

AGENDA
REGULAR MEETINGS
OF THE
ROCKLIN OVERSIGHT BOARD

June 19, 2017

TIME: 4:00 PM

PLACE: Council Chambers, 3970 Rocklin Road, Rocklin
www.rocklin.ca.us

AS A COURTESY TO ALL, PLEASE TURN OFF ALL CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING.

In compliance with the Americans with Disabilities Act, the City of Rocklin encourages those with disabilities to participate fully in the public hearing process. If you have a special need in order to allow you to attend or participate in our public meeting and public hearing processes, including receiving notices, agendas, and other writings in appropriate alternative formats, please contact our office at (916) 625-5233 well in advance of the public meeting or public hearing you wish to attend so that we may make every reasonable effort to accommodate you.

- 1. MEETING CALL TO ORDER**
- 2. APPROVE REGULAR MEETING OF THE ROCKLIN OVERSIGHT BOARD MINUTES OF JANUARY 18, 2017**
- 3. RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2017 - DECEMBER 31, 2017**
- 4. SALE OF SUCCESSOR AGENCY-OWNED PROPERTY AT BIG GUN SITE LOCATED SOUTH OF PACIFIC STREET AND SALE OF SUCCESSOR AGENCY-OWNED PROPERTY AT ROCKLIN ROAD/PACIFIC SITE**
 - A. RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD APPROVING AND DIRECTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN TO SELL FORMER REDEVELOPMENT AGENCY PROPERTY (BIG GUN SITE)**

Any writing related to an agenda item for the open session of this meeting distributed to the Rocklin Oversight Board, less than 72 hours before this meeting is available for inspection in the Economic & Community Development Dept., 1st floor of City Hall, 3970 Rocklin Road, Rocklin, during normal business hours. These writings will also be available for review at the Board meeting in the public access binder, located in the City Council Chambers, 2nd floor of City Hall, 3970 Rocklin Road, Rocklin.

- B. RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD APPROVING AND DIRECTING THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN TO SELL FORMER REDEVELOPMENT AGENCY PROPERTY (ROCKLIN ROAD/PACIFIC STREET SITE)

- 5. **RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN APPROVING THE TERMINATION OF GROUND LEASE FOR FORMER REDEVELOPMENT AGENCY PROPERTY**

- 6. **PUBLIC COMMENTS**

- 7. **FUTURE AGENCY ITEMS**

- 8. **NEXT BOARD MEETING**

- 9. **ADJOURNMENT**



MINUTES
REGULAR MEETING OF THE
ROCKLIN OVERSIGHT BOARD

01/18/2017

TIME: 4:00 PM

PLACE: City Council Conference Room, 3970 Rocklin Road, Rocklin

www.rocklin.ca.us

1. Call to Order

The Rocklin Oversight Board meeting was called to order at 4:01 p.m. by Chair Jerry Mitchell. Board members present were Jerry Mitchell, Ricky Horst, Todd Lowell, Bill Halldin, Scott Yuill, and Jeff Foltz. Staff members present were Bruce Cline, Attorney; Mary Rister, Finance Officer; and Rhona Wu, Secretary. Excused from the meeting were Kim Sarkovich, Assistant City Manager/CFO; and Board member Jim Holmes.

2. Approve Minutes of January 20, 2016

Motion to approve the minutes of January 20, 2016 by Member Yuill, seconded by Member Lowell. Passed by the following vote:

Ayes:	Members: Mitchell, Halldin, Foltz, Horst, Lowell, Yuill
Noes:	Members: None
Absent:	Members: Holmes
Abstain:	Members: None

3. Approve the Successor Agency Administrative Budget for the Period January 1, 2017 – June 30, 2017

Motion to approve the Successor Agency Administrative Budget for the Period January 1, 2017 – June 30, 2017 by Member Horst and seconded by Member Lowell.

Ayes:	Members: Mitchell, Foltz, Halldin, Horst, Janda, Lowell
Noes:	Members: None
Absent:	Member: Holmes
Abstain:	Members: None

4. Approve the Recognized Obligation Payment Schedule 17-18 for the 6-month Period July 1, 2017 – December 31, 2017 and for the 6-month Period January 1, 2018 – June 30, 2018.

Motion to approve the Recognized Obligation Payment Schedule 17-18 for the 6-month Period July 1, 2017 – December 31, 2017 and for the 6-month Period January 1, 2018 – June 30, 2018 by Member Yuill and seconded by Member Halldin.

Ayes:	Members: Mitchell, Foltz, Halldin, Horst, Janda, Lowell
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Rocklin Oversight Board Meeting
Minutes of 01/18/2017
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Noes: Members: None
Absent: Member: Holmes
Abstain: Members: None

5. Public Comments

None

6. Future Agenda Items

- 6-month Administrative Budget July 1, 2017 – December 31, 2017
- Property Sale

7. Next Oversight Board Meeting

TBD

8. Adjournment

4:24 PM

Jerry Mitchell, Chair

Rhona Wu, Secretary

RESOLUTION NO. 2017- XX OB

RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN
APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET
FOR THE PERIOD JULY 1, 2017 – DECEMBER 31, 2017

WHEREAS, Health and Safety Code (HSC) Section 34177(j) requires a Successor Agency to prepare an Administrative Budget; and

WHEREAS, The budget must include, estimated amounts for administrative costs for the upcoming six-month period, proposed sources for payment of those costs, and any proposals for arrangements for administrative and operations services provided by a city, county, or other entity; and

WHEREAS, An Administrative Budget for the period of July 1, 2017 – December 31, 2017 has been prepared; and

WHEREAS, HSC Section 34177(j) requires the Successor Agency to submit the Administrative Budget to the Oversight Board for approval;

NOW THEREFORE, the Rocklin Oversight Board does resolve as follows:

Section 1. The Rocklin Oversight Board hereby approves the Successor Agency Administrative Budget for the period of July 1, 2017 – December 31, 2017, attached hereto as Exhibit A and incorporated herein by this reference.

PASSED AND ADOPTED this 19th day of June, 2017, by the following vote:

AYES: Members:

NOES: Members:

ABSENT: Members:

ABSTAIN: Members:

Jerry Mitchell, Chair

ATTEST:

Rhona Wu, Secretary

Exhibit A

**Successor Agency
Administrative Budget
June 1, 2017 to December 31, 2017**

<u>Activity</u>	<u>6-Month Budget*</u>
Staff Costs	\$ 107,763
Indirect Costs	<u>17,237</u>
Total	<u>\$ 125,000</u>

*amounts are estimated

Successor Agency administration services are provided by the City of Rocklin.

Staff Costs consist of salary and benefits, including pension and Other Post Employment Benefits (OPEB), for employees that directly perform services for the Successor Agency. Services provided by staff include accounting and audit functions, management of the long range property management plan, management of bond proceeds, report preparation including ROPS, budgets, agendas and correspondence, contract management, legislation, legal services, Oversight Board support, and document management.

The Indirect Costs consist of items such as supplies, equipment and building usage, utilities, insurance, payroll, employee training and information technologies. Following the City of Rocklin’s Indirect Cost Allocation guidelines, an indirect cost rate of 10% was used. To calculate indirect costs, the indirect cost rate was applied to the fiscal year 2017/2018 Successor Agency expenditures (after removing amounts for bond debt service payments and amounts set aside for reserves).

Total administrative services costs for the period are estimated at \$125,000.

Per Health and Safety Code Section 34171(b)(3), commencing July 1, 2016, and for each fiscal year thereafter, the administrative cost allowance shall be up to 3% of the actual property tax distributed to the successor agency by the county auditor-controller in the proceeding fiscal year for payment of approved enforceable obligations, reduced by the successor agency’s administrative cost allowance and loan repayments made to the city, county, or city and county that created the redevelopment agency that it succeeded pursuant to subdivision (b) of Section 34191.4 during the proceeding fiscal year. However the amount shall not be less than \$250,000 in any fiscal year, unless the the amount is reduced by the oversight board or by agreement between the successor agency and the department. For fiscal year 2017/2018 the 3% allowance is estimated at \$63,617, therefore the minimum administrative cost allowance for the fiscal year is \$250,000 and for the current six-month budget period the administrative cost allowance is \$125,000.

As authorized pursuant to Health and Safety Code Section 34183(a)(3), the proposed source of payment for the administrative cost allowance is the Redevelopment Property Tax Trust Fund established and maintained by the County Auditor-Controller pursuant to Health and Safety Code Section 34170.5(b).



Oversight Board Report

Subject: Oversight Board consideration of the action approved by the Successor Agency to the Redevelopment Agency of the City of Rocklin for: 1) Sale of Successor Agency-owned Property at Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026; and, 2) Sale of Successor Agency-owned Property at Rocklin Road/Pacific site, APN 010-161-015 and -016

Submitted by: Ricky A. Horst

Date: June 19, 2017

Department: Office of the City Manager

Reso. No. 2017- OB and Reso. No. 2017- OB

Staff Recommendation:

- Adopt a Resolution of the Oversight Board approving the sale of the Successor Agency owned property on the Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026 (“Big Gun Site”), and directing the Successor Agency to take all necessary action to sell the Successor Agency-owned property on the Big Gun Site. (See Resolution 2017-30-SA of the Successor Agency, adopted June 13, 2017, subject to Oversight Board Review).
- Adopt a Resolution of the Oversight Board approving the sale of the Successor Agency owned property at Rocklin Road/Pacific site, APN 010-161-015 and -016, and directing the Successor Agency to carry out the sale of the Successor Agency-owned property at Rocklin Road/Pacific site, APN 010-161-015 and -016 to the City of Rocklin. (See Resolution 2017-31-SA adopted June 13, 2017, subject to Oversight Board Review).

BACKGROUND:

The California Legislature adopted ABX1-26 in 2011 which ultimately led to the dissolution of all redevelopment agencies in the state, including Rocklin’s. By law, a Successor Agency to the Redevelopment Agency of the City of Rocklin was established in February of 2012 to conclude the affairs of the former Redevelopment Agency, which include selling Redevelopment Agency-owned properties.

To supervise the Redevelopment Agency’s closure, an Oversight Board was formed. The board consists of two members appointed by the county board of supervisors, two members appointed by the Mayor, one member appointed by the largest special district in the former redevelopment area, one member appointed by the county superintendent of education to represent local schools, and one member appointed by the community college chancellor. The sale or disposition of property formerly owned by the Rocklin Redevelopment Agency is regulated by a Long Range Property Management Plan (“LRPMP”),

Oversight Board Report – Sale of: 1) Successor Agency-owned Property at Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026; and 2) Sale of Successor Agency-owned Property at Rocklin Road/Pacific site, APN 010-161-015 and -016

June 19, 2017

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which has been approved by the Department of Finance. Actions taken pursuant to the LRPMP must be reviewed and approved by the Oversight Board. The purpose of Oversight Board approval of property sales is to ensure the transaction is consistent with the LRPMP and to ensure the fair compensation is being received for the property.

Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026

The Big Gun Site, located on three acres, south of Pacific Street at 5255 Pacific Street (APN 010-170-026) is former Redevelopment Agency-owned property. The City had an appraisal report completed on this property in October 2016 and the appraised value was found to be \$580,000. The value is reduced by \$130,000 to reflect the difficulty in development of this site. This results in a value of \$450,000, which has been offered by Brentwood Developments.

The proposed purchase and sale agreement has been negotiated and provides that the developer would conduct its feasibility period of up to one hundred and fifty (150) calendar days from opening of escrow, during which it shall conduct its due diligence associated with, including but not limited to environmental, soils, title, zoning and building regulations and permits, financing leasing and economic conditions.

Subject to Oversight Board review and approval, Resolution 2017-30-SA of the Successor Agency to the City of Rocklin approved the sale of the Big Gun Site and authorized the City Manager to execute the Purchase and Sale Agreement to sell approximately 3 acres. To be developed, the property will require evaluation of the proposed project consistent with the requirements of the California Environmental Quality Act (CEQA) and approval of several entitlements including a General Plan Amendment, Rezone and Design Review Permit. The Land Use designation for the property is currently mixed use. Staff is seeking Oversight Board approval of the sale and requests authorization and direction to take all necessary action to proceed with the sale.

The buyer must obtain all necessary entitlements and follow the same process as is required for any project in the City.

Oversight Board Report – Sale of: 1) Successor Agency-owned Property at Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026; and 2) Sale of Successor Agency-owned Property at Rocklin Road/Pacific site, APN 010-161-015 and -016

June 19, 2017

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Purchase and Sale Agreement Summary:

- Purchase price of \$450,000
- Initial deposit of \$10,000, non-refundable after 150 days.
- Close of Escrow shall occur on or before one hundred and fifty (150) days following the opening date or such other date as the parties hereto shall mutually agree in writing.
- Buyer will file land use entitlement applications no later than 90 days after the opening date of escrow.

Staff research concluded that there are no restrictions or requirements on the property that would preclude sale of the property. Funds from the sale will go back to the various taxing agencies.

Oversight Board Report – Sale of: 1) Successor Agency-owned Property at Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026; and 2) Sale of Successor Agency-owned Property at Rocklin Road/Pacific site, APN 010-161-015 and -016

June 19, 2017

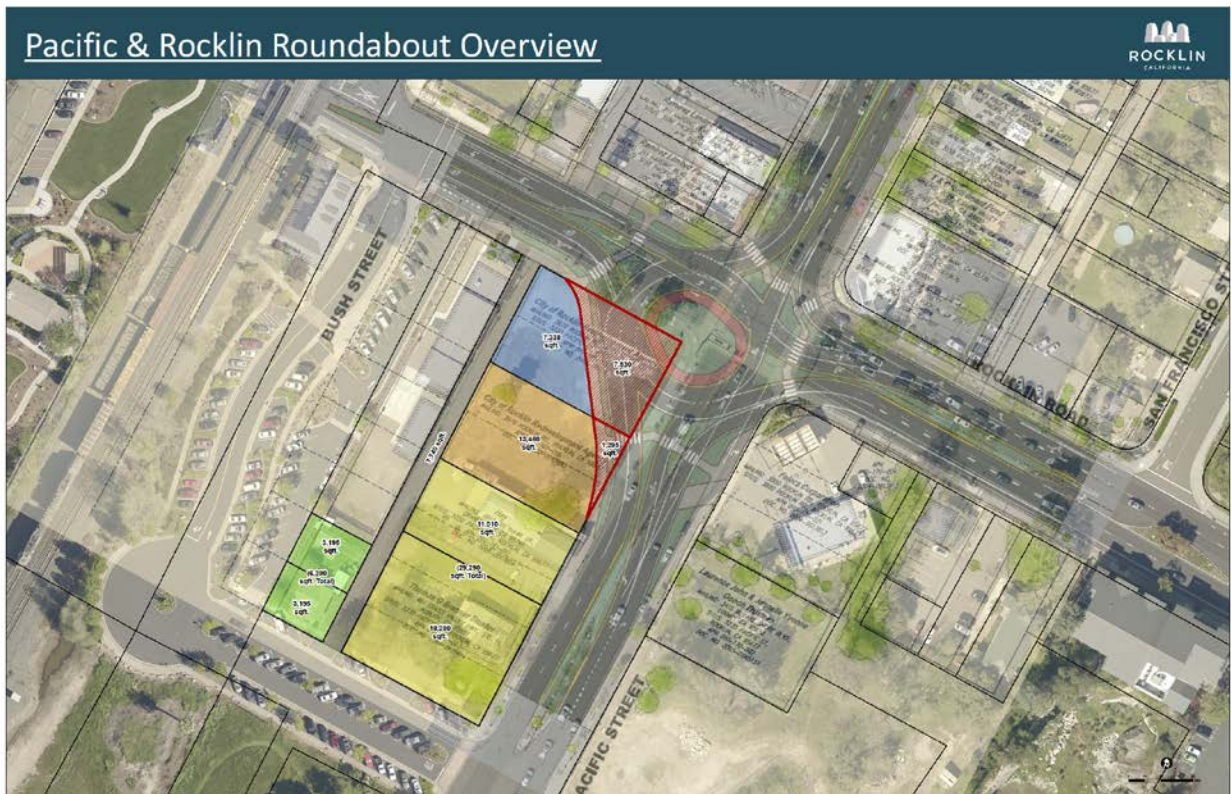
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Rocklin Road/Pacific site, APN 010-161-015 and -016

The Rocklin Road/Pacific site is also a former redevelopment property that must be sold. This property is commonly known as Lots 13, 14, 15 and 16 Block B (APN 010-161-015 and -016) and consists of approximately 29,565 square feet (.679 acres) of unimproved land. The value of the land has been determined to be \$4.50 per square foot, for a total of \$133,000.

Subject to Oversight Board review and approval, Resolution 2017-31-SA of the Successor Agency to the City of Rocklin approved the sale of the Rocklin Road/Pacific Site and authorized the City Manager to execute the Purchase and Sale Agreement to sell. Staff is seeking Oversight Board approval of the sale and requests authorization and direction to take all necessary action to proceed with the sale.

The City of Rocklin plans to place a traffic roundabout at this location. The roundabout will take a portion, but not all, of the available property. The City will consider an option to sell the remaining portion to Brentwood Developments after the public roadway improvements have been completed.



Oversight Board Report – Sale of: 1) Successor Agency-owned Property at Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026; and 2) Sale of Successor Agency-owned Property at Rocklin Road/Pacific site, APN 010-161-015 and -016

June 19, 2017

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Purchase and Sale Agreement Summary:

- Purchase price of \$133,000, with City option to sell remainder (after roundabout construction).
- Initial deposit of \$1,000, non-refundable after 90 days.
- Close of Escrow shall occur on or before one hundred and fifty (150) days following the opening date or such other date as the parties hereto shall mutually agree in writing.

Staff research concluded that there are no restrictions or requirements on the property that would preclude sale of the property. Funds from the sale will go back to the various taxing agencies.

FINDINGS, CONCLUSIONS & RECOMMENDATIONS:

Findings:

- The Big Gun site is a Successor Agency-owned property and must be sold by the Successor Agency.
- The Rocklin Road/Pacific site is a Successor Agency-owned property and must be sold by the Successor Agency.
- The sale of both properties is authorized by the Long Range Management Plan.
- The Oversight Board is authorized to approve the sale of property owned by the former redevelopment agency.

Conclusions:

- Funds from the sale of the Rocklin Road/Pacific site will go back to the various taxing agencies.
- Funds from the sale of the Rocklin Road/Pacific site will go back to the various taxing agencies.

Recommendations:

- Approve the action approved by the Successor Agency to the City of Rocklin pursuant to Resolution 2017-30-SA, Direct and Authorize the City Manager to sign the Purchase and Sale Agreement to sell the Successor Agency-owned property on the Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026.
- Approve the action approved by the Successor Agency to the City of Rocklin pursuant to Resolution 2017-31-SA, Direct and Authorize the City Manager to sign the Purchase and Sale Agreement to sell the Successor Agency-owned property at Rocklin Road/Pacific site, APN 010-161-015 and -016 to the City of Rocklin.

Oversight Board Report – Sale of: 1) Successor Agency-owned Property at Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026; and 2) Sale of Successor Agency-owned Property at Rocklin Road/Pacific site, APN 010-161-015 and -016

June 19, 2017

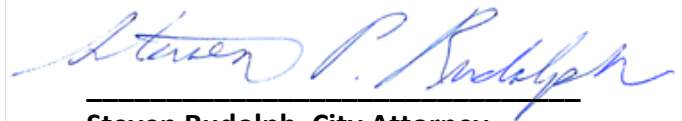
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Alternatives:

- Do not authorize sale of the Big Gun property. This site is a Successor Agency-owned property and still must be sold by the Successor Agency.
- Do not authorize sale of the Rocklin Road/Pacific property. This site is a Successor Agency-owned property and still must be sold by the Successor Agency.



Ricky A. Horst, City Manager
Reviewed for Content



Steven Rudolph, City Attorney
Reviewed for Legal Sufficiency

Attachments:

- Purchase and Sale Agreement for the Successor Agency-owned property on the Big Gun Site located south of Pacific Street at 5255 Pacific Street, APN 010-170-026
- Purchase and Sale Agreement for the Successor Agency-owned property at Rocklin Road/Pacific site, APN 010-161-015 and -016 to the City of Rocklin

RESOLUTION NO. 2017-__OB

RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD
APPROVING AND DIRECTING THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN
TO SELL FORMER REDEVELOPMENT AGENCY PROPERTY
(BIG GUN SITE)

WHEREAS, Health and Safety Code (HSC) Section 34181(a) states in part:

“34181. The oversight board shall direct the successor agency to do all of the following:

- (a) Dispose of assets and properties of the former redevelopment agency;...

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Rocklin is responsible for the winding up of the affairs of the former Redevelopment Agency and the disposition of real property pursuant to the Rocklin Long Range Management Plan (LRMP) approved by the Oversight Board on September 27, 2013, and by the Department of Finance on March 13, 2014; and

WHEREAS, the LRMP provides that former Redevelopment Agency properties are to be marketed and sold for future development; and

WHEREAS, the LRMP provides for the sale of the property commonly known as the Big Gun Site, located at 5255 Pacific Street, in the City of Rocklin, (APN 010-170-026), which is approximately 3 acres of unimproved land (“Property”); and

WHEREAS, Brentwood Developments (California), Inc. desires to purchase the Property for a mixed use (commercial retail / multi-family residential) development project; and

WHEREAS, the Successor Agency is willing to sell the Property, subject to the terms and conditions of the Agreement of Purchase and Sale and Joint Escrow Instructions with Brentwood Developments; and

WHEREAS, the Successor Agency adopted Resolution 2017-30-SA on June 13, 2017, approving the Agreement of Purchase and Sale and Joint Escrow Instructions with Brentwood Developments, for the property commonly known as the Big Gun Site, located at 5255 Pacific Street in the City of Rocklin (APN 010-170-026), in substantially the form attached hereto as Exhibit “A” and incorporated herein by reference (the “Sale”), subject to approval of the Rocklin Oversight Board; and

WHEREAS, the Oversight Board has reviewed the Agreement of Purchase and Sale and Joint Escrow Instructions with Brentwood Developments for the Big Gun Site, and approves the Sale

NOW THEREFORE, the Rocklin Oversight Board does resolve as follows:

Section 1. Under the authority of the CA Health and Safety Code subsection 34181(a), the Rocklin Oversight Board hereby approves the Agreement of Purchase and Sale and Joint Escrow Instructions with Brentwood Developments, for the property commonly known as the Big Gun Site, located at 5255 Pacific Street in the City of Rocklin (APN 010-170-026), in substantially the form attached hereto as Exhibit "A" and incorporated herein by reference.

Section 2. Under the authority of the CA Health and Safety Code subsection 34181(a), the Rocklin Oversight Board directs the City Manager, acting as the Executive Director of the Successor Agency to the Redevelopment Agency of the City of Rocklin, to execute the Agreement of Purchase and Sale and Joint Escrow Instructions with Brentwood Developments, and to take all necessary action to carry out the terms of such agreement.

PASSED AND ADOPTED this 19th day of June, 2017, by the following vote:

- AYES: Members:
- NOES: Members:
- ABSENT: Members:
- ABSTAIN: Members:

Jerry Mitchell, Chair

ATTEST:

Rhona Wu, Secretary

EXHIBIT A

**AGREEMENT OF PURCHASE AND SALE
AND
JOINT ESCROW INSTRUCTIONS**

This Agreement of Purchase and Sale and Joint Escrow Instructions ("**Agreement**") dated for reference purposes June ____, 2017, by and between the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN**, a municipal corporation ("**Seller**"), and **BRENTWOOD DEVELOPMENTS (CALIFORNIA), INC.**, a California corporation ("**Buyer**") or Assignee.

RECITALS

- A. Seller is the owner of that certain real property ("**Real Property**") located in the City of Rocklin ("**City**"), County of Placer ("**County**"), State of California, consisting of one (1) parcel ("**Property**") of land legally described in Exhibit A and depicted on Exhibit B, both Exhibits attached hereto and made a part hereof.
- B. The Property is commonly known as the Big Gun Site located south of Pacific Street at 5255 Pacific Street in the City of Rocklin, (APN 010-170-026) and consists of approximately 3 acres of unimproved land.
- C. Seller and Buyer intend for Seller to have an ALTA Survey completed and for a licensed land surveyor create a legal description the Property.
- D. Seller has declared the Property as surplus property and represents that it has the legal ability to sell the Property. Buyer has submitted a Letter of Intent to Purchase and Seller has accepted the general terms of the Letter of Intent.
- E. Seller has removed all existing historical structures from the Property in accordance with all applicable laws and, upon close of escrow, is prepared to deliver possession of the Property to Buyer in a condition that complies with all laws and regulations.
- F. Buyer intends to purchase the Property from Seller and Seller intends to sell the Property to Buyer on the terms and conditions set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

AGREEMENT

1. Purchase and Sale. Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on the terms and conditions set forth in this Agreement.

2. Effective Date. The date the last party executes this Agreement shall be the "**Effective Date**."

3. Purchase Price.

3.1 The purchase price for the Property shall be calculated as follows:

3.1.1 The purchase price shall be Four Hundred and Fifty Thousand and no/100 Dollars (\$450,000) (referred to herein as the "**Purchase Price**"), based upon an Appraised Fair Market Value (as defined below) of \$580,000, minus a negotiated adjustment of \$130,000, to reflect the high cost and difficulty in development of the site.

3.1.2 Buyer shall, within three (3) days of opening Escrow, deposit into Escrow the sum of Ten Thousand and no/100 Dollars (\$10,000.00) as an Earnest Money Deposit to be credited toward the Purchase Price. The date of the deposit of the Earnest Money Deposit shall be the **Opening Date** of the escrow. Buyer shall place with the Escrow Agent the Earnest Money Deposit in cash, wire or check. The Escrow Agent shall place the Earnest Money Deposit in an interest bearing account and all interest earned thereon shall be added to the Earnest Money Deposit ("**Earnest Money Deposit**").

3.2 On or before the Close of Escrow (defined in Section 9 of this Agreement below), Buyer shall deposit into Escrow the balance of the Purchase Price in cash or immediately available funds. If this Agreement is terminated at any time prior to the conclusion of the Feasibility Period (as defined below) for any reason other than Buyer's default under this Agreement (as is further set forth in this Agreement below), then Buyer shall be entitled to the immediate return of, and the Parties hereby irrevocably instruct Escrow Holder to release to Buyer, the Earnest Money Deposit plus any accrued interest thereon. If this Agreement is not terminated prior to the conclusion of the Feasibility Period (as defined below), then the Earnest Money Deposit shall become nonrefundable to Buyer in the event that this Agreement is terminated thereafter for any reason other than Seller's default under this Agreement or the failure of a condition precedent to the Close of Escrow for Buyer's benefit. Provided that no termination of this Agreement occurs, the Earnest Money Deposit shall be applied and credited to the Purchase Price upon the Close of Escrow.

3.3 For purposes of this Agreement, "**Appraised Fair Market Value**" shall mean the amount determined and set forth as the appraised fair market value of the Property in a bona fide appraisal prepared in accordance with accepted appraisal industry standards by a certified appraiser.

4. Conditions Precedent.

4.1 Conditions Precedent to Closing. Buyer's obligation to purchase the Property from Seller is subject to the following conditions precedent ("**Conditions Precedent**"), which are for Buyer's benefit only:

4.1.1 Within ten (10) calendar days after the Effective Date, Seller shall provide Buyer, at Seller's expense, with a preliminary title report ("**Preliminary Report**") for the Property issued by Old Republic Title together with legible copies of all exceptions and the documents supporting the exceptions ("**Exceptions**") in the updated Preliminary Report (the Preliminary Report, together with the Exceptions, shall be collectively referred to as the "**Title Documents**"). The Escrow Agent for the closing of the purchase and sale contemplated herein shall be Old Republic Title located at 275 Battery Street, Suite 1500 San Francisco, CA 94111, Attention: Valerie Zankich, (415) 397-0500, although signing and other transmittals may be handled by a local Old Republic branch office.

4.1.2 Seller shall direct the Escrow Agent to provide a preliminary commitment for title insurance for the full amount of the Purchase Price, together with copies of all exceptions referred to therein. Seller shall pay the premium for the standard owner's policy upon the Close of Escrow. Buyer, at its option, may secure an ALTA Extended Owner's Policy, paying the premium above the standard Owner's Policy.

4.1.3 Within sixty (60) calendar days after the Effective Date, Buyer shall review the Title Documents and shall approve or disapprove, in its sole discretion, the Title Documents by delivering written notice to Seller and Escrow Holder. Unless Seller notifies Buyer within five (5) days of receiving said written notice that it will eliminate all objections within Seller's control, Buyer shall have until the earlier of the Closing Date or five (5) days from receipt of Seller's written notice to terminate this contract.

4.1.4 Notwithstanding the foregoing, Seller agrees to remove, on the Close of Escrow, any deeds of trust whereby Seller is the trustor or borrower which are currently recorded against the Property, if any. If Seller is unable or unwilling to remove all of the title matters objected to by Buyer, Buyer shall have five (5) business days from receipt of Seller's written notice to notify Seller in writing that either (1) Buyer is willing to purchase the Property, subject to such disapproved exceptions, or (2) Buyer elects to terminate this transaction. Failure of Buyer to take either one of the actions described in clause (1) or (2) in the previous sentence shall be deemed to be Buyer's election to take the action described in clause (2). If this Agreement is terminated pursuant to this Section, then the Deposit shall be returned to Buyer, and, except as otherwise provided in this Agreement, Seller and Buyer will have no further obligations or rights to one another under this Agreement.

4.1.5 Title Policies. On or before expiration of the Inspection Period (defined below), Buyer shall have received evidence, as part of Buyer's due diligence investigation of the Property, that Escrow Holder's title insurer ("**Title Company**") is ready, willing, and able to issue, upon payment of Title Company's regularly scheduled premium, a California Land Title Association ("**CLTA**") standard owner's policy of title insurance ("**Owner's Policy**") in the face amount of the Purchase Price with the endorsements Buyer may require ("**Endorsements**"), showing title to the Property vested in Buyer subject only to the approved Exceptions.

4.1.6 Property Documents. Within ten (10) days of the Opening Date, Seller shall provide Buyer with copies of the following documents, if any, that are in its possession or under its control: relevant studies, documents, land surveys, soils reports, licenses, bond, CFD or other debt information on the property and other documents and/or contracts pertaining to the Property, together with any amendments or modifications; any and all information that Seller has regarding environmental matters affecting the Property and regarding the condition of the Property. Seller is only obligated to provide Buyer with documents in its possession and control and is under no obligation to acquire documents from others. The purpose of providing the Buyer with the documents is to aid in its review of the Property during the Inspection Period. Providing Buyer with the documents does not eliminate or reduce Buyer's obligations to perform its own thorough and complete review of all aspects of the property and no liability shall attach to the Seller based on any information provided to the Buyer. Seller makes no express or implied representations or warranties regarding the truthfulness, accuracy, or completeness of the Property Documents or other information provided to Buyer; provided, however, if Seller is aware of any inaccuracies or incompleteness of the Property Documents, Seller shall upon

delivery of the Property Documents to Buyer or upon discovery of inaccuracies or incompleteness inform Buyer of such inaccuracies or incompleteness.

4.1.7 Feasibility Period: Buyer shall have a Feasibility Period of up to one hundred and fifty (150) calendar days from opening of escrow during which it shall conduct its due diligence associated with, including but not limited to environmental, soils, title, zoning and building regulations and permits, financing leasing and economic conditions (“Due Diligence Period”). Buyer shall advise Seller within the Due Diligence Period that it has satisfied its due diligence of the above-referenced items or the sales agreement may be terminated by the Seller. Following the conclusion of the Due Diligence Period, Buyer shall have an additional period of one hundred eighty (180) calendar days to obtain subdivision plat approval, and to obtain Seller’s and the City of Rocklin’s approval of Buyer’s development plans and elevations (“Entitlement Period”). At or prior to the end of the Feasibility Period, Buyer shall advise Seller, in writing that it has completed its due diligence in the Feasibility Period and has elected to waive the above-referenced items and contingencies. Failure of Buyer to notify Seller at or prior to the end of the Feasibility Period shall terminate this Agreement and the Escrow Agent shall be directed to return the entire Earnest Money Deposit to Buyer.

4.1.8 Entitlements. (a) During the term of this Agreement, Buyer shall seek all required entitlements and to obtain final approval from the governing bodies to allow the property, including the adjacent two properties, to be used for a mixed use retail/multi-family residential, including but not limited to, General Plan Amendment, Re-Zone, Use Permit, and Design Review (the “Entitlements”). Buyer shall submit all required entitlement applications and pay all applicable fees within ninety (90) days of the Opening Date. Buyer has expressed an interest in proposing a fee deferral and nothing herein shall require or preclude Buyer and Seller from entering into a fee deferral arrangement as approved by the City. Fees paid by Buyer shall be the standard City fees for the type of entitlements requested, including CEQA and such fees are non-refundable should the entitlement applications not be approved by the City. Seller shall use its reasonable efforts to schedule public hearings and other review to move the potential entitlements as expeditiously as possible. Buyer shall use its reasonable efforts to timely submit all entitlement documents, respond to any City comments and to work with Seller to schedule the entitlements as expeditiously as possible. Nothing in this Agreement commits the City to approve any project or prohibits the City from imposing conditions in the sole discretion of the City’s decision makers (Staff, Planning Commission or City Council). For the purposes of this Agreement, “final” approval of the Entitlements shall mean that the Entitlements have received all necessary governmental approvals and the appeal period for such approvals has expired without any appeal or court challenge having been filed (or if an appeal or court challenge is filed, then the appeal or court challenge has been finally resolved to Buyer's satisfaction in Buyer's sole and absolute discretion). Should a court challenge to any of the approved entitlements be filed, then Buyer shall either terminate the Agreement and request formal withdrawal of the proposed project or Buyer shall defend the court challenge at its sole cost and expense, including all legal fees and costs associated with the challenge and shall indemnify, defend and hold the City harmless from any claims, fees, expenses and costs associated with defense of the challenge and any final decision of a court.

(b) Seller is willing to sell this Property to Buyer solely for the intended use of it as a family residential project, the precise product type to be proposed by Buyer during the Entitlement Period and for no other use or purpose, unless expressly agreed to by the parties in writing and subject to approved entitlements on an alternative proposed use. Should Buyer

or its successors or assigns elect to not proceed with the use of the property as a family residential project, as further described in the immediately preceding sentence hereinabove, after the Close of Escrow, Buyer and its successors or assigns agree that Seller has the right, but not the obligation to re-purchase the property from Seller or its successors or assigns at the Purchase Price. Seller shall be notified in writing of the potential change of use and Seller shall have sixty (60) days to agree to re-purchase the Property or the use restriction shall be waived. Nothing herein, requires the Seller to re-purchase or for the City to approve other entitlements on the Property. This provision is a material term to the transaction and will be referenced in the Grant Deed, in accordance with and as further set forth in the first sentence of this subsection 4.1.8(b) above, and binding on Buyer's successors and assigns until said family residential project is constructed.

4.1.9 Physical Inspection. (a) During the Feasibility Period, upon not less than one (1) business day's advance written notice from Buyer to Seller, Seller shall provide Buyer and Buyer's agents and representatives with access to the Property to make such reasonable non-destructive inspections, tests, copies, verifications, assessments, surveys and studies ("**Inspections**") as Buyer considers reasonably necessary or desirable under the circumstances regarding the Property and its condition. Inspections may include, without limitation, Inspections regarding zoning, building codes and other governmental regulations; imposition of governmental obligations and assessments; architectural inspections; engineering tests; economic feasibility and marketing studies; availability of sewer, water, storm drain and other utilities; availability of roads, access and services; soils, seismic, engineering and geologic reports; environmental assessments, and tests and reports. All Inspections shall be made at Buyer's sole cost and expense. Buyer shall repair any damage to the Property caused by any Inspections. Should circumstances dictate that additional time is necessary for said physical inspections, then Buyer may request additional limited time and consent by Seller shall not be unreasonably withheld.

(b) Buyer shall indemnify, defend and hold Seller and the Property harmless from any and all claims, damages or liabilities arising out of or resulting from the entry onto or activities upon the Property by Buyer or Buyer's representatives or liens arising from Buyer's due diligence review of the Property. Prior to any entry on to the Property by any of Buyer's Representatives, Buyer shall deliver to Seller an endorsement to a commercial general liability insurance policy which evidences that such Buyer's Representative is carrying a commercial general liability insurance policy with a financially responsible insurance company acceptable to Seller, covering the activities of such Buyer's Representative on or upon the Property. Such endorsement shall evidence that such insurance policy shall have a per occurrence limit of at least One Million and No/100ths Dollars (\$1,000,000.00) and an aggregate limit of at least Three Million and No/100ths Dollars (\$3,000,000.00), shall name Seller as an additional insured, and shall be primary and non-contributing with any other insurance available to Seller.

4.1.10 Seller's Obligations. The performance by Seller of every covenant, condition, agreement, and promise to be performed by Seller pursuant to this Agreement and the related documents executed or to be executed by Seller.

4.1.11 Condemnation or Casualty. On the date of Close of Escrow, the Property shall not have been damaged or destroyed in any material respect and no condemnation or eminent domain action or proceeding shall be pending or threatened against the Property.

4.1.12 Seller's Representations. The truth and accuracy, in all material respects, of all Seller's representations and warranties in this Agreement and the related documents executed or to be executed by Seller.

4.1.13 Waiving Contingencies: Should Buyer waive contingencies then Buyer and Seller shall close escrow and finalize the purchase within fifteen (15) days from the expiration of the Feasibility Period and final approval of Entitlements. ("Closing Date").

4.2 Failure of Conditions Precedent. In the event any of the Conditions Precedent have not been fulfilled within the applicable time periods or if Buyer disapproves, pursuant to Section 4. matters for which Buyer's approval is required, Buyer may, within ten (10) business days either: (i) waive the condition or disapproval and close Escrow in accordance with this Agreement, or (ii) terminate this Agreement by written notice to Seller.

5. Seller's Representations and Warranties. Seller represents and warrants to Buyer the following representations and warranties. For the purpose of this Agreement, without creating any personal liability on behalf of such individuals, usage of "to the best of Seller's knowledge," or words to such effect, shall mean the knowledge of the Director of Economic and Community Development and the City Manager, including a duty of reasonable inquiry, existing as of the Effective Date. In the event that Buyer, prior to Close of Escrow, becomes aware, from Seller or otherwise, of any inaccuracy or omission in the disclosures, information, or representations previously provided to Buyer by Seller or its consultants or agents, which will have a material, adverse impact on Buyer, the Property or the intended use of the Property, Buyer, as its sole option and remedy, may either (i) terminate this transaction, thereby waiving any claims or actions that Buyer may have against Seller as a result of such inaccuracy or omission, or (ii) proceed with the Close of Escrow hereunder, thereby waiving any rights that Buyer may have against Seller as a result of such inaccuracy or omission. Buyer agrees that, under no circumstances, shall Buyer be entitled to purchase the Property hereunder and then bring any claim or action against Seller for damages as a result of such inaccuracy or omission, except if such inaccuracy or omission is based on fraud or intentional misrepresentation by Seller:

5.1 To the best of Seller's knowledge (i) it has the full power and authority to enter into this Agreement and to perform this Agreement, subject to Redevelopment Oversight Board approval; (ii) it is not the subject of any bankruptcy or insolvency proceedings; and (iii) this Agreement is a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws from time to time in effect which affect the rights of creditors generally or by limitations upon the availability of equitable remedies.

5.2 To the best of Seller's knowledge, as of the Close of Escrow no other person or entity shall lawfully be in possession of the Property or have any right of occupancy of the Property, whether pursuant to a lease, license, occupancy agreement or otherwise.

5.3 To the best of Seller's knowledge, except for the rights of Buyer under this Agreement, Seller has not granted any options or rights of first refusal to purchase the Property to any person or entity. Conveyance of the rights described herein will not constitute a breach or default under any agreement to which Seller is bound and/or to which the Property is subject.

5.4 To the best of Seller's knowledge, there is no suit, action, arbitration, legal, administrative or other proceeding or inquiry pending or threatened against the Property, or any portion thereof, or pending or threatened against Seller which could (i) affect Seller's title to the Property, or any portion thereof, (ii) affect the value of the Property, or any portion thereof, or (iii) subject an owner of the Property, or any portion thereof, to liability.

5.5 To the best of Seller's knowledge, there are no uncured notices which have been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property or any portion thereof.

5.6 To the best of Seller's knowledge, Seller has not received written notice that the Property is in violation of any federal, State, or local law, ordinance, regulation, order, decree or judgment.

5.7 To the best of Seller's knowledge, Seller has not received written notice that the Property or any part thereof is not in full compliance with all applicable environmental, and similar laws, statutes, rules, regulations and ordinances and all covenants, conditions and restrictions applicable to the Property.

5.8 To the best of Seller's knowledge, (i) the Property, (ii) the environmental conditions on, under, or about the Property, (iii) the soil conditions of the Property, and (iv) the ground water conditions of the Property are not, as of the Effective Date of this Agreement, and as of the Close of Escrow, in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Materials (as defined herein) or industrial hygiene. The term "Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances and other related materials including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state or local laws or regulations.

6. Buyer's Representations and Warranties. Buyer represents and warrants to the best of Buyer's knowledge that as of the Effective Date and as of the Close of Escrow:

6.1 Buyer's Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement.

6.2 Enforceability. This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms.

6.3 Conflicting Documents. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage,

deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party.

6.4 No Side Agreements or Representations. Buyer represents, warrants and covenants to Seller that Buyer has entered into this Agreement based upon its rights and intentions to independently inspect the Property.

6.5 Real estate taxes and assessments. Real estate taxes and assessments shall be prorated between Buyer and Seller as of the Closing Date. Upon close of Escrow, Buyer shall be responsible for all taxes, assessments and fees applicable to the Property.

7. Indemnification.

7.1 From and after the Close of Escrow, Seller shall indemnify, protect, defend and hold harmless Buyer (and Buyer's officials, representatives, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable fees and expenses for legal representation (attorneys, paralegals, consultants, etc.), experts' fees and costs and all court costs) of any kind or nature whatsoever, including, but not limited to, the following:

7.1.1 By reason of Seller or Seller's agents, employees, or representatives sole negligence or intentional act, omission, event or liability relating to the Property arising, incurred, or that occurred before the Close of Escrow; or

7.1.2 Based upon or related to a breach of any representation, warranty, or covenant made by Seller in this Agreement.

7.2 From and after the Close of Escrow, Buyer shall indemnify, protect, defend and hold harmless Seller (and Seller's officials, representatives, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable fees and expenses for legal representation (attorneys, paralegals, consultants, etc.), experts' fees and costs and all court costs) of any kind or nature whatsoever, including, but not limited to, the following:

7.2.1 By reason of Buyer's or Buyer's agents, employees, or representatives sole negligence or intentional act, omission, event or liability relating to the Property arising, incurred, or that occurred after the Close of Escrow; or

7.2.2 Based upon or related to a breach of any representation, warranty, or covenant made by Buyer in this Agreement.

8. Seller's Covenants. Seller agrees as follows:

8.1 Payment of All Obligations. Seller shall have discharged all liens, excluding tax, assessment or governmental liens appearing in the Title Documents, including mechanics' and materialmen's liens arising from labor and materials furnished prior to the Close of Escrow. Seller will discharge all of Seller's obligations and liabilities under the Property Documents arising prior to the Close of Escrow.

8.2 Litigation. Seller shall immediately notify Buyer of any lawsuits, condemnation proceedings, rezoning, or other governmental order or action, or any threat thereof, known to Seller which might affect the Property or any interest of Buyer.

9. Escrow. Seller shall provide Escrow Holder with a copy of this Agreement fully executed within three (3) days after the Effective Date ("**Escrow**"). This Agreement shall, to the extent possible, act as escrow instructions. The parties agree to execute all further escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement, and shall provide that as between the parties, the terms of this Agreement shall prevail if there is any inconsistency. "**Close of Escrow**" is defined to be date of the recordation of the Grant Deed from Seller to Buyer for the Property. The Close of Escrow shall occur on or before three hundred and thirty (330) days following the Opening Date or such other date as the parties hereto shall mutually agree in writing.

10. Closing. On or before Close of Escrow, Seller and Buyer shall deposit with Escrow Holder the following documents and funds and shall close Escrow as follows:

10.1 Seller's Deposits. Seller shall deposit with Escrow Holder the following:

10.1.1 Deed. The original executed and acknowledged Grant Deed conveying the Property to Buyer ("**Grant Deed**");

10.1.2 Non-Foreign Affidavit. The original Nonforeign Affidavit executed by Seller, where applicable;

10.1.3 Property Documents. Copies of all Property Documents to be assumed by Buyer, originals if in Sellers possession or control;

10.1.4 Additional Documents. Any other documents or funds required by Escrow Holder from Seller to close Escrow in accordance with this Agreement.

10.2 Buyer's Deposits. On or before the Close of Escrow, Buyer shall deposit with Escrow Holder the following:

10.2.1 Purchase Price. The Purchase Price in cash or immediately available funds;

10.2.2 Closing Costs. Additional cash in the amount necessary to pay Buyer's share of closing costs, as set forth in Section 11.2 and

10.2.3 Additional Documents. Any other documents or funds required of Buyer to close Escrow in accordance with this Agreement.

11. Closing Costs.

11.1 Seller's Costs. Seller shall pay the title insurance premium for the CLTA Owner's Policy in the amount of the Buyer Price; one-half (1/2) of Title Company's escrow fees and closing costs; the County real property transfer taxes and documentary transfer taxes payable upon recordation of the Deed; and any sales, use, and ad valorem taxes connected with the Close of Escrow, if any.

11.2 Buyer's Costs. Buyer shall pay one-half (1/2) of Title Company's Escrow fees and closing costs and the cost for any title Endorsement Buyer may require.

11.3 All other charges and credits with respect to the Property, shall be prorated to the Close of Escrow on the basis of a thirty (30) day month.

11.4 Utility Charges. The parties do not believe any utility charges exist, but if such do exist, Seller will cause all utility and water meters to be read on the Close of Escrow and will be responsible for the cost of all utilities and water used prior to that time.

12. Right to Assign. Except as otherwise provided in this Agreement, the parties shall not have the right, power, or authority to assign this Agreement or any portion of this Agreement or to delegate any duties or obligations arising under this Agreement, voluntarily, involuntarily or by operation of law, except as provided in this Section without the other party's prior written approval, which shall not be unreasonably withheld or delayed. except to an entity which owns or has the right to vote at least a fifty percent (50%) capital or voting interest of the common stock, partnership units or limited liability company interests and retains management and control of the assignee entity or entities, as applicable, or to an Affiliate. The right to assignment shall not be unreasonably withheld. As used in this Agreement, an "Affiliate" means with respect to Seller or Buyer, any person or entity directly or indirectly controlling, controlled by or under common control with such other person or entity. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies whether through the ownership of voting securities, by contract or otherwise.

13. Successors and Assigns. All of the rights, benefits, duties, liabilities, and obligations of the parties shall inure to the benefit of, and be binding upon, their respective successors and assigns.

14. Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile to the number set forth below (provided that, notices given by facsimile shall not be effective unless the receiving party delivers the notice also by one other method permitted under this Section);

(c) upon the day of delivery if the notice has been deposited in a authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (d) one (1) business day after the notice has been deposited with either Golden State Overnight, FedEx or United Parcel Service to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Seller:	City of Rocklin 3970 Rocklin Road Rocklin, California 95677 Attn: Rick Horst, City Manager Telephone: (916) 625-5570 Facsimile: (916) 625-5095
With a copy to:	City of Rocklin 3970 Rocklin Road Rocklin, California 95677 Attn: City Attorney Telephone: (916) 625-5581 Facsimile: (916) 625-5095
If to Buyer:	Brentwood Developments (California), Inc. 5800 Stanford Ranch Road, Suite 210 Rocklin, CA 95765 Attn: Brad Griffith, President Telephone: (916) 435-4180 Facsimile: (916) 435-4181

Any notice to a party which is required to be given to multiple addresses shall only be deemed to have been delivered when all of the notices to that party have been delivered pursuant to this Section. If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered on the next business day. A party may change or supplement the addresses given above, or designate additional addressees, for purposes of this Section by delivering to the other party written notice in the manner set forth above.

15. Possession. Right to possession of the Property shall transfer to Buyer at the Close of Escrow. Buyer understands that Seller intends to utilize the Property, prior to Close of Escrow, as a staging site for construction of the Rocklin Adventure Park.

16. Attorney Fees; Litigation Costs. If any legal action or other proceeding, including arbitration or an action for declaratory relief, is brought to enforce this Agreement or because of a dispute, breach, default, or misrepresentation in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees and other costs, in addition to any other proper relief. Prevailing party includes (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party of an alleged breach of covenant or a desired remedy, if it is substantially equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of law.

17. Destruction. In the event of any damage or other loss to the Property prior to the Close of Escrow that materially and adversely affects Buyer's intended use of the Property or the value of the Property, excluding any such damage or loss caused by Buyer, Buyer may, without liability, terminate this Agreement, if Buyer elects not to terminate this Agreement, the Purchase Price shall be adjusted to reflect any reduction in value resulting from the damage or loss to the Property.

18. Time of the Essence. Time is of the essence in this Agreement and every provision contained in this Agreement.

19. Construction. The title and headings of the Sections in this Agreement are intended solely for reference and do not modify, explain, or construe any provision of this Agreement. All references to sections, recitals, and the preamble shall, unless otherwise stated, refer to the Sections, Recitals, and Preamble of this Agreement. In construing this Agreement, the singular form shall include the plural and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the agreement.

20. Integration. This Agreement, all attached exhibits, and all related documents referred to in this Agreement, constitute the entire agreement between the parties. There are no oral or parol agreements which are not expressly set forth in this Agreement and the related documents being executed in connection with this Agreement and the Letter of Intent is expressly superseded by this Agreement. This Agreement may not be modified, amended, or otherwise changed except by a writing executed by the party to be charged.

21. Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

22. Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party. Upon such determination that any term or provision illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the greatest extent possible.

23. Waivers. No waiver or breach of any provision shall be deemed a waiver of any other provision, and no waiver shall be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of this Agreement shall be deemed to have occurred, and this Agreement shall be enforceable and effective, only upon the complete execution of this Agreement by Seller and Buyer.

25. Survival. All of the Buyer's and Seller's warranties, indemnities, representations, covenants, obligations, undertakings and agreements contained in this Agreement shall survive the Close of Escrow of the Property, and the execution and delivery of this Agreement and of any and all documents or instruments delivered in connection herewith; and no warranty, indemnity, covenant, obligation, undertaking or agreement herein shall be deemed to merge with the Grant Deed for the Property. Notwithstanding the foregoing, the representations and warranties of Buyer and Seller shall only survive the Close of Escrow for a period of eighteen (18) months.

26. Incorporation of Exhibits. All attached exhibits are incorporated in this Agreement by reference.

27. Brokers. Buyer warrants to Seller that it is not represented by a real estate broker and that no person or entity can properly claim a right to a commission, finder's fee, or other compensation with respect to the transaction contemplated by this Agreement. If any other broker or finder makes any claim for a commission or finder's fee, the party through which the broker or finder makes such claim shall indemnify, defend and hold the other party harmless from all liabilities, expenses, losses, damages or claims (including the indemnified party's reasonable attorneys' fees) arising out of such broker's or finder's claims.

28. Governing Law/Venue. This Agreement shall be governed by and construed in accordance with California law. Any dispute or litigation related to the Property or this Agreement shall be venued in the County of Placer.

29. Days of Week. A "business day," as used herein, shall mean any day other than a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code. If any date for performance herein falls on a day other than a business day, the time for such performance shall be extended to 5:00 p.m. on the next business day. Where the term "day" is used it shall refer to calendar days, not business days.

30. Condition and Inspection of Property. Notwithstanding any other provision of this Agreement to the contrary, Seller makes no representation or warranty (except as expressly set forth in this Agreement) whatsoever regarding the Property, the physical condition of the Property, its past use, its compliance with laws (including, without limitation, laws governing environmental matters, zoning, and land use), or its suitability for Buyer's intended use. Seller has not conducted any investigation regarding the condition of the Property, and the Property is sold AS-IS, WHERE-IS, WITH ALL FAULTS, AND THERE IS NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF THE PROPERTY. Buyer hereby represents and warrants that Buyer is relying solely upon, and as of the expiration of the Inspection Period will have conducted its own independent inspection, investigation, and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, any and all matters concerning the condition, use, sale, development or suitability for development of the Property.

31. Property Condition Waiver. Following the Close of Escrow, Buyer waives its right to recover from Seller and hereby releases Seller from, any and all damages, losses, liabilities, costs or expenses whatsoever (including attorneys' fees and costs) and claims therefor, whether direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way arising out of or connected with (i) the physical condition of the Property and (ii) the

environmental condition of the Property. The foregoing waiver and release shall exclude only those losses, liabilities, damages, costs or expenses, and claims therefor, arising from or attributable to a material matter actually known to Seller (including constructive notice) and (1) not disclosed to Buyer and (2) not discovered by Buyer prior to the Close of Escrow, and any breach by Seller of its express representations or warranties under this Agreement. Except as to such damages, losses, liabilities, costs or expenses, and claims therefor, which are excluded from Buyer's waiver and release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."

Buyer's Initials

32. **Buyer Default.** IN THE EVENT THAT ESCROW FAILS TO CLOSE AS A RESULT OF BUYER'S DEFAULT UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT, BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN OR UNKNOWN, IT WOULD BE EXTREMELY DIFFICULT, COSTLY AND IMPRACTICAL TO ESTABLISH SELLER'S DAMAGES BY REASON OF SUCH BUYER'S DEFAULT. ACCORDINGLY, BOTH BUYER AND SELLER, BY THEIR RESPECTIVE INITIALS SET FORTH BELOW, DO HEREBY ACKNOWLEDGE AND AGREE THAT THE EARNEST MONEY DEPOSIT ARE NEGOTIATED REASONABLE SUMS INTENDED TO BE LIQUIDATED DAMAGES WHICH SHALL BE DEEMED AS BEING SELLER'S SOLE AND EXCLUSIVE REMEDY AND RELIEF, IN LIEU OF ANY OTHER FORM OF REMEDY OR RELIEF (INCLUDING, BUT NOT LIMITED TO COMPENSATORY, PUNITIVE AND ANY OTHER FORM OF MONEY DAMAGES) WHICH SELLER MAY OTHERWISE BE ENTITLED TO, AT LAW OR IN EQUITY, BY REASON OF BUYER'S DEFAULT.

SELLER'S INITIALS

BUYER'S INITIALS

33. **RESOLUTION OF DISPUTES.** DISPUTES BETWEEN THE PARTIES SHALL BE RESOLVED BY ARBITRATION PURSUANT TO SECTION 1281 ET. SEQ. OF THE CALIFORNIA CODE OF CIVIL PROCEDURE SUBJECT TO THE FOLLOWING FURTHER PROVISIONS:

33.1 **ARBITRATOR SHALL BE A RETIRED JUDGE WHO HAS SERVED AT LEAST FIVE (5) YEARS IN THE COURTS OF THE STATE;**

33.2 **THE ARBITRATION SHALL BE BY SINGLE NEUTRAL ARBITRATOR; AND**

33.3 PARTIES SHALL HAVE RIGHT OF DISCOVERY AS SET FOR THE IN SECTION 1283.05 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, WHICH IS HEREBY MADE A PART OF THIS AGREEMENT.

33.4 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS SECTION 33 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 THIS SECTION 33. 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 THIS SECTION TO NEUTRAL ARBITRATION.

Buyer's Initials

Seller's Initials

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

SELLER:

CITY OF ROCKLIN,
a municipal corporation

By: _____
Ricky A. Horst, City Manager

Date: _____

BUYER:

**BRENTWOOD DEVELOPMENT
(CALIFORNIA), INC.**
a California corporation

By: _____

Its: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Steven P. Rudolph, City Attorney

Date: _____

ATTEST:

By: _____
Barbara Ivanusich, City Clerk

Date: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE LAND
(Per Recital B of the Agreement)

SEE ATTACHED EXHIBIT A-1

EXHIBIT A-1

(page 1 of 2)

RESULTANT PARCEL A:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF ROCKLIN, COUNTY OF PLACER, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PROPERTY DESCRIBED IN THE GRANT DEED TO THE CITY OF ROCKLIN, RECORDED DECEMBER 3, 2010 AS DOCUMENT NO. 2010-0100792, PLACER COUNTY RECORDS, EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

BEING A PORTION OF BLOCK 10 AS SAID BLOCK IS SHOWN ON THE OFFICIAL MAP OF THE TOWN OF ROCKLIN, FILED IN THE OFFICE OF THE COUNTY RECORDER OF PLACER COUNTY ON AUGUST 9, 1893 IN BOOK A OF MAPS AT PAGE 28, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ROCKLIN ROAD (FORMERLY GRANITE STREET) DISTANT THEREON 150.00 FEET ALONG SAID LINE FROM THE INTERSECTION WITH THE EASTERLY LINE OF PACIFIC STREET; THENCE EASTERLY, ALONG SAID SOUTHERLY LINE, SOUTH 61°28'52" EAST 20.00 FEET; THENCE LEAVING SAID LINE AT RIGHT ANGLES, SOUTH 28°31'08" WEST 150.00 FEET; THENCE PARALLEL TO SAID SOUTHERLY LINE, SOUTH 61°28'52" EAST 150.00 FEET; THENCE AT RIGHT ANGLES, NORTH 28°31'08" EAST 65.00 FEET TO THE SOUTHERLY LINE OF THE PARCEL OF LAND DEEDED TO THE CITY OF ROCKLIN AS RECORDED IN VOLUME 2774, AT PAGE 340 PLACER COUNTY RECORDS; THENCE ALONG SAID LINE THE FOLLOWING THREE (3) COURSES:

- 1) SOUTH 61°28'52" EAST 158.82 FEET;
- 2) SOUTH 28°31'08" WEST 65.00 FEET; AND
- 3) SOUTH 61°28'52" EAST 15.00 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL TO THE CITY OF ROCKLIN RECORDED MARCH 30, 1990 IN BOOK 3863, AT PAGE 296 PLACER COUNTY RECORDS;

THENCE ALONG THE WESTERLY AND SOUTHERLY LINES OF SAID PARCEL (3863/296) THE FOLLOWING SEVEN (7) COURSES:

EXHIBIT A-1

(page 2 of 2)

1) SOUTH 16°34'21" WEST 110.00 FEET;
 2) SOUTH 73°25'39" EAST 20.00 FEET;
 3) SOUTH 37°34'44" EAST 40.78 FEET;
 4) SOUTH 28°42'08" WEST 50.00 FEET;
 5) SOUTH 61°28'52" EAST 5.00 FEET;
 6) SOUTH 28°42'08" WEST 20.00 FEET; AND
 7) SOUTH 64°30'44" EAST 182.04 FEET TO THE WESTERLY LINE OF THAT PROPERTY DESCRIBED IN THE GRANT DEED TO THE CITY OF ROCKLIN, RECORDED DECEMBER 22, 1987 IN BOOK 3323, AT PAGE 356 PLACER COUNTY RECORDS; THENCE LEAVING SAID SOUTHERLY LINE (3863/296) ALONG SAID WESTERLY LINE (3323/356), SOUTH 28°31'08" WEST 111.18 FEET TO THE CENTER OF SECTION LINE OF SECTION 19, OF TOWNSHIP 11 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS SAID LINE IS SHOWN ON THE RECORD OF SURVEY NO. 1026, FILED IN BOOK 9 OF SURVEYS AT PAGE 103, PLACER COUNTY RECORDS; THENCE WESTERLY ALONG SAID CENTER OF SECTION LINE, SOUTH 88°51'00" WEST 449.10 FEET; THENCE LEAVING SAID CENTER OF SECTION LINE, NORTH 10°26'20" WEST 56.89 FEET; THENCE NORTH 22°35'10" EAST 226.25 FEET; THENCE NORTH 08°13'52" EAST 80.66 FEET; THENCE NORTH 34°28'02" EAST 109.51 FEET TO A POINT ON A LINE THAT IS PARALLEL WITH AND SOUTHERLY 210.00 FEET FROM SAID SOUTH LINE OF ROCKLIN ROAD (GRANITE STREET); THENCE ALONG SAID PARALLEL LINE, NORTH 61°28'52" WEST 144.00 FEET TO A POINT ON A LINE THAT IS PARALLEL WITH AND EASTERLY 100.00 FEET FROM THE EASTERLY LINE OF SAID PACIFIC STREET; THENCE ALONG SAID PARALLEL LINE, NORTH 28°31'08" EAST 210.00 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

SAID PARCEL CONTAINS 129,967 SQUARE FEET OR 2.984 ACRES +/-.



5-15-15

EXHIBIT B

Map Depicting the Property



RESOLUTION NO. 2017-__OB

RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD
 APPROVING AND DIRECTING THE SUCCESSOR AGENCY TO THE
 REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN
 TO SELL FORMER REDEVELOPMENT AGENCY PROPERTY
 (ROCKLIN ROAD/PACIFIC STREET SITE)

WHEREAS, Health and Safety Code (HSC) Section 34181(a) states in part:

“34181. The oversight board shall direct the successor agency to do all of the following:

- (a) Dispose of assets and properties of the former redevelopment agency;...

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Rocklin is responsible for the winding up of the affairs of the former Redevelopment Agency and the disposition of real property pursuant to the Rocklin Long Range Management Plan (LRMP) approved by the Oversight Board on September 27, 2013, and by the Department of Finance on March 13, 2014; and

WHEREAS, the LRMP provides that former Redevelopment Agency properties are to be marketed and sold for future development; and

WHEREAS, the LRMP provides for the sale of the property commonly known as Lots 15 and 16, located at 5220 Pacific Street, in the City of Rocklin, (APN 010-161-015 and 010-161-016), which is approximately 0.68 acres of unimproved land (“Property”); and

WHEREAS, the City of Rocklin desires to purchase the Property for construction of a public improvement project (traffic roundabout), and resale of the remnant property to Brentwood Developments (California), Inc.; and

WHEREAS, the Successor Agency is willing to sell the Property, subject to the terms and conditions of the Agreement of Purchase and Sale and Joint Escrow Instructions and Option for Remainder Parcel; and

WHEREAS, the Successor Agency adopted Resolution 2017-31-SA on June 13, 2017, approving the Agreement of Purchase and Sale and Joint Escrow Instructions with the City of Rocklin, for the property commonly known as Lots 15 and 16, located at 5220 Pacific Street, in the City of Rocklin (APN 010-161-015 and 010-161-016), in substantially the form attached hereto as Exhibit “A” and incorporated herein by reference (the “Sale”), subject to approval of the Rocklin Oversight Board; and

WHEREAS, the Oversight Board has reviewed the Agreement of Purchase and Sale and Joint Escrow Instructions with the City of Rocklin for Lots 15 and 16, and approves the Sale.

NOW THEREFORE, the Rocklin Oversight Board does resolve as follows:

Section 1. Under the authority of the CA Health and Safety Code subsection 34181(a), the Rocklin Oversight Board hereby approves the Agreement of Purchase and Sale and Joint Escrow Instructions and Option for Remainder Parcel with the City of Rocklin and Brentwood Developments, for the property commonly known as Lots 15 and 16, located at 5220 Pacific Street in the City of Rocklin (APN 010-161-015 and 010-161-016), in substantially the form attached hereto as Exhibit "A" and incorporated herein by reference.

Section 2. Under the authority of the CA Health and Safety Code subsection 34181(a), the Rocklin Oversight Board directs the City Manager, acting as the Executive Director of the Successor Agency to the Redevelopment Agency of the City of Rocklin to execute the Agreement of Purchase and Sale and Joint Escrow Instructions and Option for Remainder Parcel with the City of Rocklin and Brentwood Developments, and to take all necessary action to carry out the terms of such agreement.

PASSED AND ADOPTED this 19th day of June, 2017, by the following vote:

- AYES: Members:
- NOES: Members:
- ABSENT: Members:
- ABSTAIN: Members:

Jerry Mitchell, Chair

ATTEST:

Rhona Wu, Secretary

EXHIBIT A

**AGREEMENT OF PURCHASE AND SALE
AND
JOINT ESCROW INSTRUCTIONS
AND
OPTION FOR REMAINDER PARCEL**

This Agreement of Purchase and Sale and Joint Escrow Instructions and Option for Remainder Parcel ("**Agreement**") dated for reference purposes June ____, 2017, is by and among the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN**, a municipal corporation ("**Seller**"), the **CITY OF ROCKLIN**, a municipal corporation ("**Buyer**"), and **BRENTWOOD DEVELOPMENTS (CALIFORNIA), INC.**, a California corporation ("**Optionee**").

RECITALS

- A. Seller is the owner of that certain real property ("**Real Property**") located in the City of Rocklin ("**City**"), County of Placer ("**County**"), State of California, consisting of two (2) parcels ("**Property**") of land legally described on Exhibit A and depicted on Exhibit B, both Exhibits attached hereto and made a part hereof.
- B. The Property is commonly known as Lots 13, 14, 15 and 16 Block B located in Rocklin, CA (APN 010-161-015 and -016) and consists of approximately 29,565 square feet (.679 acres) of unimproved land.
- C. Seller desires to sell and has the legal ability to sell the Property. Buyer desires to purchase the Property to allow for the construction of public roadway improvements.
- D. Buyer intends to purchase the Property from Seller and Seller intends to sell the Property to Buyer on the terms and conditions set forth in this Agreement.
- E. After completion of the construction of the public roadway improvements, Buyer intends to sell the remaining area of the Property ("**Remainder Parcel**") to Optionee on the terms and conditions set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

AGREEMENT

- 1. Purchase and Sale. Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on the terms and conditions set forth in this Agreement.
- 2. Effective Date. The date the last party executes this Agreement shall be the "**Effective Date**."
- 3. Purchase Price.
 - 3.1 The purchase price for the Property shall be calculated as follows:

3.1.1 The purchase price shall be One Hundred and Thirty-Three Thousand and no/100 Dollars (\$133,000) (referred to herein as the "**Purchase Price**"), based upon a price per square foot of \$4.50.

3.1.2 Buyer shall, within three (3) days of opening Escrow, deposit into Escrow the sum of One Thousand and no/100 Dollars (\$1,000.00) as an Earnest Money Deposit to be credited toward the Purchase Price. The date of the deposit of the Earnest Money Deposit shall be the **Opening Date** of the escrow. Buyer shall place with the Escrow Agent the Earnest Money Deposit in cash, wire or check. The Escrow Agent shall place the Earnest Money Deposit in an interest bearing account and all interest earned thereon shall be added to the Earnest Money Deposit ("**Earnest Money Deposit**").

3.2 On or before the Close of Escrow (defined in Section 9 of this Agreement below), Buyer shall deposit into Escrow the balance of the Purchase Price in cash or immediately available funds. If this Agreement is terminated at any time prior to the conclusion of the Feasibility Period (as defined below) for any reason other than Buyer's default under this Agreement (as is further set forth in this Agreement below), then Buyer shall be entitled to the immediate return of, and the Parties hereby irrevocably instruct Escrow Holder to release to Buyer, the Earnest Money Deposit plus any accrued interest thereon. If this Agreement is not terminated prior to the conclusion of the Feasibility Period (as defined below), then the Earnest Money Deposit shall become nonrefundable to Buyer in the event that this Agreement is terminated thereafter for any reason other than Seller's default under this Agreement or the failure of a condition precedent to the Close of Escrow for Buyer's benefit. Provided that no termination of this Agreement occurs, the Earnest Money Deposit shall be applied and credited to the Purchase Price upon the Close of Escrow.

4. Conditions Precedent.

4.1 Conditions Precedent to Closing. Buyer's obligation to purchase the Property from Seller is subject to the following conditions precedent ("**Conditions Precedent**"), which are for Buyer's benefit only:

4.1.1 Within ten (10) calendar days after the Effective Date, Seller shall provide Buyer, at Seller's expense, with a preliminary title report ("**Preliminary Report**") for the Property issued by a title company and escrow agent ("**Escrow Agent**") selected by Buyer, together with legible copies of all exceptions and the documents supporting the exceptions ("**Exceptions**") in the updated Preliminary Report (the Preliminary Report, together with the Exceptions, shall be collectively referred to as the "**Title Documents**").

4.1.2 Seller shall direct the Escrow Agent to provide a preliminary commitment for title insurance for the full amount of the Purchase Price, together with copies of all exceptions referred to therein. Seller shall pay the premium for the standard owner's policy upon the Close of Escrow. Buyer, at its option, may secure an ALTA Extended Owner's Policy, paying the premium above the standard Owner's Policy.

4.1.3 Within sixty (60) calendar days after the Effective Date, Buyer shall review the Title Documents and shall approve or disapprove, in its sole discretion, the Title Documents by delivering written notice to Seller and Escrow Holder. Unless Seller notifies

Buyer within five (5) days of receiving said written notice that it will eliminate all objections within Seller's control, Buyer shall have until the earlier of the Closing Date or five (5) days from receipt of Seller's written notice to terminate this contract.

4.1.4 Notwithstanding the foregoing, Seller agrees to remove, on the Close of Escrow, any deeds of trust whereby Seller is the trustor or borrower which are currently recorded against the Property, if any. If Seller is unable or unwilling to remove all of the title matters objected to by Buyer, or fails to deliver Seller's Title Notice, Buyer shall have five (5) business days from receipt of Seller's Title Notice to notify Seller in writing that either (1) Buyer is willing to purchase the Property, subject to such disapproved exceptions, or (2) Buyer elects to terminate this transaction. Failure of Buyer to take either one of the actions described in clause (1) or (2) in the previous sentence shall be deemed to be Buyer's election to take the action described in clause (2). If this Agreement is terminated pursuant to this Section, then the Deposit shall be returned to Buyer, and, except as otherwise provided in this Agreement, Seller and Buyer will have no further obligations or rights to one another under this Agreement.

4.1.5 Title Policies. On or before expiration of the Inspection Period (defined below), Buyer shall have received evidence, as part of Buyer's due diligence investigation of the Property, that Escrow Holder's title insurer ("**Title Company**") is ready, willing, and able to issue, upon payment of Title Company's regularly scheduled premium, a California Land Title Association ("**CLTA**") standard owner's policy of title insurance ("**Owner's Policy**") in the face amount of the Purchase Price with the endorsements Buyer may require ("**Endorsements**"), showing title to the Property vested in Buyer subject only to the approved Exceptions.

4.1.6 Property Documents. Within ten (10) days of the Opening Date, Seller shall provide Buyer with copies of the following documents, if any, that are in its possession or under its control: relevant studies, documents, land surveys, soils reports, licenses, bond, CFD or other debt information on the property and other documents and/or contracts pertaining to the Property, together with any amendments or modifications; any and all information that Seller has regarding environmental matters affecting the Property and regarding the condition of the Property. Seller is only obligated to provide Buyer with documents in its possession and control and is under no obligation to acquire documents from others. The purpose of providing the Buyer with the documents is to aid in its review of the Property during the Inspection Period. Providing Buyer with the documents does not eliminate or reduce Buyer's obligations to perform its own thorough and complete review of all aspects of the property and no liability shall attach to the Seller based on any information provided to the Buyer. Seller makes no express or implied representations or warranties regarding the truthfulness, accuracy, or completeness of the Property Documents or other information provided to Buyer; provided, however, if Seller is aware of any inaccuracies or incompleteness of the Property Documents, Seller shall upon delivery of the Property Documents to Buyer or upon discovery of inaccuracies or incompleteness inform Buyer of such inaccuracies or incompleteness.

4.1.7 Feasibility Period: Buyer shall have a Feasibility Period of up to ninety (90) calendar days from opening of escrow during which it shall conduct its due diligence associated with, including but not limited to environmental, soils, title, zoning and building regulations and permits, financing leasing and economic conditions ("Due Diligence Period"). Buyer shall advise Seller within the Due Diligence Period that it has satisfied its due diligence of the above-referenced items or the sales agreement may be terminated by the Seller. At or prior

to the end of the Feasibility Period, Buyer shall advise Seller, in writing that it has completed its due diligence in the Feasibility Period and has elected to waive the above-referenced items and contingencies. Failure of Buyer to notify Seller at or prior to the end of the Feasibility Period shall terminate this Agreement and the Escrow Agent shall be directed to return the entire Earnest Money Deposit to Buyer.

4.1.8 Physical Inspection. During the Feasibility Period, upon not less than one (1) business day's advance written notice from Buyer to Seller, Seller shall provide Buyer and Buyer's agents and representatives with access to the Property to make such reasonable non-destructive inspections, tests, copies, verifications, assessments, surveys and studies ("**Inspections**") as Buyer considers reasonably necessary or desirable under the circumstances regarding the Property and its condition. Inspections may include, without limitation, Inspections regarding zoning, building codes and other governmental regulations; imposition of governmental obligations and assessments; architectural inspections; engineering tests; economic feasibility and marketing studies; availability of sewer, water, storm drain and other utilities; availability of roads, access and services; soils, seismic, engineering and geologic reports; environmental assessments, and tests and reports. All Inspections shall be made at Buyer's sole cost and expense. Buyer shall repair any damage to the Property caused by any Inspections. Should circumstances dictate that additional time is necessary for said physical inspections, then Buyer may request additional limited time and consent by Seller shall not be unreasonably withheld.

4.1.9 Seller's Obligations. The performance by Seller of every covenant, condition, agreement, and promise to be performed by Seller pursuant to this Agreement and the related documents executed or to be executed by Seller.

4.1.10 Condemnation or Casualty. On the date of Close of Escrow, the Property shall not have been damaged or destroyed in any material respect and no condemnation or eminent domain action or proceeding shall be pending or threatened against the Property.

4.1.11 Seller's Representations. The truth and accuracy, in all material respects, of all Seller's representations and warranties in this Agreement and the related documents executed or to be executed by Seller.

4.1.12 Waiving Contingencies: Should Buyer waive contingencies then Buyer and Seller shall close escrow and finalize the purchase within fifteen (15) days from the expiration of the Feasibility Period. ("Closing Date").

4.2 Failure of Conditions Precedent. In the event any of the Conditions Precedent have not been fulfilled within the applicable time periods or if Buyer disapproves, pursuant to Section 4, matters for which Buyer's approval is required, Buyer may, within ten (10) business days either: (i) waive the condition or disapproval and close Escrow in accordance with this Agreement, or (ii) terminate this Agreement by written notice to Seller.

5. Seller's Representations and Warranties. Seller represents and warrants to Buyer the following representations and warranties. For the purpose of this Agreement, without creating any personal liability on behalf of such individuals, usage of "to the best of Seller's knowledge," or words to such effect, shall mean the knowledge of the Director of Economic and Community Development and the City Manager, including a duty of reasonable inquiry, existing as of the

Effective Date. In the event that Buyer, prior to Close of Escrow, becomes aware, from Seller or otherwise, of any inaccuracy or omission in the disclosures, information, or representations previously provided to Buyer by Seller or its consultants or agents, which will have a material, adverse impact on Buyer, the Property or the intended use of the Property, Buyer, as its sole option and remedy, may either (i) terminate this transaction, thereby waiving any claims or actions that Buyer may have against Seller as a result of such inaccuracy or omission, or (ii) proceed with the Close of Escrow hereunder, thereby waiving any rights that Buyer may have against Seller as a result of such inaccuracy or omission. Buyer agrees that, under no circumstances, shall Buyer be entitled to purchase the Property hereunder and then bring any claim or action against Seller for damages as a result of such inaccuracy or omission, except if such inaccuracy or omission is based on fraud or intentional misrepresentation by Seller:

5.1 To the best of Seller's knowledge (i) it has the full power and authority to enter into this Agreement and to perform this Agreement, subject to Redevelopment Oversight Board approval; (ii) it is not the subject of any bankruptcy or insolvency proceedings; and (iii) this Agreement is a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, redevelopment, moratorium or other similar laws from time to time in effect which affect the rights of creditors generally or by limitations upon the availability of equitable remedies.

5.2 To the best of Seller's knowledge, as of the Close of Escrow no other person or entity shall lawfully be in possession of the Property or have any right of occupancy of the Property, whether pursuant to a lease, license, occupancy agreement or otherwise.

5.3 To the best of Seller's knowledge, except for the rights of Buyer under this Agreement, Seller has not granted any options or rights of first refusal to purchase the Property to any person or entity. Conveyance of the rights described herein will not constitute a breach or default under any agreement to which Seller is bound and/or to which the Property is subject.

5.4 To the best of Seller's knowledge, there is no suit, action, arbitration, legal, administrative or other proceeding or inquiry pending or threatened against the Property, or any portion thereof, or pending or threatened against Seller which could (i) affect Seller's title to the Property, or any portion thereof, (ii) affect the value of the Property, or any portion thereof, or (iii) subject an owner of the Property, or any portion thereof, to liability.

5.5 To the best of Seller's knowledge, there are no uncured notices which have been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property or any portion thereof.

5.6 To the best of Seller's knowledge, Seller has not received written notice that the Property is in violation of any federal, State, or local law, ordinance, regulation, order, decree or judgment.

5.7 To the best of Seller's knowledge, Seller has not received written notice that the Property or any part thereof is not in full compliance with all applicable environmental, and similar laws, statutes, rules, regulations and ordinances and all covenants, conditions and restrictions applicable to the Property.

5.8 To the best of Seller's knowledge, (i) the Property, (ii) the environmental conditions on, under, or about the Property, (iii) the soil conditions of the Property, and (iv) the ground water conditions of the Property are not, as of the Effective Date of this Agreement, and as of the Close of Escrow, in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Materials (as defined herein) or industrial hygiene. The term "Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances and other related materials including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state or local laws or regulations.

6. Buyer's Representations and Warranties. Buyer represents and warrants to the best of Buyer's knowledge that as of the Effective Date and as of the Close of Escrow:

6.1 Buyer's Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement.

6.2 Enforceability. This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms.

6.3 Conflicting Documents. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party.

6.4 No Side Agreements or Representations. Buyer represents, warrants and covenants to Seller that Buyer has entered into this Agreement based upon its rights and intentions to independently inspect the Property.

6.5 Real estate taxes and assessments. Real estate taxes and assessments shall be prorated between Buyer and Seller as of the Closing Date. Upon close of Escrow, Buyer shall be responsible for all taxes, assessments and fees applicable to the Property.

7. Indemnification.

7.1 From and after the Close of Escrow, Seller shall indemnify, protect, defend and hold harmless Buyer (and Buyer's officials, representatives, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable fees and expenses for legal representation (attorneys, paralegals, consultants, etc.), experts' fees and costs and all court costs) of any kind or nature whatsoever, including, but not limited to, the following:

7.1.1 By reason of Seller or Seller's agents, employees, or representatives sole negligence or intentional act, omission, event or liability relating to the Property arising, incurred, or that occurred before the Close of Escrow; or

7.1.2 Based upon or related to a breach of any representation, warranty, or covenant made by Seller in this Agreement.

7.2 From and after the Close of Escrow, Buyer shall indemnify, protect, defend and hold harmless Seller (and Seller's officials, representatives, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable fees and expenses for legal representation (attorneys, paralegals, consultants, etc.), experts' fees and costs and all court costs) of any kind or nature whatsoever, including, but not limited to, the following:

7.2.1 By reason of Buyer's or Buyer's agents, employees, or representatives sole negligence or intentional act, omission, event or liability relating to the Property arising, incurred, or that occurred after the Close of Escrow; or

7.2.2 Based upon or related to a breach of any representation, warranty, or covenant made by Buyer in this Agreement.

8. Seller's Covenants. Seller agrees as follows:

8.1 Payment of All Obligations. Seller shall have discharged all liens, excluding tax, assessment or governmental liens appearing in the Title Documents, including mechanics' and materialmen's liens arising from labor and materials furnished prior to the Close of Escrow. Seller will discharge all of Seller's obligations and liabilities under the Property Documents arising prior to the Close of Escrow.

8.2 Litigation. Seller shall immediately notify Buyer of any lawsuits, condemnation proceedings, rezoning, or other governmental order or action, or any threat thereof, known to Seller which might affect the Property or any interest of Buyer.

9. Escrow. Seller shall provide Escrow Holder with a copy of this Agreement fully executed within three (3) days after the Effective Date ("**Escrow**"). This Agreement shall, to the extent possible, act as escrow instructions. The parties agree to execute all further escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement, and shall provide that as between the parties, the terms of this Agreement shall prevail if there is any inconsistency. "**Close of Escrow**" is defined to be date of the recordation of the Grant Deed from Seller to Buyer for the Property. The Close of Escrow shall occur on or before one hundred fifty (150) days following the Opening Date or such other date as the parties hereto shall mutually agree in writing.

10. Closing. On or before Close of Escrow, Seller and Buyer shall deposit with Escrow Holder the following documents and funds and shall close Escrow as follows:

10.1 Seller's Deposits. Seller shall deposit with Escrow Holder the following:

10.1.1 Deed. The original executed and acknowledged Grant Deed conveying the Property to Buyer ("**Grant Deed**");

10.1.2 Non-Foreign Affidavit. The original Nonforeign Affidavit executed by Seller, where applicable;

10.1.3 Property Documents. Copies of all Property Documents to be assumed by Buyer, originals if in Sellers possession or control;

10.1.4 Additional Documents. Any other documents or funds required by Escrow Holder from Seller to close Escrow in accordance with this Agreement.

10.2 Buyer's Deposits. On or before the Close of Escrow, Buyer shall deposit with Escrow Holder the following:

10.2.1 Purchase Price. The Purchase Price in cash or immediately available funds;

10.2.2 Closing Costs. Additional cash in the amount necessary to pay Buyer's share of closing costs, as set forth in Section 11.2 and

10.2.3 Additional Documents. Any other documents or funds required of Buyer to close Escrow in accordance with this Agreement.

11. Closing Costs.

11.1 Seller's Costs. Seller shall pay the title insurance premium for the CLTA Owner's Policy in the amount of the Buyer Price; one-half (1/2) of Title Company's escrow fees and closing costs; the County real property transfer taxes and documentary transfer taxes payable upon recordation of the Deed; and any sales, use, and ad valorem taxes connected with the Close of Escrow, if any.

11.2 Buyer's Costs. Buyer shall pay one-half (1/2) of Title Company's Escrow fees and closing costs and the cost for any title Endorsement Buyer may require.

11.3 All other charges and credits with respect to the Property, shall be prorated to the Close of Escrow on the basis of a thirty (30) day month.

11.4 Utility Charges. The parties do not believe any utility charges exist, but if such do exist, Seller will cause all utility and water meters to be read on the Close of Escrow and will be responsible for the cost of all utilities and water used prior to that time.

12. Right to Assign. Except as otherwise provided in this Agreement, the parties shall not have the right, power, or authority to assign this Agreement or any portion of this Agreement or to delegate any duties or obligations arising under this Agreement, voluntarily, involuntarily or by operation of law, except as provided in this Section without the other party's prior written approval, which shall not be unreasonably withheld or delayed. except to an entity which owns or has the right to vote at least a fifty percent (50%) capital or voting interest of the common stock, partnership units or limited liability company interests and retains management and control of the assignee entity or entities, as applicable, or to an Affiliate. The right to assignment shall not be unreasonably withheld. As used in this Agreement, an "Affiliate" means with respect to Seller or Buyer, any person or entity directly or indirectly controlling, controlled by or under common control with such other person or entity. For purposes of this definition,

“control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies whether through the ownership of voting securities, by contract or otherwise.

13. Successors and Assigns. All of the rights, benefits, duties, liabilities, and obligations of the parties shall inure to the benefit of, and be binding upon, their respective successors and assigns.

14. Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile to the number set forth below (provided that, notices given by facsimile shall not be effective unless the receiving party delivers the notice also by one other method permitted under this Section); (c) upon the day of delivery if the notice has been deposited in a authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (d) one (1) business day after the notice has been deposited with either Golden State Overnight, FedEx or United Parcel Service to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Seller: Successor Agency to the Redevelopment Agency of the
City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attn: Rick Horst, Executive Director
Telephone: (916) 625-5570
Facsimile: (916) 625-5095

With a copy to: Successor Agency to the Redevelopment Agency of the
City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attn: Agency Attorney
Telephone: (916) 625-5581
Facsimile: (916) 625-5095

If to Buyer: City of Rocklin
3970 Rocklin Road
Rocklin, California 95677
Attn: Rick Horst, City Manager
Telephone: (916) 625-5570
Facsimile: (916) 625-5095

With a copy to: City of Rocklin

3970 Rocklin Road
 Rocklin, California 95677
 Attn: City Attorney
 Telephone: (916) 625-5581
 Facsimile: (916) 625-5095

If to Optionee: Brentwood Developments (California), Inc.
 5800 Stanford Ranch Road, Suite 210
 Rocklin, CA 95765
 Attn: Brad Griffith, President
 Telephone: (916) 435-4180
 Facsimile: (916) 435-4181

Any notice to a party which is required to be given to multiple addresses shall only be deemed to have been delivered when all of the notices to that party have been delivered pursuant to this Section. If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered on the next business day. A party may change or supplement the addresses given above, or designate additional addressees, for purposes of this Section by delivering to the other party written notice in the manner set forth above.

15. Possession. Right to possession of the Property shall transfer to Buyer at the Close of Escrow.

16. Destruction. In the event of any damage or other loss to the Property prior to the Close of Escrow that materially and adversely affects Buyer's intended use of the Property or the value of the Property, excluding any such damage or loss caused by Buyer, Buyer may, without liability, terminate this Agreement, if Buyer elects not to terminate this Agreement, the Purchase Price shall be adjusted to reflect any reduction in value resulting from the damage or loss to the Property.

17. Option. Subject to and upon the Close of Escrow, Buyer hereby grants to Optionee the exclusive right to purchase the Remainder Parcel after the completion of the public roadway improvements, referenced hereinabove in this Agreement (“**Option**”). The Option shall expire six (6) months after Buyer notifies the Optionee in writing that the public roadway improvements have been completed and the Remainder Parcel is available for purchase, if Buyer and Optionee have not negotiated, entered into and fully executed a Purchase and Sale Agreement for the Remainder Parcel. The purchase price for the Remainder Parcel shall be Fifty Thousand and no/100 Dollars (\$50,000).

18. Integration. This Agreement, all attached exhibits, and all related documents referred to in this Agreement, constitute the entire agreement among the parties. There are no oral or parol agreements which are not expressly set forth in this Agreement and any related documents being executed in connection with this Agreement are expressly superseded by this Agreement. This Agreement may not be modified, amended, or otherwise changed except by a writing executed by the party to be charged.

19. Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

20. Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party. Upon such determination that any term or provision illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the greatest extent possible.

21. Waivers. No waiver or breach of any provision shall be deemed a waiver of any other provision, and no waiver shall be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of this Agreement shall be deemed to have occurred, and this Agreement shall be enforceable and effective, only upon the complete execution of this Agreement by Seller and Buyer.

23. Survival. All of the Buyer's and Seller's warranties, indemnities, representations, covenants, obligations, undertakings and agreements contained in this Agreement shall survive the Close of Escrow of the Property, and the execution and delivery of this Agreement and of any and all documents or instruments delivered in connection herewith; and no warranty, indemnity, covenant, obligation, undertaking or agreement herein shall be deemed to merge with the Grant Deed for the Property. Notwithstanding the foregoing, the representations and warranties of Buyer and Seller shall only survive the Close of Escrow for a period of six (6) months.

24. Incorporation of Exhibits. All attached exhibits are incorporated in this Agreement by reference.

25. Governing Law/Venue. This Agreement shall be governed by and construed in accordance with California law. Any dispute or litigation related to the Property or this Agreement shall be venued in the County of Placer.

26. Days of Week. A "business day," as used herein, shall mean any day other than a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code. If any date for performance herein falls on a day other than a business day, the time for such performance shall be extended to 5:00 p.m. on the next business day. Where the term "day" is used it shall refer to calendar days, not business days.

27. Condition and Inspection of Property. Notwithstanding any other provision of this Agreement to the contrary, Seller makes no representation or warranty (except as expressly set forth in this Agreement) whatsoever regarding the Property, the physical condition of the

Property, its past use, its compliance with laws (including, without limitation, laws governing environmental matters, zoning, and land use), or its suitability for Buyer's intended use. Seller has not conducted any investigation regarding the condition of the Property, and the Property is sold AS-IS, WHERE-IS, WITH ALL FAULTS, AND THERE IS NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF THE PROPERTY. Buyer hereby represents and warrants that Buyer is relying solely upon, and as of the expiration of the Inspection Period will have conducted its own independent inspection, investigation, and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, any and all matters concerning the condition, use, sale, development or suitability for development of the Property.

28. Property Condition Waiver. Following the Close of Escrow, Buyer waives its right to recover from Seller and hereby releases Seller from, any and all damages, losses, liabilities, costs or expenses whatsoever (including attorneys' fees and costs) and claims therefor, whether direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way arising out of or connected with (i) the physical condition of the Property and (ii) the environmental condition of the Property. The foregoing waiver and release shall exclude only those losses, liabilities, damages, costs or expenses, and claims therefor, arising from or attributable to a material matter actually known to Seller (including constructive notice) and (1) not disclosed to Buyer and (2) not discovered by Buyer prior to the Close of Escrow, and any breach by Seller of its express representations or warranties under this Agreement. Except as to such damages, losses, liabilities, costs or expenses, and claims therefor, which are excluded from Buyer's waiver and release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."

Buyer's Initials

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

SELLER:

BUYER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN,
a municipal corporation

CITY OF ROCKLIN,
a municipal corporation

By: _____
Ricky A. Horst, Executive Director

By: _____
Ricky A. Horst, City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

OPTIONEE:

By: _____
Steven P. Rudolph, City Attorney and Agency Counsel

BRENTWOOD DEVELOPMENT (CALIFORNIA), INC.
a California corporation

By: _____

Date: _____

Its: _____

Date: _____

ATTEST:

By: _____
Barbara Ivanusich, City Clerk and Agency Secretary

Date: _____

**EXHIBIT A
LEGAL DESCRIPTION OF THE LAND
(Per Recital B of the Agreement)**

Real property in the City of Rocklin, County of Placer, State of California, described as follows:

LOTS 13,14,15 and 16, BLOCK "B", AS SHOWN ON THE MAP OF THE TOWN OF ROCKLIN, FILED AUGUST 9, 1983 IN BOOK "A" OF MAPS, PAGE 28, PLACER COUNTY RECORDS.

(APNs 010-161-015 and -016)

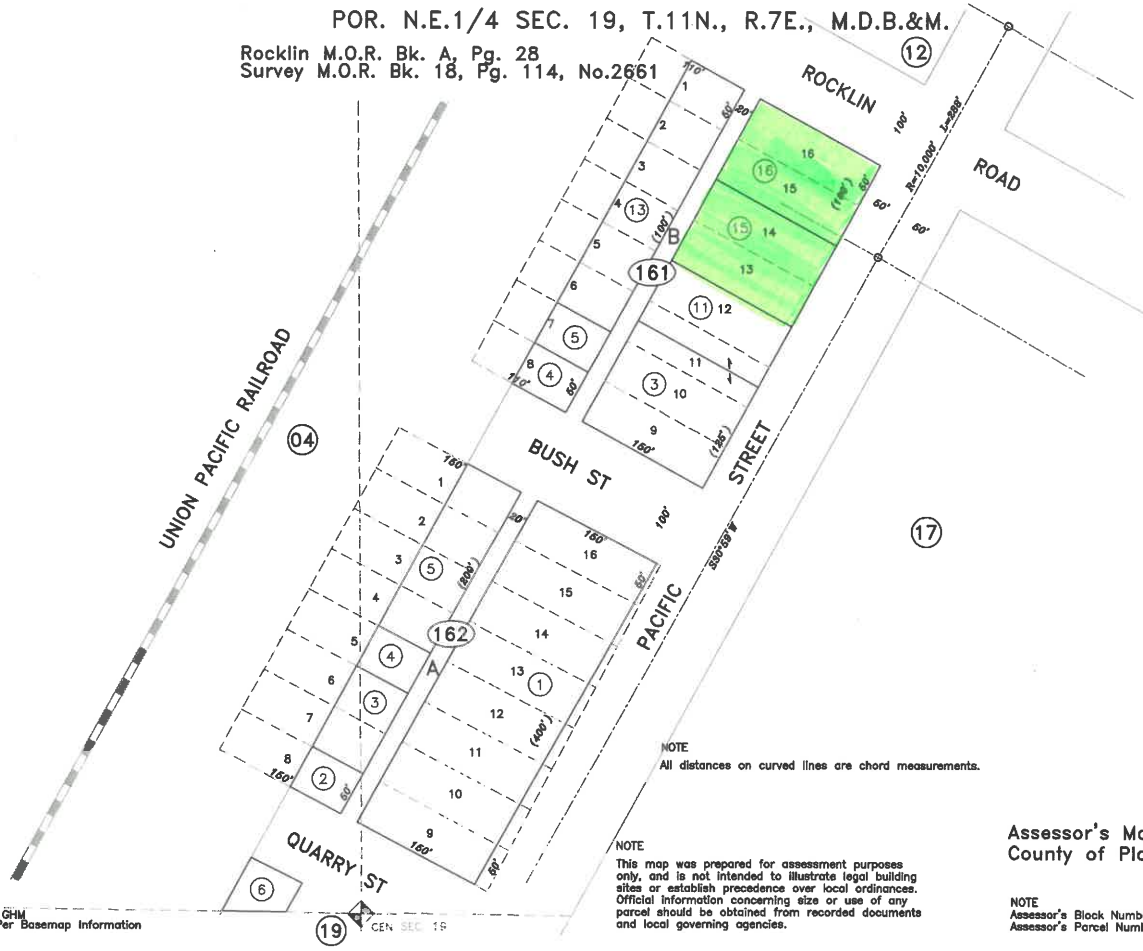
EXHIBIT B

Map Depicting the Property

(Attached)

POR. N.E.1/4 SEC. 19, T.11N., R.7E., M.D.B.&M.
Rocklin M.O.R. Bk. A, Pg. 28
Survey M.O.R. Bk. 18, Pg. 114, No.2661

10-16



NOTE
All distances on curved lines are chord measurements.

NOTE
This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

Assessor's Map Bk.10 Pg.16
County of Placer, Calif.

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

03-31-2005 GHM
Page Drawn Per Basemap Information

CEN. SEC. 19



Oversight Board Report

Subject: Oversight Board consideration of the action approved by the Successor Agency to the Redevelopment Agency of the City of Rocklin (Resolution 2017-29-SA) and the City of Rocklin (Resolution 2017-118) for the Termination of Ground Lease for former Redevelopment Agency Property

Submitted by: DeeAnne Gillick, Assistant City Attorney

Date: June 19, 2017

Department: City Attorney

Reso. No. 2017- OB

Staff Recommendation:

It is recommended that the Rocklin Oversight Board review and approve the action approved by the Successor Agency to the Redevelopment Agency of the City of Rocklin to terminate the Ground Lease Between the City of Rocklin and the Redevelopment Agency of the City of Rocklin for former Redevelopment Agency Property (Resolution 2017-29-SA), and direct the Successor Agency to take all necessary action to terminate the Ground Lease.

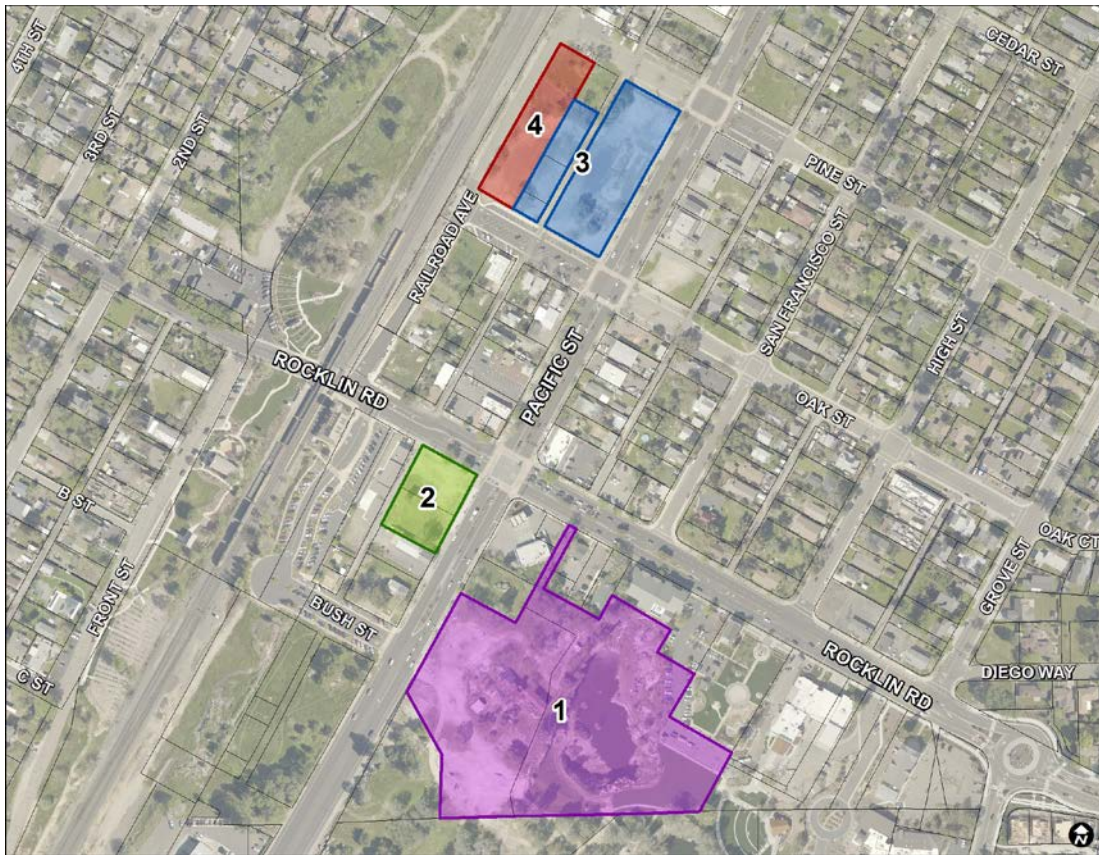
BACKGROUND:

Redevelopment agencies were dissolved by operation of law in 2012 and the Successor Agency to the Redevelopment Agency to the City of Rocklin is responsible for winding up the affairs of the former Redevelopment Agency. Among the duties of a successor agency was the preparation of a long-range management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The Successor Agency approved the Rocklin Long Range Management Plan (LRMP) on September 10, 2013 by Resolution No. 2013-15 SA, which was approved by the Oversight Board on September 27, 2013, and by the Department of Finance on March 13, 2014. The LRMP provides that several former Redevelopment Agency properties are to be marketed and sold for future development.

In March of 2011 the City leased from the Redevelopment Agency certain Redevelopment Agency properties in which the City was to act as a master developer for the properties pursuant to City of Rocklin Resolution No. 2011-39 and Redevelopment Agency Resolution No. 2011-422 RDA. The dissolution of redevelopment agencies in 2012 prohibited the City from marketing and developing the properties. In order to sell these redevelopment properties pursuant to the LRMP the lease with the City of Rocklin needs to be terminated.

The former Redevelopment Agency properties which are subject to the 2011 lease with the City include the following properties as identified in the 2011 lease:

1. Big Gun Quarry: 5255 Pacific Street, former APN 010-170-024;
2. Baraket Trust and Gould Properties: 5220 Pacific Street and Rocklin Road, APNs 010-161-016 and 010-161-015;
3. Vivilacqua Property, Pacific St. between Oak and Pine Streets, APNs 010-121-001, 010-121-002, 010-121-004, and 010-121-005; and
4. A portion of the former UPRR property fronting Railroad Ave. between Oak and Pine Streets consisting of plat lots 3 through 8, specifically excepting the former residential property at lots 1 and 2, which is directly behind and adjoining the Vivilacqua Property.



FINDINGS, CONCLUSIONS & RECOMMENDATIONS:**Findings:**

- The Successor Agency is responsible for the disposition and management of the former redevelopment agency properties.
- The LRMP directs the Successor Agency to market and sell certain former redevelopment agency property.
- The existing ground lease of former redevelopment agency properties needs to be terminated in order to market and sell the former redevelopment agency property.

Conclusions:

- The Successor Agency may approve and authorize the termination of the ground lease, subject to Oversight Board approval.
- The termination of the ground lease is necessary to remove the lease from the recorded obligations related to the properties.
- The Successor Agency action to terminate the ground lease is subject to approval by the Oversight Board.
- The Oversight Board may approve termination of any agreements between the former redevelopment agency and the City.

Recommendations:

- Staff recommends Oversight Board approval of the action approved by the Successor Agency and the City of Rocklin authorizing the termination of the ground lease between the City of Rocklin and the former Redevelopment Agency for certain former Redevelopment Agency properties.



Ricky A. Horst, City Manager
Reviewed for Content



Steven P. Rudolph, City Attorney
Reviewed for Legal Sufficiency

RESOLUTION NO. 2017-XX-OB

RESOLUTION OF THE ROCKLIN OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY OF THE CITY OF ROCKLIN
APPROVING THE TERMINATION OF GROUND LEASE FOR
FORMER REDEVELOPMENT AGENCY PROPERTY

WHEREAS, Health and Safety Code (HSC) Section 34181(a) states in part:

“34181. The oversight board shall direct the successor agency to do all of the following:

(a)(1) Dispose of all assets and properties of the former redevelopment agency;...

(b). . . terminate all agreements that do not qualify as enforceable obligations.

WHEREAS the Successor Agency to the Redevelopment Agency of the City of Rocklin is responsible for the winding up of the affairs of the former Redevelopment Agency and the disposition of real property pursuant to the Rocklin Long Range Management Plan (LRMP) approved by the Oversight Board on September 27, 2013, and by the Department of Finance on March 13, 2014; and

WHEREAS the LRMP provides that former Redevelopment Agency properties are to be marketed and sold for future development; and

WHEREAS certain former Redevelopment Agency properties are burdened with a 2011 ground lease in which the City of Rocklin leased the real property from the former Redevelopment Agency; and

WHEREAS due to the dissolution of redevelopment agencies the City is not developing the properties pursuant to the 2011 ground lease; and

WHEREAS the City of Rocklin and the Successor Agency desire to terminate the 2011 ground lease; and

WHEREAS, the City of Rocklin adopted Resolution 2017-118 approving the termination of the 2011 ground lease, subject to the approval of the Oversight Board; and

WHEREAS, the Successor Agency adopted Resolution 2017-29-SA approving the termination of the 2011 ground lease, subject to the approval of the Oversight Board; and

WHEREAS, the Oversight Board has reviewed the proposed action by the City of Rocklin and the Successor Agency to the Redevelopment of the City of Rocklin and has determined that the termination of the ground lease is consistent with the Long Range Property Management Plan and necessary to dispose of former redevelopment agency property.

The Rocklin Oversight Board does resolve as follows:

Section 1. The Rocklin Oversight Board hereby approves and authorizes the termination of the 2011 ground lease formerly approved by City of Rocklin Resolution No. 2011-39, and approves the action approved by the City of Rocklin (Resolution No. 2017-118) and the Successor Agency to the Redevelopment Agency of the City of Rocklin (Resolution 2017-29-SA) on June 13, 2017.

Section 2. City staff is hereby authorized and directed to take all necessary action to carry out the termination of such lease, and the City Clerk is hereby authorized and directed to record the termination of lease in the County Recorder’s Office.

PASSED AND ADOPTED this 19th day of June, 2017, by the following vote:

- AYES: Members:
- NOES: Members:
- ABSENT: Members:
- ABSTAIN: Members:

Jerry Mitchell, Chair

ATTEST:

Rhona Wu, Secretary