and for the purpose of calculating and applying the amount of assessments owed, the following definitions shall apply:

(a) Retail Businesses: "Retail Businesses" include all businesses not covered by other definitions set out in this section, at least fifty percent (50%) of whose gross income is derived from "retail sales" as that term is defined under the

1 California Sales and Use Tax Law. The fact that a substantial part of its business
2 consists of sales other than retail sales does not exclude said business from this
3 classification so long as such other business component does not account for more
4 than fifty percent (50%) of said business' gross income;

(b) Restaurants: "Restaurant" businesses include cafes, eating
5 establishments, sandwich shops, dinner houses, restaurants and fast food services
6 and other similar businesses;

(c) Sales and Service: "Sales and Service" businesses include businesses
7 that combine retail and product services. Examples are appliance stores, most
8 automotive-oriented businesses, repair shops, repairing and servicing businesses
9 and service stations. Other businesses of a general service-type nature such as
10 general office, news and advertising media, printers, renting and leasing businesses,
11 utilities, vending machine businesses, household finance companies, entertainment
12 businesses and other similar businesses not otherwise included in categories a, b, d,
13 e, f, or g are included in this section;

(d) Personal Care Salons: Includes beauty salons, barber shops, tanning
14 salons, etc.

(e) Lodging: "Lodging" businesses include inns, hotels, motels, RV Parks
15 and other similar businesses;

(f) Professional: "Professional" includes attorneys, architects, accountants,
16 engineers, surveyors, physicians, dentists, optometrists, chiropractors and others in
17 a medical / health service field, consultants, real estate brokers, financial advisors,
18 laboratories (including dental and optical), hearing aid services, artists,
19 photographers and designers.

(g) Financial: Banks, savings & loans, credit unions, etc.

(h) Calendar Year: "Calendar Year" means January 1st to and including
20 December 31st of the same year.

(i) Billing Period: "Billing Period" shall refer to the Fiscal Year period
21 beginning on July 1 and ending on June 30 of the following year.

22 3.40.30 Establishment of Boundaries.

23 A Parking and Business Improvement District is hereby established pursuant to the
24 Parking and Business Improvement Area Law of 1989, Streets and Highways Code
25 Section 36500 et seq. The boundaries of the District and the benefit zones within
26 the District shall be as set forth on Exhibit "A", attached hereto and incorporated
27 herein by reference. This District shall be known as the "MAIN STREET-
28 WATERFRONT BUSINESS IMPROVEMENT DISTRICT" (the "District").

3.40.40. Establishment of District Board of Directors.

There shall be a Board of Directors ("BID Board") of the District to administer the
affairs of the District. Said Board shall be constituted of businesses within the
District. Within the BID Board there shall be a President, Vice-President,
Secretary and Treasurer elected by the membership, and such other officers as
deemed necessary by the Board. Such other officers shall be appointed by the
Board of Directors at their discretion.

3.40.50 Establishment of Benefit Assessment.

All businesses, trades, and professions located within the District boundaries shown on Exhibit "A" shall, commencing on July 1, 2003, pay an annual benefit assessment to the District in the following amounts:

DISTRICT ASSESSMENT FORMULA

Proposed Benefit Fee Formula Matrix:

	ZONE A	ZONE B	ZONE C
Retailers and Restaurants	\$400	\$300	\$200
Service Businesses	\$300	\$200	\$150
Lodging	\$ 10 per room	\$ 10 per room	\$ 10 per room
Professional Businesses	\$200	\$150	\$100
Financial Institutions	\$500	\$500	\$500

Business Type Definitions:

Retail and Restaurant: Businesses that buy and resell goods, examples are clothing stores, shoe stores, office supplies as well as businesses that sell prepared foods and drinks.

Service Businesses: Businesses that sell services. Examples are beauty and barber shops, repair shops, most automotive-oriented businesses, entertainment businesses such as theaters, etc.

Lodging: Includes renting rooms by the day or week to community visitors.

Professional Businesses: Includes Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and/or specialized licenses and/or advanced academic degrees.

Financial Institutions: Includes banking and savings and loan institutions as well as credit unions, etc.

1 3.40.60 Purpose and Use of Benefit Assessments.

2 The types of improvements and activities proposed to be funded by the levy of
3 assessments on businesses in the District are as follows:

4 a. The acquisition, construction, installation, or maintenance of any tangible
5 property with an estimated useful life of five years or more including, but not
6 limited to, the following improvements:

- 7 (1) Benches;
- 8 (2) Trash receptacles;
- 9 (3) Decorations;
- 10 (4) Facade improvements;
- 11 (5) Permanent landscaping

12 b. Activities including but not limited to the following:

- 13 (1) promotion of public events which benefit businesses in the area and
- 14 which take place on or in public places within the area;
- 15 (2) Furnishing of music in any public place in the area;
- 16 (3) Activities which benefit businesses located and operating in the area,
- 17 including but not limited to commercial shopping and promotional
- 18 programs.

19 3.40.70 Exclusions From Benefit Assessment.

20 No person or business shall be required to pay an assessment based on: (a) a
21 residential use of the property within the District, or (b) a non-profit organization
22 as defined by Section 501 (C) (3) or (C) (6) of the Internal Revenue Service Code
23 located within the District.

24 3.40.80. New Business Assessment Waiver.

25 Any new business established within the District shall not be required to pay an
26 assessment for the Billing Period during which said business is initiated. The
27 business will have been considered initiated on the date of issuance of the business
28 license. This waiver shall not apply to an existing business that has changed
ownership or location within the District. City agrees to supply the BID Board
with timely information regarding new businesses initiated within the District.

3.40.90. Collection of Benefit Assessment.

The benefit assessment authorized by this Ordinance for SUISUN CITY businesses
(Section 3.40.50 hereof), shall be billed and collected each Fiscal Year on July 1.
City will bill and collect the assessments, at no charge to the District and forward
all funds collected to the BID Board within 30 days of said collections.

3.40.100 Voluntary Contributions to District.

Contributions to the District shall be permitted on a voluntary basis. The
boundaries of the District shall not be modified as a result of the contribution, nor
shall said contributing business be considered a member of the District for voting

1 or other purposes. However, said business making a voluntary contribution may be
2 entitled to participate in the programs of the District upon a finding by the BID
3 Board that the District derives a benefit from said business' participation in the
program.

4 3.40.110 Annual Budget Process.

5 Pursuant to the Act, it shall be necessary for the BID Board to present an annual
6 budget for City Council review and approval prior to the beginning of each Fiscal
7 Year. The purpose of this process is to comply with the Act provisions regarding
8 public notice and hearing prior to establishing the benefit assessments for the
9 following Fiscal Year. City shall not adopt, modify or otherwise amend any Fiscal
10 Year budget of the District that is inconsistent in any way with said Fiscal Year's
11 budget as agreed to and presented by the BID Board except in the case of a written
majority protest (regarding elimination or modification of any specific budget item)
from business owners which will pay 50% or more of the assessments proposed to
be levied as to any specific budget item pursuant to GC Section 36525 (b). In such
case the written protest regarding any specific budget item shall be grounds to
eliminate or modify said expenditure from the District's proposed budget pursuant
to the written protest.

12 3.40.120 Decisions Regarding Expenditure of Funds.

13 As provided for within the guidelines of SB 1424, decisions of the BID Board
14 regarding expenditure of all funds generated under this program shall be final.

15 3.40.130 District Proceeds Do Not Offset City Services.

16 City specifically finds and declares that the funds derived from the District shall not
17 be used to offset or diminish current maintenance, capital improvement programs,
18 including but not limited to, public property and sidewalk cleaning, street cleaning
19 and maintenance, tree maintenance, restroom cleaning and maintenance. The City
declares its intent to provide at least the same level and standard of maintenance
and repair of public property within the District providing City funds are available
from year to year.

20 3.40.140 Disestablishment of the District.

21 Proceedings to disestablish the District shall be initiated by the City Council
22 following the presentation of a petition to the City Council signed by business
23 owners paying 50% or more of the assessments levied in the District. Proceedings
24 to disestablish the District shall follow the procedures set forth in GC Section
25 36550. The City Council shall disestablish the District if, following the public
26 hearing prescribed in Section 36550 (b), written protests are not withdrawn as to
27 reduce the protests below the 50% level. In the event of disestablishment of the
28 District, remaining revenues of the District shall be refunded to paying business
owners in a pro-rata manner calculated in the same manner as was used to establish
the most recent assessments applied in the District.

3.40.150

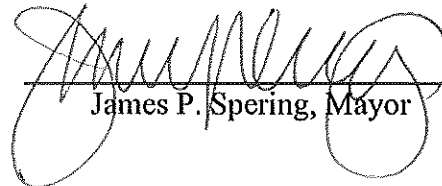
If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance, it being expressly declared that this ordinance and each section, subsection, clause and phrase hereof would have been prepared, proposed, adopted, approved and ratified irrespective of the fact that any one or more other sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

3.40.160 Effective date of Ordinance

The ordinance shall take effect upon the thirty-first (31st) day after its final passage.

SECTION II. NOTICE OF PUBLICATION

This ordinance shall be posted in two (2) public places within the City prescribed by ordinance within fifteen (15) days after its passage and published in the local newspaper of general circulation within the City.



James P. Spering, Mayor

CERTIFICATION

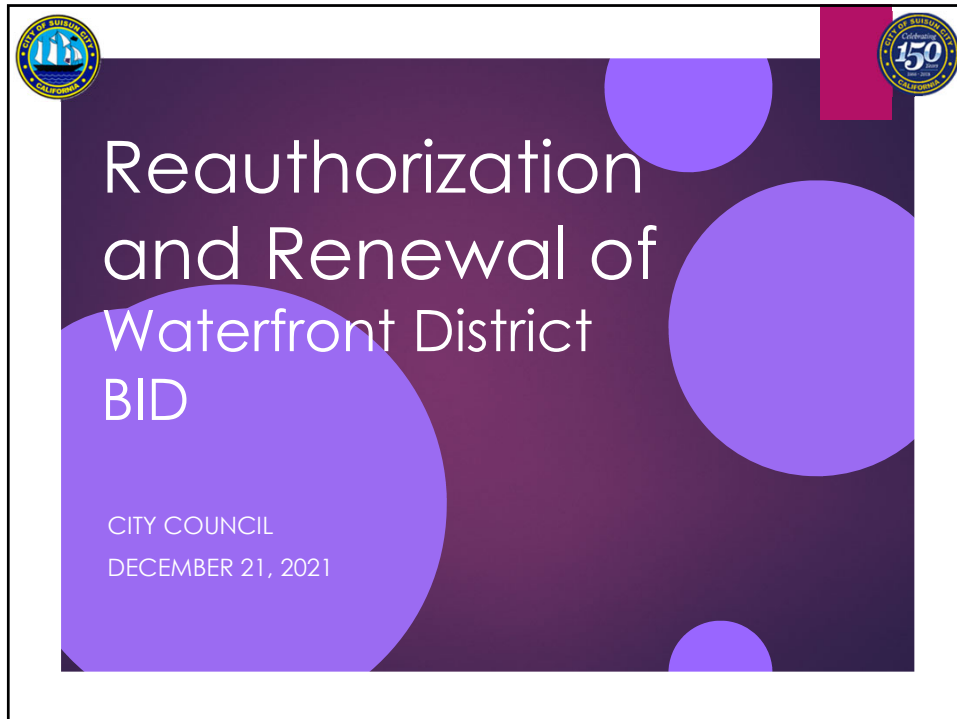
I, Linda Hobson, City Clerk of the City of Suisun City and ex-officio Clerk of the City Council of said City, do hereby certify that the above and foregoing ordinance was regularly introduced at a meeting of the said City Council held on Tuesday, March 4, 2003 and regularly passed and adopted at a regular meeting of said City Council held on Tuesday, March 18, 2003 by the following vote:

AYES:	Council Members:	Day, Sanchez, Segala, Ventura, Spering
NOES:	Council Members:	None
ABSENT:	Council Members:	None
ABSTAIN:	Council Members:	None

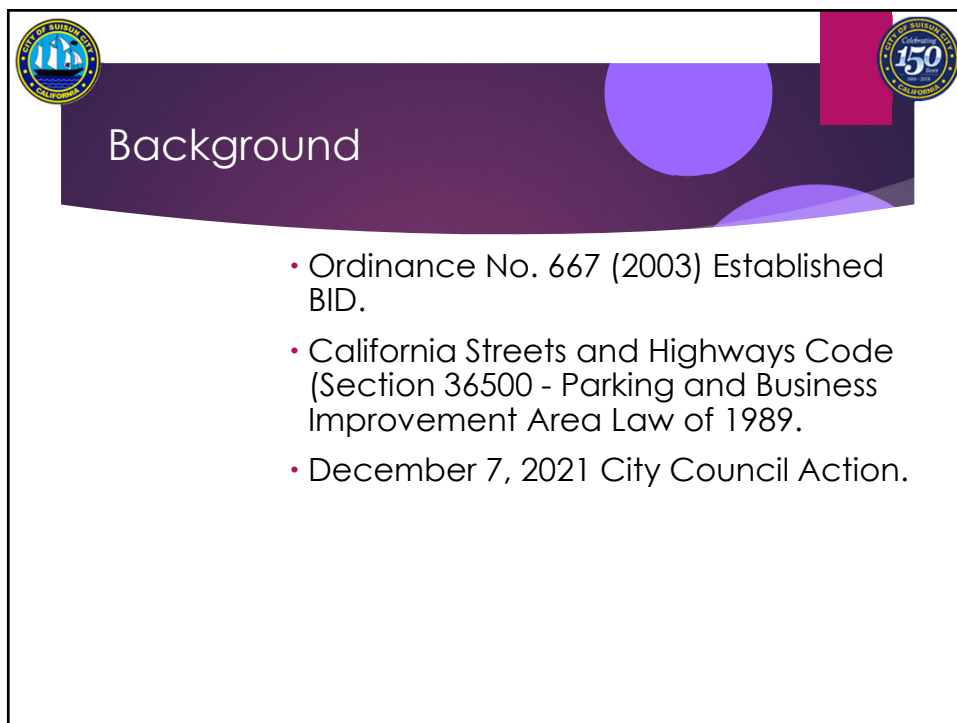
WITNESS my hand and the seal of said City this 18th day of March 2003.


Linda Hobson, City Clerk

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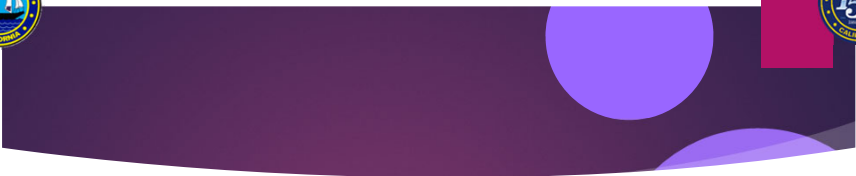




1





- Ordinance No. 667 (2003) Established BID.
- California Streets and Highways Code (Section 36500 - Parking and Business Improvement Area Law of 1989.
- December 7, 2021 City Council Action.

2



- Protest Hearing.
- Consider Renewing District.
- Review and Approve District Budget.

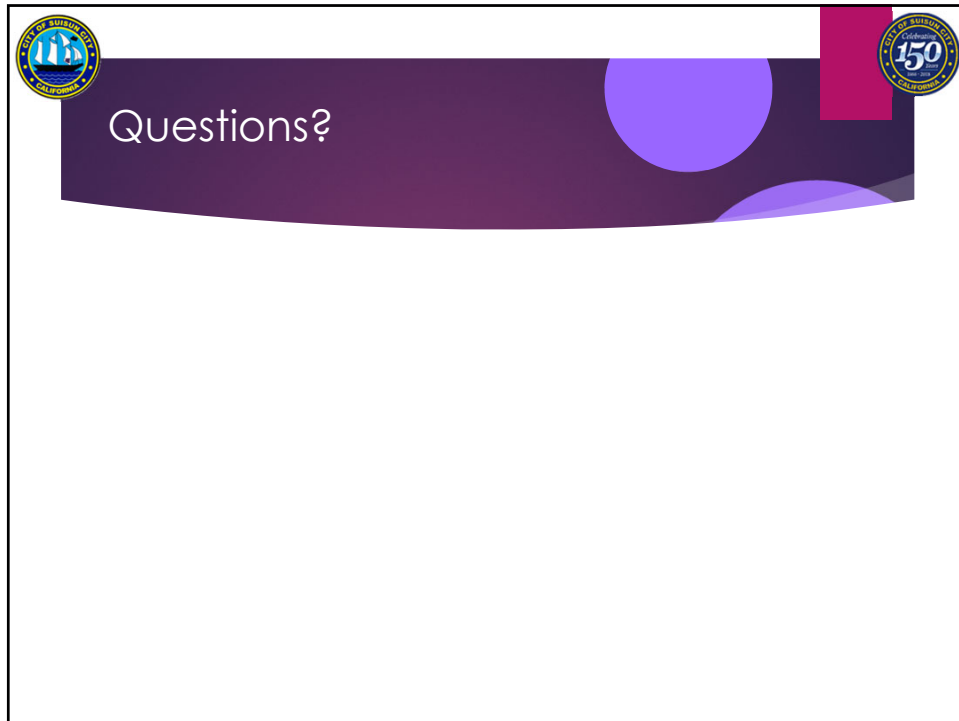
3



It is recommended that the City Council:

- ▶ Conduct a Public Hearing to receive any protests against renewal of the District, the assessment or any portion of the proposed District budget; and
- ▶ Adopt Resolution No. 2021-__: Reauthorizing and Renewing the Suisun City Historic Waterfront Business Improvement District and the Assessment Levy for the District; and
- ▶ Adopt Resolution No. 2021-__: Approving the Proposed Calendar Year 2022 Operating Budget for the Suisun City Historic Waterfront Business Improvement District.

4



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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: City Council Adoption of Resolution No. 2021 - ____: Adopting Certain Findings and the Policy Directives to Implement the Sales and Use of Safe and Sane Fireworks for 2022 as Provided in Chapter 8.04 of the Suisun City Code.

FISCAL IMPACT: Failure to approve the proposed resolution could result in the loss of approximately \$87,470 to fund the 2022 Fourth of July Celebration, as well as \$21,388.27 for fire prevention, fire education, fire investigation, and fire code enforcement associated with fireworks use.

BACKGROUND: This is an annual resolution to regulate the sales of Safe and Sane Fireworks. Specifically, certain dates and times are required to be specified in a City Council Resolution.

In 2013, Title 8, Chapter 8.04 – (“Fireworks.”) was modified to insure that future Safe and Sane Fireworks sales periods may be approved by resolution without the need for technical changes every year to the City Ordinance.

STAFF REPORT:

For one week, beginning June 28th at noon, non-profit groups are allowed to sell Safe and Sane Fireworks until July 4th at 9pm. Two fireworks booths saw a decrease while one booth saw an increase of over 40%. Overall sales of Safe and Sane Fireworks increased by 4%. An initial inspection was conducted at each booth and periodical spot checks were conducted by fire prevention personnel and engine companies. No incidents were reported by any of the non-profit groups.

In accordance with the wholesaler agreement, below you will find the breakdown of the non-profit groups payments and the monies remitted to the City.

2021 Fireworks Sales Breakdown of Payments by Non-Profit Groups

Description	Dan O Root / Armjio Hwy 12 & Marina	Suisun American Little League Sunset Center	Crystal Music Boosters Walmart Parking Lot	Totals
Cash Sales Deposited	\$67,196.00	\$52,435.00	\$43,247.99	\$ 162,878.99
Credit Card Receipts	\$126,311.49	\$114,183.53	\$95,469.39	\$ 335,964.41
Gross Sales	\$193,507.49	\$166,618.53	\$138,717.38	\$ 498,843.40
8.7375% Sales Tax	-\$13,036.28	-\$12,875.94	-\$10,719.80	\$ (36,632.02)
Retail + Regulatory Fee	\$180,471.21	\$153,742.59	\$127,997.58	\$ 462,211.38
Regulatory Fee	-\$8,326.16	-\$7,127.85	-\$5,934.26	\$ (21,388.27)
Total Retail Sales	\$172,145.05	\$146,614.74	\$122,063.32	\$ 440,823.11
TNT Fireworks Product Cost	\$97,393.91	\$80,311.99	\$69,738.96	\$ 247,444.86
Gross Proceeds	\$71,299.44	\$60,702.68	\$49,951.68	\$ 181,953.80
Split with City of Suisun				Totals
Nonprofit 50%	\$35,649.72	\$30,351.34	\$24,975.84	\$ 90,976.90
Suisun City 50%	\$35,649.72	\$30,351.34	\$24,975.84	\$ 90,976.90

PREPARED BY:

REVIEWED BY:

APPROVED BY:

Dave Bellerive, Acting Fire Marshal

Greg Renucci, Acting Fire Chief

Greg Folsom, City Manager

2021 Fireworks Sales & Regulatory Fees Remitted by Non-Profit Groups and Wholesaler

Booth Location (NP - Operator)	2021	2020	Difference
Highway 12 & Marnia (DOR/Armjio)	\$35,649.72	\$40,017.35	-10.9%
Sunset Center (S.A.L.L.)	\$30,351.34	\$21,631.47	40.3%
Walmart Parking Lot (Crystal)	\$24,975.84	\$25,821.77	-3.3%
Total	\$90,976.90	\$87,470.59	4.0%

The attached Resolution provides the applicable dates for applying the Fireworks Ordinance to the 2022 Season. These changes are made to accommodate the 2022 calendar year and include the following:

- The dates for accepting applications will be January 3rd, through February 2nd
- The date for the lottery, if needed, will be February 9^h, at 10:00 AM
- The date for execution of the Fireworks Wholesaler Distribution Agreement is May 2nd
- The no later than date for the Wholesaler Public Education Plan is May 27th
- All unsold fireworks and accompanying litter shall be cleared from the sites no later than July 6th

STAFF RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2021 -____: Adopting Certain Findings and the Policy Directives to Implement the Sales and Use of Safe and Sane Fireworks for 2022 as Provided in Chapter 8.04 of the Suisun City Code.

ATTACHMENTS:

1. Resolution No. 2021 -____: Adopting Certain Findings and the Policy Directives to Implement the Sales and Use of Safe and Sane Fireworks for 2022 as Provided in Chapter 8.04 of the Suisun City Code.
2. PowerPoint Presentation

PREPARED BY:
REVIEWED/APPROVED BY:

Dave Bellerive, Acting Fire Marshal

RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ADOPTING CERTAIN FINDINGS AND THE POLICY DIRECTIVES TO
IMPLEMENT THE SALES AND USE OF SAFE AND SANE FIREWORKS FOR 2022
AS ALLOWED BY TITLE 8, CHAPTER 8.04 OF THE SUISUN CITY CODE**

WHEREAS, the Suisun City Code has been amended to permit the sales of Safe and Sane Fireworks, and to regulate other fireworks-related activities; and

WHEREAS, the sale of Safe and Sane Fireworks has benefitted the City of Suisun City by providing local Nonprofit Organizations who work for the benefit of the community with an opportunity to raise funds; and

WHEREAS, the City Council deems it necessary to adopt Certain Findings for the sale and use of Safe and Sane Fireworks; and

WHEREAS, the City Council deems it necessary to adopt Policy Directives for the sales and use of Safe and Sane Fireworks.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Suisun City hereby finds that Fireworks stands are categorically exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines section 15311 as minor accessory structures appurtenant to existing commercial, industrial, or institutional facilities; and

BE IT FURTHER RESOLVED that the City Council of the City of Suisun City hereby adopts the following Policy Directives:

1. City Manager to Administer Fireworks Program. The City Manager is hereby directed to administer the Suisun City Fireworks Program; the City Council of the City of Suisun City authorizes the City Manager to execute any and all necessary documents pertaining to implementation of the Sales and the Use of Safe and Sane Fireworks in the City Suisun City.

2. Number of Permits. Three (3) Fireworks Sales Permits will be made available for the sale of Safe and Sane Fireworks in the City of Suisun City.

3. Filing Application for Fireworks Sales. Applications will be accepted from January 3rd, 2022 through February 2nd, 2022 until 5:00 pm.

4. Permittee Selection Process. The process for selection of permittees to hold and use Fireworks Sales Permits shall be consistent with the following policy directives:

a. Only Qualified Applicants, as that term is defined in section 8.04.010 of the Suisun City Code, shall be eligible to submit an application for a permit. Applicants are qualified on the basis of the following criteria:

i. Organizations that have proved they are qualified by documentation of charitable nonprofit status with the State and IRS 501(c)(3). The organization bylaws or Articles of incorporation shall state organized for a charitable, educational, religious, or scientific purposes, and a nonprofit organization.

ii. Charitable organizations "Primarily Serving Suisun City Residents and Businesses," as that phrase is defined in the Municipal Code, and are

organized primarily to benefit youth, schools, veterans, or local businesses in Suisun City shall be given preference in the first lottery drawing.

iii. The organization has at least 10 members that will staff the booth and a plan to keep the booth open for the full sales period.

iv. Organizations with less than 10 members shall produce an agreement with another nonprofit organization for a joint application.

b. The lottery shall take place at a time, place, and manner determined by the Fire Chief in accordance with the administrative rules and procedures adopted by the Fire Chief. In 2022, the lottery will be held on February 9th, at 10:00 am in the Council Chambers.

i. If three (3) or more organizations with the above preference apply, these organizations will be drawn in a lottery to determine selection for available permits.

ii. The choice of fireworks stand sites will be drawn separately after the permits have been determined.

c. After the authorized number of permits has been awarded, the remaining qualified applicants shall be drawn in a second lottery as alternates. Each alternate, according to the order drawn, shall be offered a permit if one of the original permittees cannot meet the requirements of this Chapter or if a permittee voluntarily surrenders its permit.

5. Fireworks Wholesaler—Distribution Agreement.

a. All fireworks wholesalers who seek to do business in the City and supply a contract with applicants for fireworks booth permits in the city shall enter into and execute a fireworks wholesaler distribution agreement with the City no later than May 2nd, 2022.

6. Fireworks Wholesaler Public Education Plan.

a. Each fireworks distributor/wholesaler supplying one or more nonprofit organizations who are permittees under this chapter, shall submit a public education plan to the City by no later than 5:00 pm on May 27th, 2022.

7. Locations of Fireworks Stands. Fireworks stand locations will be approved by the City Manager.

8. Fireworks Stands. Fireworks stands may be put in place by the permittee no earlier than 8:00 a.m. on June 21, 2022.

Signs for fireworks sales shall be displayed no earlier than seven (7) days before the approved start of sales, June 28, 2022, and must be removed four (4) days after the fireworks sales period ends July 8, 2022.

All unsold fireworks and accompanying litter shall be cleared from the location by 5:00 p.m. two (2) days after the fireworks sales period ends, July 6, 2022.

1 The fireworks stand shall be removed from the temporary location by 12:00 p.m. on July 10,
2 2022.

3 **9. Permissible Hours of Sale.** Dates and hours of the sale of "Safe and Sane Fireworks" shall
4 begin no earlier than 12:00 noon on June 28 and shall not continue after 9:00 pm on July 4 of
5 the same year. Sale of fireworks shall be permitted only from 12:00 noon to 9:00 pm on June
6 28 and from 9:00 am to 9:00 pm daily June 29 through July 4.

7 **10. Permissible hours of use.** It shall be unlawful to discharge any "Safe and Sane
8 Fireworks" except during the hours of 9:00 am to 10:00 pm June 28 through July 5, 2021.

9 **PASSED AND ADOPTED** at the Regular Meeting of the City Council of the City of
10 Suisun City duly held on December 21, 2021, by the following vote:

11 **AYES:** Council Members:

12 **NOES:** Council Members:

13 **ABSENT:** Council Members:

14 **ABSTAIN:** Council Members:

15 **WITNESS** my hand and the seal of said City this 21st day of December 2021.

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Anita Skinner
City Clerk

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2021 Firework Sales Regulatory Fee & Wholesaler Split			
Non-Profit Group	Gross Split	Regulatory Fee	Totals
Dan O Root / Armijo	\$35,649.72	\$8,326.16	\$43,975.88
Suisun American Little League	\$30,351.34	\$7,127.85	\$37,479.19
Crystal Music Boosters	\$24,975.84	\$5,934.26	\$30,910.10
Total	\$90,976.90	\$21,388.27	\$112,365.17

Tuesday, December 21, 2021

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Regulatory Fee & Wholesaler (Increase/Decrease)

Booth Location (NP - Operator)	2021	2020	Difference
Highway 12 & Marina (DOR/Armijo)	\$43,975.88	\$49,557.37	-11.3%
Sunset Center (S.A.L.L.)	\$37,479.19	\$27,098.75	38.3%
Walmart Parking Lot (Crystal)	\$30,910.10	\$32,202.75	-4.0%
Total	\$112,365.17	\$108,858.87	23.0%

Tuesday, December 21, 2021

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Summary

A 4% overall sales increase.

Per Council request, A-frame boards were displayed at all booth locations in English, Spanish, and Tagalog.

Per community request, lawn signs were available and distributed.

Additional message boards were added to provide illegal fireworks information at all six (6) entrances into Suisun City.

No fire related incidents relating to the fireworks booths were recorded.

Tuesday, December 21, 2021

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AGENDA TRANSMITTAL

MEETING DATE: December 21, 2021

CITY AGENDA ITEM: Consider Resolution No. 2021-____. A resolution authorizing the City Manager to enter into a funding agreement to extend FAST bus routes 5 and 6 in Suisun City at 100% through March 2022 and at a 75% reduction from April through December 2022.

FISCAL IMPACT: There is no fiscal impact to the General Fund. Federal Transit Administration Section 5307 funding will be used to fund this extension.

STRATEGIC PLAN IMPACT: Ensure Public Safety

BACKGROUND: The City has participated in the Fairfield and Suisun Transit (FAST) fixed route bus system for many years. Based on new technology and trends in transit, Suisun City will be transitioning to microtransit to service the public transportation needs within the city. In a public hearing on October 19, 2021, the City Council declared their intention to end bus routes 5 and 6 within Suisun City as of the end of the year. On November 2, 2021, the City agreed to modify the Lyft program as a transition to microtransit.

STAFF REPORT: STA had been developing several service options to replace Routes 5 and 6 in Suisun City, including partnering with Rio Vista Delta Breeze. Upon further investigation, STA found the contract would need to include a modification through CalTrans that would not be available in time to begin service on January 1, 2022.

To assist with this situation, FAST agreed to continue providing fixed route transit at current service levels through March 31, 2022. From April-December 2022, FAST has also agreed to continue providing limited service in Suisun City to ensure Suisun City children have alternative transportation available to get to and from school. FAST will also continue to provide DART paratransit through December 31, 2022. The cost to continue providing the services described above is \$613,000.

STA, FAST, and Suisun City staff negotiated using Federal Transit Administration Section 5307 funding to compensate FAST for operating routes 5 and 6 in Suisun City through calendar year 2022. The STA Board considered this funding use at their Board meeting on December 8th and approved the funding unanimously. Suisun City, FAST, and STA will enter into a funding agreement outlining the services FAST will be providing.

RECOMMENDATION: It is recommended that the City Council:

1. Consider Adoption of Resolution No. 2021-____: City Council of the City of Suisun City approves a resolution authorizing the City Manager to enter into a funding agreement to extend FAST bus routes 5 and 6 in Suisun City at 100% through March 2022 and at a 75% reduction from April through December 2022.

PREPARED /APPROVED BY:

Greg Folsom, City Manager

ATTACHMENTS:

1. Resolution No. 2021-___: City Council of the City of Suisun City approves a resolution authorizing the City Manager to enter into a funding agreement to extend FAST bus routes 5 and 6 in Suisun City at 100% through March 2022 and at a 75% reduction from April through December 2022.

RESOLUTION NO. 2021-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE CITY MANAGER TO ENTER INTO A FUNDING
AGREEMENT TO EXTEND FAST BUS ROUTES 5 AND 6 IN SUISUN CITY AT
100% THROUGH MARCH 2022 AND AT A 75% REDUCTION FROM APRIL
THROUGH DECEMBER 2022**

WHEREAS, the City of Suisun City is moving toward Micro Transit for the provision of public transportation; and

WHEREAS, due to funding limitations the Suisun City Council had previously deceive that the Fairfield and Suisun Transit (FAST) would no longer be providing Route 5 and 6 fixed route bus service as of January 1, 2022; and

WHEREAS, FAST has offered to continue providing fixed route transit at current service levels through March 31, 2022 and to continue providing limited service in Suisun City from April-December 2022 to ensure Suisun City children have alternative transportation available to get to and from school for a cost of \$613,000; and

WHEREAS, the Solano Transportation Authority Board of Directors unanimously approved the request by FAST to utilize Federal Transit Administration Section 5307 funding to compensate FAST for operating routes 5 and 6 in Suisun City through calendar year 2022; and

WHEREAS, there is now funding available to continue operating FAST routes 5 and 6 without financially impairing the City of Suisun City.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manager to enter into a funding agreement to extend FAST bus routes 5 and 6 in Suisun City at 100% through March 2022 and at a 75% reduction from April through December 2022.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City duly held on Tuesday, the 21st day of December 2021, by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 21st day of December 2021.

Anita Skinner
City Clerk