
4.

***Real Estate
Disposition
Discussion***

PLACER COUNTY
SUCCESSOR AGENCY
MEMORANDUM

TO: Honorable Members of the Oversight Board
FROM: Rae James, Director Successor Agency
DATE: August 14, 2012
SUBJECT: Successor Agency Property Disposition

ISSUE

Pursuant to Assembly Bill 1x 26 (Dissolution Act) as amended by Assembly Bill 1484 (AB 1484), your Board may direct the Successor Agency to initiate disposition or transfer assets and properties of the former Redevelopment Agency (Agency), subject to Government Code §25526. AB 1484 provides that, subject to the approval of the Oversight Board and the Department of Finance, a Successor Agency may prepare a long-range property management plan to guide the disposition and/or retention of real property assets following issuance by the Department of Finance of a “Finding of Completion” after completion of a due diligence review of the assets and funds held by the Successor Agency.

DISCUSSION / BACKGROUND

The former Agency was formed in 1995. Shortly thereafter three redevelopment project areas were adopted which were clearly blighted and suffered from poor land uses, contaminated soils, lack of public infrastructure, and a lack of affordable housing. Real estate values were depressed as reflected in property tax collections.

At your June 27, 2012 meeting, staff described in detail the properties owned by the former Agency. The properties submitted to your Board for disposition determination can be grouped in three categories: 1) Vacant – pending possible developer proposals; 2) Vacant – undergoing contamination remediation; and 3) Included in the development of the King Beach Commercial Core Improvement Project (CCIP). There are a total of twenty-two parcels on 10 sites. A separate report describes the proposed conveyance of six of these parcels to the County of Placer for continued use for public parking in support of the CCIP.

Given the number of properties in the Successor Agency’s portfolio and the impact on the small Kings Beach community, it is important that the disposition occur in an orderly and strategic manner to ensure value is retained and prevent any negative impact on the community. Staff must also adhere to Government Code §25526 which governs the process for the sale of publicly owned property. Given the long lead time required for the disposition of property pursuant to Government Code §25526, staff recommends that the Oversight Board direct staff to commence preparation of a long-range property management plan and explore alternatives for disposition of certain properties as outlined in this report.

On June 27, 2012, the Legislature passed and the Governor signed AB 1484. This redevelopment budget trailer bill makes technical and substantive amendments to the Dissolution Act, and went

into effect immediately upon the Governor’s signature. AB 1484 suspends the forced sale disposition provisions in the earlier Dissolution Act, and instead provides that upon issuance of a “Finding of Completion,” a Successor Agency must develop a long-range property management plan, subject to Oversight Board and Department of Finance approval, to guide the disposition and/or retention of real property. Among other things, the plan must include information regarding value of the property, history of environmental contamination and remediation, and the property’s potential for the advancement of the planning objectives of the successor agency.

Permitted uses under a property management plan include:

- a. retention of the property for governmental uses;
- b. retention of the property for future development;
- c. sale of the property; and
- d. use of the property to fulfill an enforceable obligation.

Under the new legislation, it appears that a successor agency that wishes to voluntarily convey certain properties in advance of approval of a property management plan may do so, provided that the oversight board approves and the Department of Finance does not object. A thorough and complete analysis of AB 1484 is still underway by legal counsel and staff. We will keep your Board informed of progress made pursuant to your direction.

Staff proposes the following property disposition course of action:

PROPERTY DISPOSITION LIST

<u>Parcel Number</u>	<u>Description</u>	<u>Comment</u>	<u>Staff Recommendation</u>
090-370-005	Vacant	Gateway – Remnant	Sell
090-370-006	Vacant	Gateway – Remnant	Sell
090-221-018	Vacant	Gateway	Sell
090-221-021	Vacant	Gateway	Sell
090-221-012	Vacant	Gateway	Sell
090-221-026	Vacant	Gateway	Sell
090-221-027	Vacant	Gateway	Sell
090-192-041	Vacant	Contamination Remediation	Hold/Sell
090-192-055	Vacant	Contamination Remediation	Hold/Sell
090-221-013	Vacant	Contamination Remediation	Hold/Sell
090-221-014	Vacant	Contamination Remediation	Hold/Sell
090-221-020	Vacant	Contamination Remediation	Hold/Sell
090-142-001	Vacant	Town Center	Sell

090-142-002	Vacant	Town Center	Sell
090-142-029	Vacant	Town Center	Sell
090-142-011	Vacant	Town Center	Sell

As described in a separate report, staff recommends conveyance of the following properties to the County of Placer pursuant to Health and Safety Code §34177(e) and §34181(a) for continued use for public parking in support of the CCIP:

090-126-020	Vacant	CCIP Required	Retain
090-192-058	Parking Lot	CCIP Required	Retain
090-192-059	Parking Lot	CCIP Required	Retain
090-192-060	Parking Lot	CCIP Required	Retain
090-122-019	Parking Lot	CCIP Required	Retain
090-074-025	Vacant	CCIP Required	Retain

ACTION REQUESTED

That the Oversight Board adopt a resolution directing staff to pursue the recommended course of action as outlined above by the vote of your Board.

Attachments: Resolution
Property Profile Supplemental Information

Before the Placer County Oversight Board, State of California

In the matter of:

Authorizing the Successor Agency to the former Placer County Redevelopment Agency to prepare a property management plan and investigate alternatives for the disposition of former Redevelopment Agency owned real estate

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Oversight Board

of the County of Placer at a regular meeting held _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Oversight Board

WHEREAS, this resolution is adopted by the Placer County Oversight Board to provide direction to the Successor Agency to the Former Placer County Redevelopment Agency (Successor Agency) regarding the disposition of real property held by the Successor Agency.

WHEREAS, the dictates of Government Code §25526 and Assembly Bill 1484 require the Successor Agency to follow certain procedures prior to the actual sale of properties once owned by the former Redevelopment Agency.

NOW THEREFORE BE IT RESOLVED:

1. Successor Agency staff is hereby directed to return to the Oversight Board with specific proposals for disposition of each property and a status update at regular intervals.
2. Successor Agency staff is hereby directed to pursue the following direction regarding disposition of the properties described below:

<u>Parcel Number</u>	<u>Description</u>	<u>Comment</u>	<u>Recommended Action</u>
090-370-005	Vacant	Gateway – Remnant	Sell
090-370-006	Vacant	Gateway – Remnant	Sell
090-221-018	Vacant	Gateway	Sell
090-221-021	Vacant	Gateway	Sell
090-221-012	Vacant	Gateway	Sell
090-221-026	Vacant	Gateway	Sell
090-221-027	Vacant	Gateway	Sell
090-192-041	Vacant	Contamination Remediation	Hold/Sell
090-192-055	Vacant	Contamination Remediation	Hold/Sell
090-221-013	Vacant	Contamination Remediation	Hold/Sell
090-221-014	Vacant	Contamination Remediation	Hold/Sell
090-221-020	Vacant	Contamination Remediation	Hold/Sell
090-142-001	Vacant	Town Center	Sell
090-142-002	Vacant	Town Center	Sell
090-142-029	Vacant	Town Center	Sell
090-142-011	Vacant	Town Center	Sell

PROPERTY PROFILES
SUPPLEMENTAL
INFORMATION

Property Profiles Supplemental Information

Eastern Gateway—Parcels 1 & 2



APNS: 090-370-005
090-370-006

Allowable Coverage: 1,784 sq ft
Banked Coverage: 0
Commercial Floor Area: 0
Development Rights: 1
Tourist Accommodation Units: 0

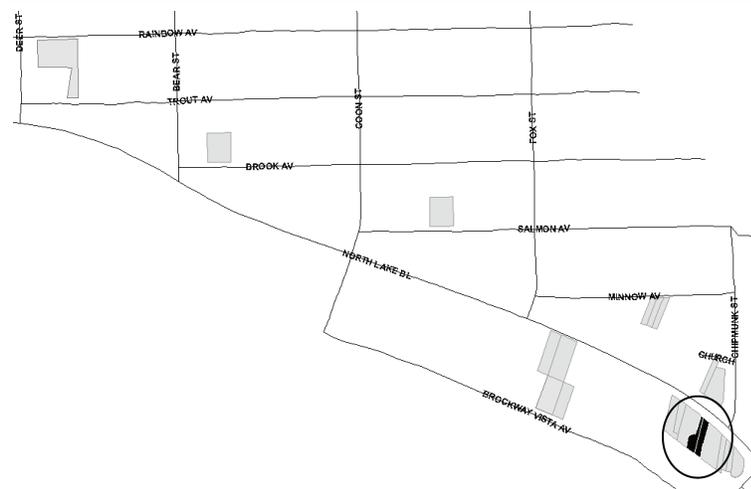
Eastern Gateway—Parcels 3, 4, & 5



APNS: 090-221-012
090-221-026
090-221-027

Allowable Coverage: 4,473 sq ft
Banked Coverage: 0
Commercial Floor Area: 157 sq ft
Development Rights: 0
Tourist Accommodation Units: 6

Eastern Gateway—Parcels 6 & 7



APNS: 090-221-018
090-221-021

Allowable Coverage: 2,233 sq ft
Banked Coverage: 0
Commercial Floor Area: 1,533 sq ft
Development Rights: 0
Tourist Accommodation Units: 0

Property Profiles Supplemental Information

Eastern Gateway—Parcels 8, 9, & 10



APNS: 090-221-013
090-221-014
090-221-020

Allowable Coverage: 5,619 sq ft

Banked Coverage: 0

Commercial Floor Area: 1,550 sq ft

Development Rights: 0

Tourist Accommodation Units: 0

Swiss Mart



APNS: 090-192-041
090-192-055

Allowable Coverage: 3,284 sq ft

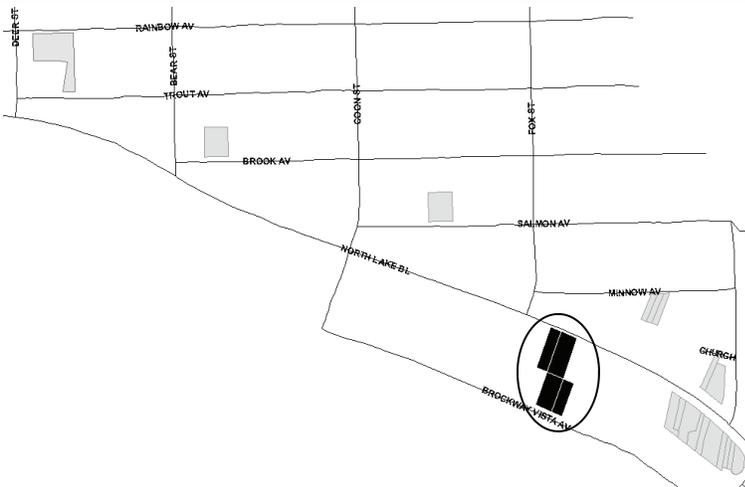
Banked Coverage: 0

Commercial Floor Area: 1,326 sq ft

Development Rights: 0

Tourist Accommodation Units: 0

North Lake Blvd/Brockway Vista



APNS: 090-142-001
090-142-002
090-142-029
090-142-011

Allowable Coverage: 11,618 sq ft

Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Property Profiles Supplemental Information

Minnow Avenue



APNS: 090-192-058
090-192-059
090-192-060

Allowable Coverage: 2,415 sq ft

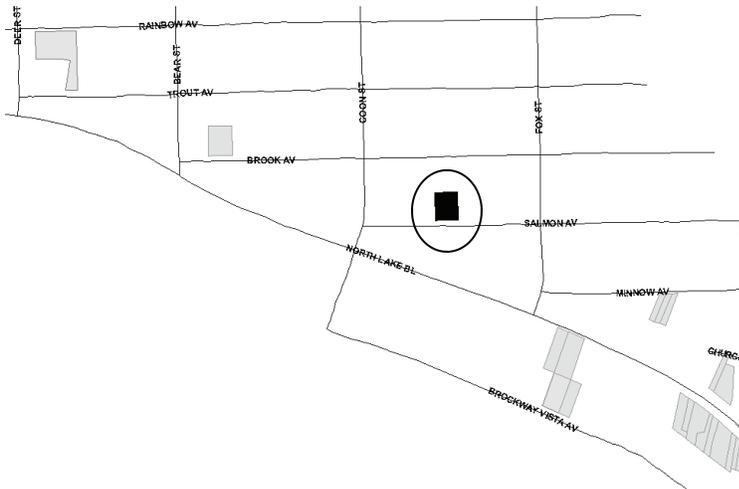
Banked Coverage: 1,211 sq ft

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Salmon Avenue



APN: 090-126-020

Allowable Coverage: 3,125 sq ft

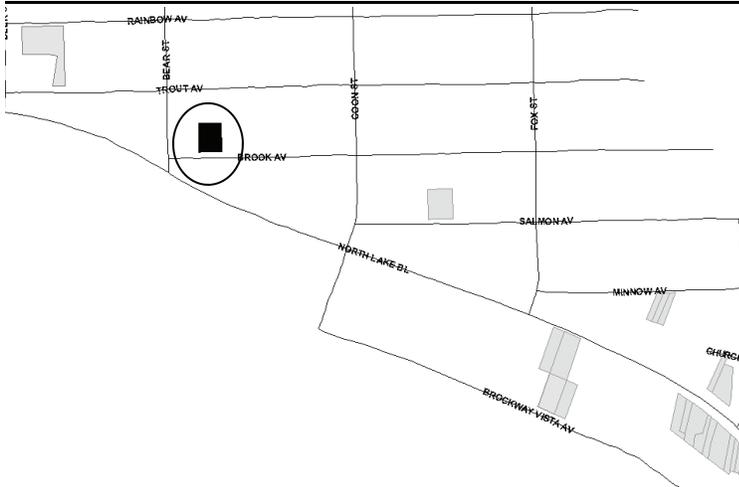
Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Brook Avenue



APN: 090-122-019

Allowable Coverage: 6,667 sq ft

Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Property Profiles Supplemental Information

Deer/Rainbow Avenue



APN: 090-074-025

Allowable Coverage: 5,469 sq ft

Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

5.

***Real Estate
Retention
Discussion***

PLACER COUNTY
SUCCESSOR AGENCY

MEMORANDUM

TO: Honorable Members of the Oversight Board
FROM: Rae James, Director Successor Agency
DATE: August 14, 2012
SUBJECT: Conveyance of Selected Parcels Purchased by the Former Placer County Redevelopment Agency and Now Owned by the Successor Agency to the County of Placer for Continued Use for Public Parking

ISSUE

Pursuant to Health and Safety Code §34177(e) and §34181(a), enacted by Assembly Bill 1x 26 (Dissolution Act) and amended by Assembly Bill 1484 (AB 1484), your Board may direct the Successor Agency to transfer ownership of assets that were constructed and used for governmental purposes to the appropriate public jurisdiction.

DISCUSSION / BACKGROUND

At your June 27, 2012 meeting, staff described in detail the properties owned by the former Redevelopment Agency. A separate report discusses proposed strategies regarding these properties pursuant to AB 1484. This report addresses the proposed conveyance of certain parcels to the County of Placer for continued use for public parking purposes in support of the Kings Beach Commercial Core Improvement Project (CCIP Project).

Bonds were issued to pay for critical public improvements required in connection with improvements to Highway 28, the main commercial corridor through Kings Beach, a heavily-travelled, hazardous two-lane roadway that lacks sidewalks and pedestrian crossings and that has been the site of numerous vehicular and pedestrian accidents. The CCIP Project includes the widening of the highway and the installation of a left-turn lane and safe pedestrian crossings. The CCIP Project also includes the construction of parking lots to replace the on-street parking removed as part of the CCIP Project. Completion of these improvements satisfies mitigation measures required by the Environmental Impact Report-Environmental Impact Statement (EIR-EIS), CA State Clearinghouse No. 2002112087, for the CCIP Project.

The CCIP Project is funded in part by state and federal grants provided from Federal State Lands, US Forest Service, Federal Highway Administration, and Caltrans. It should be emphasized that completion of the CCIP Project does not require the allocation of any funds from the Redevelopment Property Tax Trust Fund. The parking lot improvements will be funded solely from the proceeds of bonds issued by the Agency in 2006 (Bonds).

All of the properties identified below are required for the CCIP Project. Following conveyance of the properties, the Successor Agency will be relieved of the obligation to maintain the properties, thereby making additional revenue available for distribution to the affected taxing entities.

Health and Safety Code §34177(e) and §34181(a), enacted by the Dissolution Act and amended by AB 1484, authorize oversight boards to direct successor agencies to transfer ownership of assets that were constructed and used for governmental purposes to the appropriate public jurisdiction, provided that the oversight board considers such action at a public meeting preceded by not less than 10 days' public notice. Public notice of the meeting at which this report is to be presented was duly published in accordance with the requirements of Health and Safety Code §34181(f).

**PUBLIC PARKING PROPERTIES PROPOSED TO BE CONVEYED TO
COUNTY OF PLACER**

<u>Parcel Number</u>	<u>Description</u>
090-126-020	Vacant (parking lot to be constructed)
090-192-058	Parking Lot
090-192-059	Parking Lot
090-192-060	Parking Lot
090-122-019	Parking Lot
090-074-025	Vacant (parking lot to be constructed)

ACTION REQUESTED

That the Oversight Board adopt a resolution directing staff to convey the parcels indicated above to the County of Placer for continued use as public parking to support the CCIP Project.

Attachments: Resolution
Property Profile Supplemental Information

Before the Placer County Oversight Board, State of California

In the matter of:

Authorizing the Conveyance of Property from the
Successor Agency to the County of Placer for continued
use as public parking to support the Kings Beach
Commercial Core Improvement Project

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Oversight Board
of the County of Placer at a regular meeting held _____,
by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Oversight Board

WHEREAS, California Health and Safety Code §34177(e) and §34181(a), enacted by Assembly Bill 1x 26 (Dissolution Act) and amended by Assembly Bill 1484, authorize an Oversight Board to direct a Successor Agency to transfer ownership of real property assets that were constructed and used for governmental purposes to the appropriate public jurisdiction provided that the Oversight Board approves such action by resolution adopted at a public meeting preceded by at least ten days' public notice;

WHEREAS, a public meeting of the Oversight Board was held to consider the conveyance of the property described in this Resolution following publication of public notice as required by Health and Safety Code §34181(f);

WHEREAS, the former Placer County Redevelopment Agency (Redevelopment Agency) acquired the properties identified in this Resolution (Property) for the purpose of providing public parking in support of the Kings Beach Commercial Core Improvement Project (CCIP Project);

WHEREAS, the Placer County Oversight Board finds that the parcels identified in this resolution meet the requirements of Health and Safety Code §34177(e) and §34181(a), and finds that such parcels should be conveyed to the County of Placer for use as public parking to support the CCIP Project; and

WHEREAS, following conveyance of the Property to the County of Placer, the Successor Agency will be relieved of the obligation to maintain the Property, thus increasing revenue that will be available to the affected taxing entities.

NOW, THEREFORE, BE IT RESOLVED, that the Oversight Board hereby:

1. Directs the Successor Agency to convey the following parcels to the County of Placer for public parking and governmental purposes in support of the CCIP Project:

Placer County Assessor's Parcel Nos.

090-126-020
090-192-058
090-192-059
090-192-060
090-122-019
090-074-025

2. Finds and determines that completion of the public parking improvements for parcels 090-126-020 and 090-074-025 (i) is an appropriate use of the proceeds of previously-issued Agency bonds; and (ii) is required as a mitigation measure by the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) prepared for the Project.

3. Authorizes the expenditure of previously-issued Agency bond proceeds for completion of the public parking improvements for parcels 090-126-020 and 090-074-025 in accordance with the indenture and other documents executed in connection with the Project, in amounts to be specified on the Recognized Obligation Payment Schedule (ROPS).

4. Directs Successor Agency staff to undertake all actions necessary to carry out the intent of this Resolution, including without limitation, transmittal of this Resolution to the Department of Finance, the inclusion on the ROPS of the expenditure of bond proceeds for completion of public parking improvements on parcels 090-126-020 and 090-074-025, and the execution and recordation of grant deeds conveying the Property to the County of Placer upon the approval of the Department of Finance, or upon the expiration of the 60-day review period provided pursuant

to Health and Safety Code §34181(f); provided however, the Successor Agency is authorized to delay conveyance of parcels 090-126-020 and 090-074-025 until the public parking improvements for such parcels are completed.

PROPERTY PROFILES
SUPPLEMENTAL
INFORMATION

Property Profiles Supplemental Information

Eastern Gateway—Parcels 1 & 2



APNS: 090-370-005
090-370-006

Allowable Coverage: 1,784 sq ft
Banked Coverage: 0
Commercial Floor Area: 0
Development Rights: 1
Tourist Accommodation Units: 0

Eastern Gateway—Parcels 3, 4, & 5



APNS: 090-221-012
090-221-026
090-221-027

Allowable Coverage: 4,473 sq ft
Banked Coverage: 0
Commercial Floor Area: 157 sq ft
Development Rights: 0
Tourist Accommodation Units: 6

Eastern Gateway—Parcels 6 & 7



APNS: 090-221-018
090-221-021

Allowable Coverage: 2,233 sq ft
Banked Coverage: 0
Commercial Floor Area: 1,533 sq ft
Development Rights: 0
Tourist Accommodation Units: 0

Property Profiles Supplemental Information

Eastern Gateway—Parcels 8, 9, & 10



APNS: 090-221-013
090-221-014
090-221-020

Allowable Coverage: 5,619 sq ft

Banked Coverage: 0

Commercial Floor Area: 1,550 sq ft

Development Rights: 0

Tourist Accommodation Units: 0

Swiss Mart



APNS: 090-192-041
090-192-055

Allowable Coverage: 3,284 sq ft

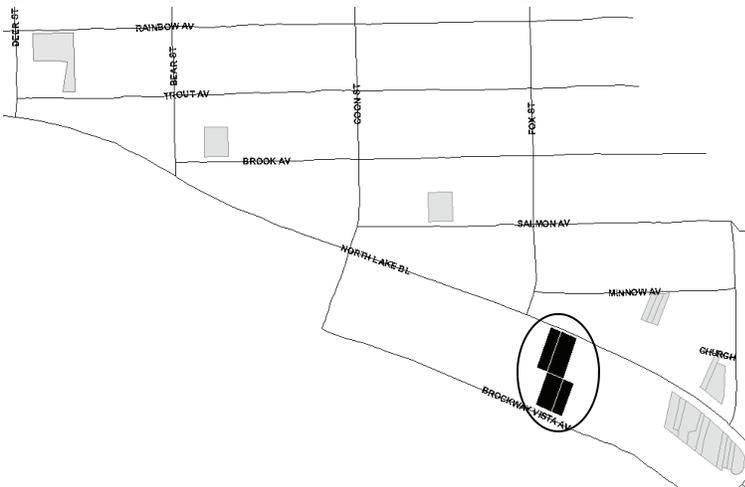
Banked Coverage: 0

Commercial Floor Area: 1,326 sq ft

Development Rights: 0

Tourist Accommodation Units: 0

North Lake Blvd/Brockway Vista



APNS: 090-142-001
090-142-002
090-142-029
090-142-011

Allowable Coverage: 11,618 sq ft

Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Property Profiles Supplemental Information

Minnow Avenue



APNS: 090-192-058
090-192-059
090-192-060

Allowable Coverage: 2,415 sq ft

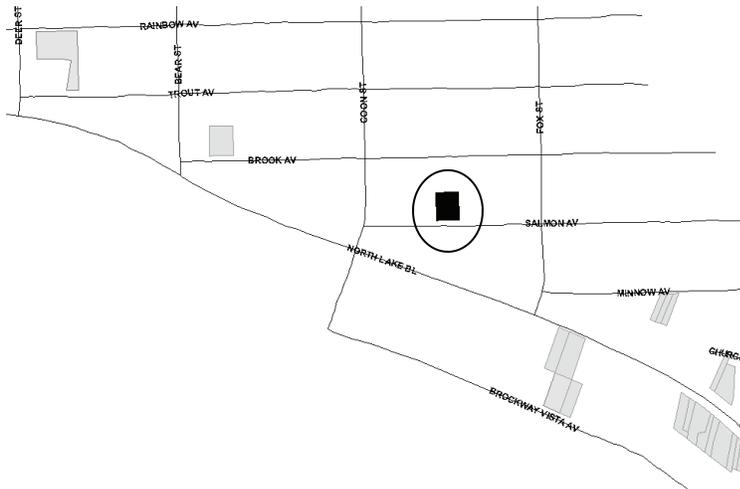
Banked Coverage: 1,211 sq ft

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Salmon Avenue



APN: 090-126-020

Allowable Coverage: 3,125 sq ft

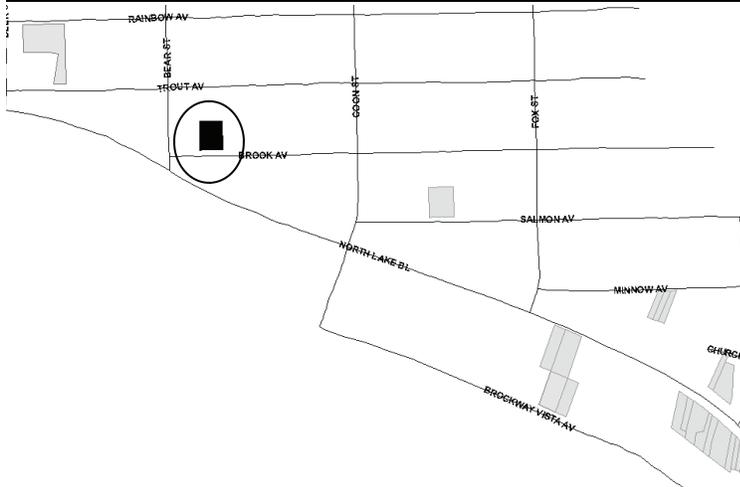
Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Brook Avenue



APN: 090-122-019

Allowable Coverage: 6,667 sq ft

Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

Property Profiles Supplemental Information

Deer/Rainbow Avenue



APN: 090-074-025

Allowable Coverage: 5,469 sq ft

Banked Coverage: 0

Commercial Floor Area: 0

Development Rights: 0

Tourist Accommodation Units: 0

6.

***Real Estate Lease
Agreement***

PLACER COUNTY
SUCCESSOR AGENCY
MEMORANDUM

TO: Honorable Members of the Oversight Board
FROM: Rae James, Director Successor Agency
DATE: August 14, 2012
SUBJECT: Jackpine Parking Lot Lease

ISSUE

The former Redevelopment Agency leased property (Assessor's Parcel No. 094-10-023) in Tahoe City for purposes of a much needed public parking lot, called the Jackpine Parking Lot. The lease executed October 24, 2003 with Hermi Jacobs Cassady, Trustee of the Hermi Jacobs Cassady Revocable Trust of 1992, is currently on the Recognized Obligation Payment Schedule.

The attorney for the lessor has indicated a willingness to negotiate a reduced rent. Staff is seeking the authority to pursue these negotiations and if successful staff requests your Board authorize the Successor Agency to execute an amendment to the lease pursuant to the provisions of the attached resolution. Staff is pursuing revised lease language that would reduce liabilities and increase net revenues to the taxing entities.

BACKGROUND

In 2006 the former Redevelopment Agency recorded a ground lease with Hermi Cassady for the purposes of constructing a public parking lot on her land in Tahoe City located on Jackpine Street within a block north of Highway 28. (See attached area map). The lot was constructed for 40 spaces. (See attached site map). There is an easement agreement which allows for drainage from the parking lot to an adjoining creek on the east.

The parking lot is just north of the Customs House which is in use by the County for its planning and general government offices as well providing for private tenants. The location of the Jackpine Parking Lot also provides needed parking spaces for public visitors, employees and nearby businesses.

The current lease requires a bi-annual payment for a term of thirty (30) years with a 2.5% annual escalator. Our last annual payment amounted to \$48,793.19. In addition, the lessee is also responsible for payment of property taxes and insurance coverage.

Staff has received a letter from Mrs. Cassady's attorney, Thomas R. Walker, who indicated a willingness to discuss new terms. Staff is in the process of developing terms which are more advantageous to the taxing entities.

ACTION REQUESTED

Authorize staff to negotiate amendments to the Jackpine Ground Lease, to lower the lease payments and/or provide more favorable terms. If successful, authorize the Successor Agency to execute an amendment to the lease provided said amendment does not extend beyond the expiration date currently stated as such may be extended pursuant to the terms of the lease, and the rent and other amounts payable are not increased beyond the amounts currently required under the lease.

Attachments: Resolution
Lease
Site Map

Before the Placer County Oversight Board, State of California

In the matter of:

Authorizing Amendment to the Ground Lease (Jack Pine) Resol. No:.....
dated October 24, 2003

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Oversight Board
of the County of Placer at a regular meeting held _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Agency Board

WHEREAS, pursuant to Resolution No. 2012-025, adopted by the Placer County Board of Supervisors on January 24, 2012, the County of Placer agreed to serve as the Successor Agency to the Placer County Redevelopment Agency (Successor Agency) commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill 1x 26 (Dissolution Act).

WHEREAS, in accordance with the Dissolution Act, the Successor Agency has prepared, and this Oversight Board has approved, Recognized Obligation Payment Schedules (ROPS) setting

forth the schedule of the Successor Agency's enforceable obligations, including among others, the obligation to make rent payments pursuant to that certain Ground Lease (Jack Pine) dated as of October 24, 2003 executed by and between the Redevelopment Agency and Hermi Jacobs Cassady, Trustee of the Hermi Jacobs Cassady Revocable Trust of 1992 (Ground Lease);

WHEREAS, the land leased pursuant to the Ground Lease (Assessor's Parcel No. 094-110-023) is used to provide essential public parking;

WHEREAS, the landlord under the Ground Lease has indicated a desire to modify the Ground Lease to, among other provisions, reduce the rent payable thereunder, but maintain the same term; and

WHEREAS, Health and Safety Code §34181(e) provides that an oversight board may direct a successor agency to amend agreements to reduce liabilities and increase net revenues to the taxing entities.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Placer County Redevelopment Agency hereby resolves that:

1. Staff to the Successor Agency is authorized to negotiate an amendment to the Ground Lease to reduce the lease payment and achieve other more favorable terms provided said terms are consistent with paragraph 2 of this resolution.
2. The Successor Agency is authorized to execute an amendment to the Ground Lease, provided that (i) the term of the Ground Lease is not extended beyond the expiration date currently set forth in the Ground Lease as such may be extended pursuant to the terms of the lease, and (ii) the rent and any other monetary payments payable under the Ground Lease do not exceed the payments currently required under the Ground Lease.

GROUND LEASE
(JACK PINE)

This Ground Lease (the "Lease") is entered into as of the 24 day of September, 2003, by and between Hermi Jacobs Cassady, Trustee of the "Hemi Jacobs Cassady Revocable Trust of 1992" (the "Landlord") and the Redevelopment Agency of the County of Placer (the "Tenant").

In consideration for the Rents and covenants hereinafter set forth, Landlord hereby leases to Tenant and Tenant hereby Rents from Landlord the following-described Property, upon the following terms and conditions:

ARTICLE 1. FUNDAMENTAL LEASE PROVISIONS

Section 1.1 The Fundamental Lease provisions are as follows:

(a) Property: That certain real property located at Assessors Parcel Number 094-110-023 in the County of Placer, California more particularly described in the attached Exhibit A (the "Property").

(b) Term: Thirty (30) years, beginning on the Rent Commencement Date, and ending at 11:59 P.M. on the day preceding the thirtieth (30th) anniversary of the Rent Commencement Date ("Initial Term"). Tenant shall also have an option to renew this Lease on the same terms and conditions for an additional thirty (30) years ("Extended Term").

(c) Rent: Tenant shall pay to Landlord Rent in two installments each Lease Year, the first on ~~March~~ September 30th and the second on ~~September~~ March 30th of each Lease Year of the Term, so long as the Term is still in effect when the applicable payment is due. Initial Rent shall be in the sum of Forty Thousand Dollars (\$40,000) per year. Commencing with the Lease Year which begins on January 1, 2005, annual Rent shall be increased each year to be a sum equal to 102.5 percent of the annual Rent for the prior year. For example, the annual Rent for Lease Year 2005 shall be \$41,000; the annual Rent for Lease Year 2006 shall be \$42,025; and so forth, throughout the term of the Lease.

(d) Use: Tenant shall use the Property for the purposes consistent with the Redevelopment Plan, including without limitation parking; provided, however, that Tenant shall not use the Property in such a manner as to violate any applicable law, rule, ordinance or regulation of any governmental body.

(e) Landlord Address:

Hermi Jacobs Cassady *HJC*
Trustee of the "Hemi Jacobs Cassady Revocable Trust of 1992"
8394 Winding Way
Fair Oaks, California 95628 *HJC*

RAC

(f) Tenant Address:

Redevelopment Agency of the County of Placer
11493 B Avenue
Auburn, CA 9560
Attn: Program Manager

(g) Public Entity Tenant Authorization: Entry into Lease was approved by the Tenant by Resolution No. _____ on _____, 2003.

ARTICLE 2. DEFINITIONS AND EXHIBITS

Section 2.1 Definitions. The capitalized terms set forth in this Section 2.1 shall, for the purposes of this Lease, have the meaning set forth below as follows:

- (a) "Effective Date" means the date Tenant and Landlord execute this Lease.
- (b) "Extended Term" means the additional thirty (30) years that shall commence upon the expiration of the Initial Term if Tenant exercises its option to extend the term of the Lease pursuant to Section 3.4(b).
- (c) "Hazardous Materials" means:
- (i) any "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14)) or Sections 25281(d) or 25316 of the California Health and Safety Code at such time;
 - (ii) any "hazardous waste", "infectious waste" or "hazardous material" as defined in Sections 25117, 25117.5 or 25501 (j) of the California Health and Safety Code at such time;
 - (iii) any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA, Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clear Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 3900 et seq.), or California Water Code (Section 13000 et seq.) at such time; and
 - (iv) any additional wastes, substances or materials which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Property.

The term "Hazardous Materials" shall not include the following, so long as such materials and substances are stored, used and disposed of in compliance with all applicable Hazardous Materials Laws: (i) construction materials, gardening materials, household products, office

supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of commercial properties, buildings and grounds, or (ii) certain substances which may contain chemicals listed by the State of California pursuant to California Health and Safety Code Section 25249.8 et seq., which substances are commonly used by a significant portion of the population living within the region of the Property, including, but not limited to, alcoholic beverages, aspirin, tobacco products, nutrasweet and saccharine.

(d) "Hazardous Materials Laws" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Property or any portion thereof.

(e) "Improvements" shall mean improvements constructed or existing on the Property and consistent with the uses set forth in the Redevelopment Plan, related utilities, landscaping and such other improvements that Tenant may construct on the Property.

(f) "Initial Term" shall mean the thirty (30) year period beginning on the Rent Commencement Date, and ending at 11:59 P.M. on the day preceding the thirtieth (30th) anniversary of the Rent Commencement Date.

(g) "Landlord" means Hermi Jacobs Cassady, Trustee of the "Hermi Jacobs Cassady Revocable Trust of 1992."

(h) "Lease" means this Ground Lease, including the attached Exhibits and all subsequent amendments to this Lease.

(i) "Lease Year" shall mean a period of one calendar year beginning January 1 and ending December 31. The first Lease Year shall commence on the Rent Commencement Date and end on the last day of the following December. The last Lease Year shall begin on January 1 of that year and end on the last day of this Lease.

(j) "Lender" means any lender providing financing to the Tenant related to the Property.

(k) "Property" means the real property located at Assessors Parcel Number 094-110-023 in the County of Placer, California as more particularly described on the attached Exhibit A.

(l) "Redevelopment Plan" means the North Lake Tahoe Redevelopment Plan adopted pursuant to Ordinance No. 4753-B on July 16, 1996 by the Board of Supervisors of the County of Placer.

(m) "Rent" shall mean those payments required by Section 4.1 and 4.2.

(n) "Rent Commencement Date" shall mean the first (1st) day of the first (1st) full month after all of the following conditions are met:

(i) Landlord delivers to Tenant the Property in compliance with Section 3.3;

(d) "Hazardous Materials Laws" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Property or any portion thereof.

(e) "Improvements" shall mean improvements constructed or existing on the Property and consistent with the uses set forth in the Redevelopment Plan, related utilities, landscaping and such other improvements that Tenant may construct on the Property.

(f) "Initial Term" shall mean the thirty (30) year period beginning on the Rent Commencement Date, and ending at 11:59 P.M. on the day preceding the thirtieth (30th) anniversary of the Rent Commencement Date.

(g) "Landlord" means Hermi Jacobs Cassady, Trustee of the "Hermi Jacobs Cassady Revocable Trust of 1992."

(h) "Lease" means this Ground Lease, including the attached Exhibits and all subsequent amendments to this Lease.

(i) "Lease Year" shall mean a period of one fiscal ~~calendar~~ year beginning ~~January~~ July 1 and ending ~~December 31~~ June 30. The first Lease Year shall commence on the Rent Commencement Date and end on the last day of the following ~~December~~ June. The last Lease Year shall begin on ~~January 1~~ July 1 of that year and end on the last day of this Lease.

(j) "Lender" means any lender providing financing to the Tenant related to the Property.

(k) "Property" means the real property located at Assessors Parcel Number 094-110-023 in the County of Placer, California as more particularly described on the attached Exhibit A.

(l) "Redevelopment Plan" means the North Lake Tahoe Redevelopment Plan adopted pursuant to Ordinance No. 4753-B on July 16, 1996 by the Board of Supervisors of the County of Placer.

(m) "Rent" shall mean those payments required by Section 4.1 and 4.2.

(n) "Rent Commencement Date" shall mean the first (1st) day of the first (1st) full month after all of the following conditions are met:

(i) Landlord delivers to Tenant the Property in compliance with Section 3.3;

(ii) Tenant applies for and receives all permits required for the construction of the Improvements pursuant to Section 6.3;

(iii) Tenant investigates the Property pursuant to Section 6.4 and does not determine, in its sole discretion, within one hundred twenty (120) days of the Effective Date that

(ii) Tenant applies for and receives all permits required for the construction of the Improvements pursuant to Section 6.3;

(iii) Tenant investigates the Property pursuant to Section 6.4 and does not determine, in its sole discretion, within one hundred twenty (120) days of the Effective Date that construction of the Improvements and the Lease itself are economically and physically infeasible; and

(iv) Tenant completes the formation of the district or other entity pursuant to Section 6.5.

(o) "Tenant" means the Redevelopment Agency of the County of Placer.

(p) "Term" shall mean the Initial Term and Extended Term, if applicable, unless sooner terminated pursuant to the provisions of this Lease.

Section 2.2 Exhibits. The following exhibits are attached to and incorporated by reference in this Lease:

Exhibit A: Legal Description of the Property

Exhibit B: Conditions to Title

Exhibit C: Title Report

ARTICLE 3. PROPERTY AND TERM

Section 3.1 Lease of Property. The Landlord hereby leases to the Tenant, and the Tenant leases from the Landlord, the Property on and subject to all of the terms and conditions set forth in this Lease.

Section 3.2 Identification of Property. As of the date of this Lease, the Property is that vacant real property located at Assessors Parcel Number 094-110-023 located in the County of Placer, California more particularly described in the attached Exhibit A.

Section 3.3 Possession and Condition of Property. The Property shall be delivered to Tenant upon execution of the Rent Commencement Date. Upon delivery of the Property, the Property shall be vacant of any improvements and there shall be no tenants, tenants at sufferance, or trespassers thereon. Tenant acknowledges and represents that, upon the Rent Commencement Date, it will have had a reasonable opportunity and access to conduct any inspections and/or investigations of the Property which it considers necessary or prudent, and that Tenant has determined that the Property is satisfactory to its purpose. Tenant therefore agrees that it shall take the Property "as is" as of the Rent Commencement Date and shall thereafter bear full responsibility for the condition of the Property during the Term of this Lease, except for the presence of any Hazardous Materials on or in the Property as of the Rent Commencement Date for which Landlord shall be responsible.

Section 3.4 Lease Term.

(a) Term. The initial term (the "Initial Term") of this Lease shall commence on the Effective Date and end at 11:59 P.M. on the day preceding the thirtieth (30th) anniversary of the Rent Commencement Date, unless terminated earlier pursuant to the terms of this Lease.

(b) Option for Extended Term.

(i) If Tenant is not in material default under this Lease, at the end of the Initial Term, Tenant may renew the Lease on the same terms and conditions for one (1) additional thirty (30) year period (the "Extended Term") which shall expire at 11:59 P.M. on the day preceding the sixtieth (60th) anniversary of the Rent Commencement Date.

(ii) Tenant by written notice to Landlord, given not later than one (1) year prior to the expiration of the Initial Term, shall notify Landlord of Tenant's intention to extend the Lease for the Extended Term. Tenant's right to continue this Lease for the Extended Term shall be conditional on such notice, timely given.

(iii) Landlord may refuse to extend this Lease for the Extended Term if Landlord has provided Tenant with written notice of Landlord's intent to sell the Property pursuant to this subsection of the Lease. Such notice shall be given to Tenant within three (3) months after receipt by Landlord of Tenant's intention to extend this Lease for the Extended Term. Landlord's right to refuse to extend shall be conditioned on Landlord's actual sale of the Property to a third party within nine (9) months after the receipt by Landlord of Tenant's written notice of intent to extend this Lease. Should Landlord for any reason fail to close such a sale within the nine (9) month period, then within thirty (30) days after the end of the nine (9) month period for sale, Tenant may notify Landlord in writing of Tenant's desire to extend this Lease for the Extended Term, and this Lease shall be extended for an additional thirty (30) year term and Landlord shall approve such an extension.

(iv) During the Extended Term, Rent shall continue to be payable in two installments due on March 30th and September 30th of each Lease Year of the Term, so long as the Term is still in effect when the applicable payment is due. The amount of Rent due during the Extended Term shall be determined by one of the two following methods, at the sole election of the Landlord. Should Landlord fail to notify Tenant in writing, within three months of the receipt by Landlord of Tenant's notice of Tenant's intention to extend this Lease, of Landlord's election to determine the Rent for the Extended Term under subsection (B), below, then Rent for the Extended Term shall be determined under subsection (A), below. The Rent for the Extended Term shall be determined as follows, either:

(A) The Rent for the first full Lease Year and any portion of a full Lease Year during which the Extended Term commences shall be the same as the Rent (on an annual basis, prorated as to a partial Lease Year) for the final year of the Initial Term. Commencing with the second full Lease Year of the Extended Term, the Rent shall be a sum equal to 102.5 percent of the annual rent for the prior year. The Rent for each subsequent year of the Extended Term shall be increased to a sum equal to 102.5 percent of the prior year's Rent, in the same manner throughout the Extended Term of this Lease.

(B) The Landlord and Tenant shall meet and confer to determine the fair market rent for the Extended Term for sixty (60) days after Tenant's receipt of Landlord's notice to determine Rent for the Extended Term under this subsection. If the Landlord and Tenant do not agree on the fair market rent within this sixty (60) day period, then each shall appoint a qualified professional appraiser or real estate broker to determine the fair market rent. If the higher of the two opinions is not more than one hundred ten percent (110%) of the lower opinion, the fair market value shall be the midpoint between the two opinions. If the higher of the opinions is more than one hundred ten percent (110%) of the lower opinion, the two appraisers/brokers shall jointly agree on a third qualified professional appraiser or real estate broker to determine the fair market rent. If the two initial appraisers/brokers cannot agree on the third appraiser/broker, the parties shall apply to the Placer County Superior Court for appointment of an appraiser/broker. Each party shall pay one half (1/2) of the cost of the third appraiser/broker. The value as determined by the third appraiser/broker shall be the fair market rent unless that value is higher than the higher initial opinion or lower than the lower initial opinion in which case the fair market rent shall be the midpoint between the two initial opinions.

Section 3.5 Right of First Refusal. During the Term, in the event that Landlord receives a bona fide offer to purchase the Property from a third party that Landlord intends to accept, Landlord shall notify Tenant in writing of such offer with a copy of such offer, and Tenant shall have a right of first refusal to buy the Property for the price offered to the Landlord by the third party ("Refusal Right"). Tenant shall notify Landlord in writing of its intent to exercise its Refusal Right within sixty (60) days after receipt of notice from Landlord and if Tenant exercises its Refusal Right, Tenant shall open escrow to purchase the Property and shall close escrow to purchase the Property within ninety (90) days after receipt by Landlord of the Tenant's exercise notice. Upon close of escrow for the purchase of the Property by Tenant, this Lease shall terminate. Neither the Refusal Right nor any other term or condition in this lease precludes Tenant from making an offer to purchase the Property from Landlord, which offer Landlord may or may not accept, during the Term of the Lease. Should Tenant fail to exercise its Refusal Right within the sixty (60) day period (which may not be extended), Tenant shall be conclusively presumed to have waived said Right and Landlord may proceed with a sale to the third party. Tenant shall execute any documents necessary to allow the completion of such sale, and shall hold Landlord harmless from any failure by Tenant to so execute. This Refusal Right is conditioned on Tenant not being in material default under this Lease. This Refusal Right is not assignable, except for an assignment to the entity or district identified pursuant to Section 6.5.

Section 3.6 Landlord to Give Peaceful Possession. The Landlord covenants that it owns in fee simple, and that it has good and marketable title to the Property and that the Property is free of all easements, covenants, conditions and restrictions except for those exceptions set forth in Exhibit B to this Lease. The Landlord has the full right and authority to make this Lease. The Landlord covenants and warrants that the Tenant and its subtenants shall have, hold and enjoy, during the Lease Term, peaceful, quiet and undisputed possession of the Property leased without hindrance or molestation by or from anyone so long as the Tenant is not in default under this Lease.

Section 3.7 Landlord to Lease Project with Marketable Title. The Landlord covenants and warrants that there are no outstanding liens and encumbrances on the Land, other than as shown on the preliminary title report from _____ Title Insurance Company dated _____, 2003, and attached hereto as Exhibit C.

ARTICLE 4. RENT

Section 4.1 Payments Due. The Tenant shall pay to the Landlord the amounts specified in this Article 1(c) during the Initial Term, and the sums specified in Section 3.4(b)(iv) during the Extended Term as rent for the Property (the "Rent"). Should Tenant fail to pay Rent within ten (10) days after the due date, Tenant shall in addition pay to Landlord a late charge equal to five (5%) of the late Rent. The failure by Tenant to pay any such late charge within thirty days of demand for same by Landlord shall be a default under the terms of this Lease.

Section 4.2 Prorations. Notwithstanding Section 4.1, the Rent shall be prorated for the first payment made on the Rent Commencement Date and for the last payment made before the expiration of the Term on a daily basis at the rate of one-three hundred sixty-fifth (1/365) of the annual Rent for each such day.

Section 4.3 Utilities. The Rent shall not include utilities. Tenant shall pay for all water, gas, light, power, telephone services, sewer services and all other services supplied to the Property, including installation and connection of services.

ARTICLE 5. TAXES

Section 5.1 Payment of Taxes. To the extent that Landlord is assessed real or personal property taxes, general and special assessments, or other charges against the Property or the Improvements or personal property thereon, Tenant shall pay such taxes, fees, charges and other governmental impositions for the Property. Tenant shall pay such taxes, fees, charges and other governmental impositions for the Improvements. Tenant shall pay such taxes, assessments and charges prior to delinquency and before any fine, interest or penalty shall become due or be imposed by operations of law for their nonpayment. Notwithstanding the preceding sentence, Tenant's obligation to pay such taxes shall not extend to income or profits taxes levied or assessed against Landlord by federal, state, or other governmental agency or estate, succession, inheritance, or transfer taxes of Landlord.

Section 5.2 Prorations. All payments required pursuant to Section 5.1 shall be prorated on a daily basis, assuming a 365-day Lease Year, for the initial Lease Year and for the Lease Year in which the Lease terminates.

Section 5.3 Right to Contest. Tenant may contest the legal validity or amount of any taxes, assessments, or charges for which Tenant is responsible under this Lease, and may institute such proceedings as Tenant considers necessary. If Tenant contests any such tax, assessment or charge, Tenant may withhold or defer payment or pay under protest but shall protect Landlord and the Property from any lien by adequate surety bond or other appropriate

security. Landlord appoints Tenant as Landlord's attorney-in-fact for the purpose of making all payments to any taxing authorities and for the purpose of contesting any taxes, assessments, or charges, conditioned on Tenant's preventing any liens from being levied on the Property or on Landlord (other than the statutory lien of Revenue and Taxation Code Section 2187).

ARTICLE 6. USE OF THE PROPERTY AND CONSTRUCTION OF IMPROVEMENTS

Section 6.1 Use of Property.

(a) Permitted Uses. The Tenant shall use the Property in a manner consistent with the Redevelopment Plan and for incidental purposes related thereto.

(b) Prohibited Uses. Tenant agrees not to knowingly use the Property or permit anything to be done in or about the Property which will in any way conflict with any law, statute, ordinance, or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant agrees promptly to comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use, or occupancy of the Property, excluding structural changes not relating to or affecting the condition, use, or occupancy of the Property, or not related to or affected by Tenant's improvements or acts.

Section 6.2 Hazardous Materials. Tenant agrees that during the Term of this Lease, Tenant shall not be in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene, soil, water, or environmental conditions on, under or about the Property including, but not limited to, Hazardous Material Laws. Tenant further agrees that during the Term of this Lease, there shall be no use, presence, disposal, storage, generation, release, or threatened release of Hazardous Materials on, from or under the Property in violation of any Hazardous Material Laws.

Section 6.3 Zoning and Land Use Permits.

(a) Tenant shall apply for and receive all permits and approvals required to construct the Improvements pursuant to local, state, and federal law, including but not limited any approvals required under County zoning ordinances, the California Environmental Quality Act, and the regulations of the Tahoe Regional Planning Agency. Tenant shall file applications for such permits and approvals within ninety (90) days of the Effective Date.

(b) The parties acknowledge that in order for Tenant to carry out its intended use of the Property and to meet the requirements set forth in Section 6.3(a), it may be necessary, desirable, or required to obtain additional use, zoning, subdivision, or other land use permits or approvals relating to any part of the Property. Landlord agrees to cooperate with Tenant during the land entitlement process and, from time to time on the request of Tenant, to execute such documents, petitions, and authorizations as may be appropriate or required in order to obtain

such land use permits and approvals. Tenant shall bear all costs of such procedures and shall hold Landlord harmless from any claims arising from such procedures.

Section 6.4 Property Inspection. Within one hundred twenty (120) days following the Effective Date, Tenant may make such investigations regarding the Property, the development of the Improvements or the suitability of the Property for the construction of Improvements (including but not limited to investigation of environmental hazards, geologic conditions, soils conditions, or water conditions on or about the Property as Developer deems appropriate). Tenant shall restore any portion of the Property disturbed or damaged as a result of Tenant's investigation to the condition that existed prior to the disturbance or damage. Tenant shall bear all costs of such investigation and shall hold Landlord harmless from any claims arising from such investigations.

Section 6.5 Operating Entity. The parties agree and acknowledge, that Tenant, or the County of Placer, will make good faith efforts to determine or establish a district or other entity to pay Rent, maintain the Property, and operate the Improvements and other nearby public parking facilities, and which may levy assessments upon those property owners who benefit from the Improvements. In consideration of this Lease, Landlord shall forgo any right to object to or protest the creation of a district or entity created pursuant to this section and any failure to forgo such objection shall constitute an Event of Default. Tenant shall bear all costs of the creation of such district or entity and shall hold Landlord harmless from any claims arising from such procedures. Any assessment levied against the Property for such district or entity shall be the sole responsibility of Tenant during the Term.

ARTICLE 7. IMPROVEMENTS

Section 7.1 Tenant's Election to Construct Improvements. At any time and from time to time during the Term of this Lease, Tenant may, but is not obligated to, construct the Improvements on any part or all of the Property and to demolish, remove, replace, alter, relocate, reconstruct, or add to the Improvements in whole or in part, and to modify or change the contour or grade, or both, of the land, provided Tenant is not then in default under any condition or provision of this Lease. Provided that Tenant's rights provided by this section are limited to such improvements as are necessary and/or incidental to the designated use of the property under the terms of this Lease. Tenant shall construct no new improvements during the final five years of the Term without Landlord's written consent, which shall not be unreasonably withheld or delayed.

Section 7.2 Tenant's Right to Grant Easements. Landlord grants to Tenant the right to grant to public entities or public service corporations, for the purpose of serving on the Property, rights of way or easements on or over the Property for telephone, electricity, water, sanitary or storm sewers, and for other utilities and municipal or special district services.

Section 7.3 Ownership of Improvements. All Improvements constructed on the Property by Tenant as permitted by this Lease shall be owned by Tenant and Tenant may elect to remove such Improvements upon expiration of the Term, or sooner termination of this Lease. If Tenant does not elect to remove the Improvements, Landlord shall assume title to the

Improvements upon expiration of the Term, or sooner termination of this Lease. Should Tenant remove Improvements at the end of this Lease, Tenant shall leave the Property in such condition that it shall not be in violation of any rules or regulations governing the condition of vacant land, and shall not be subject to undue erosion or degradation by environmental conditions and pedestrian or vehicular traffic.

ARTICLE 8. REPAIRS AND LIENS

Section 8.1 Repairs by Tenant. Tenant shall at its own cost and expense, keep the Property and Improvements in good condition and repair. Tenant shall at its own cost and expense repair or replace any damage or injury done to the Property or Improvements or neighboring properties or improvements thereon, or any part thereof, caused by Tenant or Tenant's agents, contractors, employees, invitees or visitors. Nothing in this provision shall be constructed as limiting any right to alter, modify, demolish, remove or replace any improvement as set forth in Section 9.3 and Section 9.4.

Section 8.2 Liens. Tenant shall promptly pay and discharge all claims for work or labor done, supplies furnished or services rendered at the request of Tenant and shall keep the Property free and clear of all mechanics' and materialmen's liens in connection therewith. The Landlord shall have the right to post or keep posted on the Property, or in the immediate vicinity thereof any notices of non-responsibility for any construction, alteration or repair of the Property by Tenant. If any such lien is filed, the Landlord may, but shall not be required to, upon written notice to Tenant and after providing Tenant a reasonable opportunity to remove such lien, take such action or pay such amount as may be necessary to remove such lien. Tenant shall reimburse Landlord for all reasonable sums paid by Landlord under this section within sixty (60) days after written notice is received from Landlord of the amount expended. Tenant shall hold Landlord harmless from all such liens.

ARTICLE 9. INSURANCE, DAMAGE AND DESTRUCTION; CONDEMNATION

Section 9.1 Tenant's Requirements. Tenant shall, at its expense, procure, carry, and maintain in full force and effect in a form acceptable to Landlord and with insurance companies authorized to transact business in the State of California, insurance coverage by the following policies of insurance:

- (a) Workers' Compensation Insurance, in accordance with the law;
- (b) Liability Insurance with a minimum combined single-limit coverage of Three Million Dollars (\$3,000,000) on an occurrence basis, arising out of or resulting from:
 - (i) personal injury, death, or property damage sustained or alleged to have been sustained by any person for any reason on the Property or as a result of business or activity at the Property; or
 - (ii) personal injury, death, or property damage sustained or alleged to have been sustained by operation, ownership, or use of automobiles, including owned, non-owned, and hired automobiles.

(c) Property Insurance insuring the Property against loss or damage by a standard all risk policy, excluding flood and earthquake, in amounts such that the proceeds of such insurance shall not be less than the full replacement value of the Improvements, or should insurance in such amount not be commercially reasonably available, such lesser amount as may be acceptable to any Lenders for the Property and Improvements. If an all risk policy insuring the full replacement value of the Project is not commercially reasonably available, the Tenant shall use reasonable efforts to obtain and maintain an extended coverage endorsement that ensures the full replacement value of the Project as soon as such coverage becomes commercially reasonably available.

(d) It is agreed and understood that Tenant is self-insured and the Tenant's self-insurance will satisfy the insurance requirements of this Section 9.1 (a), (b) and (c). Tenant shall furnish to Landlord a certificate of insurance evidencing such self-insurance prior to commencement of the Term of this Lease.

(e) All policies of liability insurance obtained and maintained by Tenant in accordance with Section 9.1 shall name Landlord as an additional insured.

(f) Any insurance proceeds remaining after complying with the provisions of this Lease relating to maintenance, repair, and reconstruction of Improvements shall be Tenant's sole property.

Section 9.2 Waiver of Subrogation. Tenant releases Landlord from any claims for damage to any person or to the Property and the building and other improvements in or to the Property that are caused by or result from risks insured against under any insurance policies carried by Tenant and in force at the time of any such damage. Tenant shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. Tenant shall not be liable to the Landlord for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease. If any insurance cannot be obtained with a waiver of subrogation, Tenant shall notify Landlord of this fact. Landlord shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other party and that will carry the insurance with a waiver of subrogation, or to agree to pay the additional premium if such a policy is obtainable at additional cost. If the insurance cannot be obtained or Landlord refuses to pay the additional premium charged, Tenant is relieved of the obligation to obtain a waiver of subrogation rights with respect to the particular insurance involved.

Section 9.3 Damage or Destruction.

(a) Damage or Destruction of Improvements. In the event of damage to or destruction of the Improvements or in the event the Improvements are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, Tenant shall, within thirty (30) days, commence and diligently pursue to completion, the repair, replacement or reconstruction of improvements necessary to permit full use and occupancy of the Property for the purposes permitted by this Lease.

(b) Damage Near End of Term. If at any time during the last twenty-four (24) months of the Term, if there is damage or destruction to the Property or Improvements and the cost to repair such damage makes any repair and restoration economically infeasible as determined by Tenant, Tenant may, at Tenant option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Landlord of Tenant's election to do so within thirty (30) days after the date of occurrence of such damage.

(c) Abatement of Rent; Tenant's Remedies. In the event there is damage or destruction to the Property and Tenant repairs or restores the Property, the Rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's use of the Property is impaired.

(d) Waiver. Landlord and Tenant waive the provisions of any statutes which relate to termination of leases when property is destroyed and agree that such event shall be governed by the terms of this Lease.

Section 9.4 Eminent Domain. If all or part of the Property shall be taken or appropriated for public or quasi-public use by right of eminent domain with or without litigation or transferred by agreement in connection with a threat of exercise of such a right, either party hereto shall have the right, at its option, to terminate this Lease as of the date possession is taken by the condemning authority. Landlord and Tenant shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration the fact that Landlord's interest in the Property is limited to the land (exclusive of the Improvements), as encumbered by this Lease, and a reversionary interest in the Property upon the expiration of the Term. If the Property and Improvements must be restored after such exercise of the power of eminent domain, Tenant shall be entitled to recover the costs and expenses incurred in such restoration out of any condemnation proceeds. In the event of a partial taking which does not result in a termination of this Lease, Rent shall be abated in the proportion which the part of the Property so made unusable bears to the rented area of the Property immediately prior to the taking. No temporary taking of the Property and/or of Tenant's rights therein or under this Lease shall terminate this Lease, however, Tenant shall have the right in the event of such temporary taking to abatement of Rent hereunder.

ARTICLE 10. ASSIGNMENT, SUBLETTING, AND SUBORDINATION

Section 10.1 Assignment by Tenant. The Tenant shall have the right, subject to Landlord's written consent which shall not be unreasonably withheld, to transfer and assign, in whole or in part, all its rights and obligations under this Lease and in the Property and in such event such transferee shall be deemed to have assumed such obligations and no further liability or obligation shall thereafter accrue against the Redevelopment Agency of the County of Placer under this Lease, except that Tenant may assign this Lease without Landlord's consent to any district or entity that will operate the Improvements as identified or created pursuant to Section 6.5.

Section 10.2 Subletting. For purposes consistent with the Redevelopment Plan, Tenant shall have the right, with Landlord's written consent which shall not be unreasonably withheld or delayed, except that Tenant may assign this Lease without Landlord consent as provided in Section 10.1, to sublet all or any part or parts of the Property or the Improvements or both, and to assign, encumber, extend, or renew any sublease, provided the following conditions are complied with:

(a) Each sublease shall contain a provision, satisfactory to Landlord, requiring subtenant to attorn to Landlord in the event of any proceeding for unlawful detainer against Tenant if Tenant defaults under this Lease and if the subtenant is notified of Tenant's default and instructed to make subtenant's rental payment to Landlord.

(b) Tenant shall, promptly after execution of each sublease, notify Landlord of the name and mailing address of the subtenant and shall, on demand, permit Landlord to examine and copy the sublease.

(c) Under any assignment, Landlord shall be entitled to receive as additional Rent under this Lease fifty percent (50%) of the consideration, if any, which Tenant receives for the assignment of the Lease other than rent payable under such assignment. If Landlord consents to a sublease, Landlord shall be entitled to receive as additional Rent under this Lease, the amount by which any rent received by Tenant from the sublessee exceeds the Rent payable to Landlord pursuant to the terms of this Lease, if any.

ARTICLE 11. TERMINATION

Section 11.1 No Fault of Tenant and Termination of Lease by Tenant. The following events constitute a basis for Tenant to terminate this Lease without fault, upon written notice to Landlord:

(a) If Tenant is unable to obtain a Tahoe Regional Planning Agency coverage determination for the Property and Improvements and a certification by the Tahoe Regional Planning Agency of the Stream Environment Zone (SEZ) boundary for the Property within two hundred forty (240) days after the Effective Date.

(b) If Tenant is unable to identify or establish a district or entity as set forth in Section 6.5 within two hundred forty (240) days after the Effective Date.

(c) If, after inspecting the Property pursuant to Section 6.4 and within one hundred twenty (120) days after the Effective Date, Tenant reasonably concludes that the condition of the Property makes the construction of Improvements as contemplated in the Lease or the Lease itself economically or physically infeasible.

(d) Termination pursuant to Section 3.5, Section 9.3 and Section 9.4.

(e) In the event that Tenant terminates this Lease pursuant to the terms of this Section, Tenant shall pay to Landlord, as liquidated damages for the loss of use of Landlord's property during the time from the date Landlord signed this Lease until the date Tenant notifies Landlord in writing of termination pursuant to this Section, an amount equal to one-half the prorated Rent which would have been due for such period had the Property been leased to Tenant during such time.

Section 11.2 Events of Default by Tenant. The occurrence of any of the following events shall constitute an "Event of Default" on the part of Tenant, if the default continues for thirty (30) days after written notice thereof from the Landlord; provided that if the default cannot be cured within thirty (30) days, it shall be an Event of Default if Tenant has not commenced to cure the default within thirty (30) days after written notice or if Tenant fails to diligently continue to cure the default or if such default is not cured within a reasonable time:

(a) Bankruptcy. The filing of a voluntary petition by Tenant, or the filing of an involuntary petition seeking the rehabilitation, liquidation or reorganization of Tenant or other relief under any law relating to bankruptcy, insolvency or other relief of debtors;

(b) Receivership. The appointment of a receiver, trustee, custodian or other officer with similar powers to take possession of a substantial portion of Tenant's assets or of this Lease;

(c) Insolvency or Dissolution. Tenant shall become insolvent or unable to pay its debts as they become due; or any court shall enter a decree or order directing the winding up or liquidation of Tenant or of substantially all of its assets; or Tenant shall take any action toward the dissolution or winding up of its affairs or the cessation or suspension of its business or its use of the Property;

(d) Vacation or Abandonment. Tenant's vacation or abandonment of the Property for more than thirty (30) consecutive days;

(e) Payment. Failure to pay any installment of Rent when due, the failure continuing for a period of sixty (60) days;

(f) Performance. Tenant's failure to perform any of its covenants, agreements or obligations hereunder; and

(g) Attachment. Attachment, execution or other judicial seizure of a substantial portion of Tenant's assets or this Lease.

Section 11.3 Landlord's Remedies. If an Event of Default occurs, and after any notice and cure period has expired, Landlord shall have the right at any time to give a written termination notice to Tenant and, on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate and Tenant shall immediately surrender possession to the Landlord. Upon such termination, Landlord shall have the right to recover from Tenant:

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

(b) An amount equal to one (1) year's Rent at the then current rate, reduced by any amount of Rent which Tenant proves could have been actually produced by the Property during the year following termination of this Lease.

Section 11.4 Continuation of Lease. Even though Tenant may have breached this Lease, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to enforce all its rights and remedies under this Lease, including the right to recover all Rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Property or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession unless written notice of termination is given by Landlord to Tenant.

Section 11.5 Cumulative. Each right and remedy of the Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. The exercise or beginning of the exercise by the Landlord of any one or more of the rights or remedies provided for in this Lease, or now or hereafter existing at law or in equity or by statute or otherwise, shall not preclude the simultaneous or later exercise by the Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 11.6 No Waiver. No failure by the Landlord to insist upon the strict performance of any term hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of rent during the continuance of any such breach shall constitute a waiver of any separate breach under this Lease. Efforts by the Landlord to mitigate the damages caused by Tenant's breach of this Lease shall not be construed to be a waiver of Landlord's right to recover damages under this Article 11.

Section 11.7 Landlord Breach. If the Landlord materially breaches this Lease, Tenant shall give the Landlord written notice of such breach, which notice requests that the breach be cured. If the breach is not cured: (i) within thirty (30) days after receipt by the Landlord of the notice of breach or (ii) if by reason of the nature of the breach, it cannot be cured within thirty (30) days, then within a time that would be reasonable if Landlord were to proceed with diligence to remedy the breach, Tenant shall be entitled to any remedy available to it at law or equity, including abatement of Rent or set off against or deduction from Rent owing under this Lease.

ARTICLE 12. MISCELLANEOUS PROVISIONS

Section 12.1 Notices. All notices required to be given hereunder shall be in writing and mailed postage prepaid by certified or registered mail return receipt requested, or delivered by personal delivery, or reputable overnight delivery which provides a delivery receipt, to the

appropriate addresses set forth in Articles 1(e) and (f) of the Fundamental Lease Provisions, or at such other place or places as either the Landlord or Tenant may, from time to time respectively, designate in a written notice given to the other. Notices shall be deemed sufficiently served on the date of personal delivery or the refusal to accept the mailing thereof, as evidenced by the requested return receipt.

Section 12.2 Conflict of Interest. No member, official or employee of the Tenant shall make any decision relating to the Lease which affects his or her personal interests or the interest of any corporation, company, partnership or association in which he or she is directly or indirectly interested.

Section 12.3 Non-Liability of Officials, Employees and Agents. The liability of Tenant for its obligations under this Lease is limited solely to Tenant's interest in the Property as the same may from time to time be encumbered. No member, official, employee or agent of the Tenant, shall be personally liable to the Tenant, or any successor in interest, in the event of any default or breach by the Tenant or for any amount which may become due to the Landlord or successor or assign on any obligation under the terms of this Lease.

Section 12.4 Successors Bound. This Lease and each of its covenants and conditions shall be binding upon and shall inure to the benefit of both the Landlord and Tenant and their respective heirs, successors and legal representatives and their respective assigns, subject to the provisions hereof. Whenever in this Lease a reference is made to the Landlord, such reference shall be deemed to refer to the person in whom the interest of the Landlord shall be vested, and the Landlord shall have no obligation hereunder as to any claim arising after the transfer of its interest in the Property. Any successor or assignee of Tenant who accepts an assignment or the benefit of this Lease and enters into possession or enjoyment hereunder shall thereby assume and agree to perform and be bound by the covenants and conditions hereof.

Section 12.5 Peaceful Enjoyment. Tenant shall, and may peacefully have, hold and enjoy the Property, provided that Tenant pays the Rent and other sums required under this Lease to be paid by Tenant, and performs all of Tenant's covenants and agreements herein contained.

Section 12.6 Time. Time is of the essence of every provision of this Lease.

Section 12.7 Severability. If any term, covenant, condition or provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Lease, or the application thereof to any person or circumstance, shall remain in full force and effect to the maximum extent possible and shall in no way be affected, impaired or invalidated.

Section 12.8 Applicable Law. This Lease, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of California.

Section 12.9 Holding Over. Should Tenant, or any of its successors in interest, hold over the Property, or any part thereof, after the expiration of the Term of this Lease, unless

otherwise agreed to in writing, such holding over shall constitute and be construed as tenancy from month-to-month only, and Rent shall be due at a prorated rate.

Section 12.10 Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Property and Improvements thereon in their then current condition to the Landlord. Tenant shall not be required to remove the Improvements, and shall not be required to reimburse Landlord for the cost to remove any Improvements. The Landlord may cause any personal property that is not removed from the Property within thirty (30) days after the date of any termination of this Lease to be removed from the Property and stored at Tenant's expense, or, at Landlord's election said personal property thereafter shall belong to Landlord without the payment of any consideration, subject to the rights of any person holding a perfected security interest therein. Upon the expiration or earlier termination of this Lease, Tenant shall reassign to Landlord all of the rights of Tenant in, to or relating to the Property.

Section 12.11 Entry By Landlord. Landlord reserves and shall at any and all reasonable times after three (3) days advance written notice have the right to enter the Property during normal business hours to (a) inspect the same, (b) supply any service to be provided by Landlord hereunder, (c) show said Property to prospective purchasers or Tenants, (d) post notices of non-responsibility and "for lease" signs, and (e) alter, improve or repair the Property without abatement of Rent, and may for such purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing the entrance to the Property shall not be blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably.

Section 12.12 Recording. The parties shall record this Lease or a short form memorandum thereof in the Official Records of Placer County. Tenant agrees to execute, acknowledge and deliver to the Landlord a quitclaim deed at the end of the Term, upon the written request of Landlord.

Section 12.13 Entire Agreement. This Lease sets forth all covenants, promises, agreements, conditions and understandings between the Landlord and Tenant concerning the Property and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between Landlord and Tenant other than as are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or Tenant unless reduced to writing and signed by Landlord and Tenant.

Section 12.14 Waiver. Landlord's waiver of any term, covenant, condition shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition. The acceptance of Rent by Landlord shall not be deemed to be waiver of any prior breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such prior breach at the time it accepts such Rent. Landlord's failure to exercise any right, option or privilege hereunder shall not be deemed a waiver of such right, option or privilege nor shall it relieve Tenant from its obligation to perform each day and every covenant and condition on Tenant's part to be performed nor from damages or other remedy for failure to perform the obligations of this Lease.

Section 12.15 Attorneys Fees. If either party commences an action or proceeding to determine or enforce its rights under this Lease, the prevailing party shall be entitled to recover from the losing party all expenses reasonably incurred, including court costs, reasonable attorneys' fees and costs of suit as determined by the court.

Section 12.16 Broker Fee. Any fee or commission due to any broker as a result of this Lease shall be paid for solely by Landlord.

Section 12.17 Indemnification. Landlord shall indemnify, hold harmless and defend Tenant, the County of Placer and their respective officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of, either in whole or in part, whether directly or indirectly the Landlord's actions or failures to act and related to the Property except for liability arising out of the negligence or willful misconduct of Tenant, its officers, agents, and employees.

Section 12.18 Force Majeure. Tenant shall not be deemed to be in default under this Lease where Tenant delays or defaults are due to war; acts of terrorism, insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; freight embargoes; lack of transportation; or court order; or any other similar causes (other than lack of funds of Tenant) beyond the control or without the fault of Tenant.

Section 12.19 Hold Harmless. Tenant shall hold Landlord from any and all cost or liability arising out of Tenant's breach of any condition or covenant of this Lease, including all attorney's fees and costs incurred by Landlord in defending against such liability and/or in obtaining indemnification from Tenant.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

TENANT:

REDEVELOPMENT AGENCY OF THE
COUNTY OF PLACER, a public body
corporate and politic

By: Richard Cornell
Richard Cornell

Its: Redevelopment Director

LANDLORD:

HERMI JACOBS CASSADY, TRUSTEE OF
THE "HERMI JACOBS CASSADY
REVOCABLE TRUST OF 1992"

By: Hermi Jacobs Cassidy
Hermi Jacobs Cassidy

Its: Trustee

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Placer } ss.

On 10/27/03, before me, M. Daly
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Rich Colwell
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

M. Daly
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

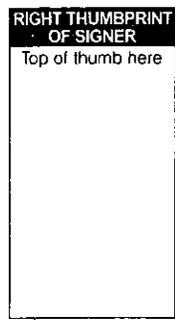
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SACRAMENTO

} ss.

On 10-2-03 before me, MARY K. SMYTHE

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared HERMI JACOB CASSEIDY

Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Mary K. Smythe
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer

} ss.

On 10/27/03

Date

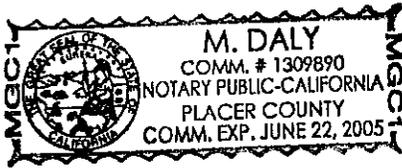
before me, M. Daly

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Rich Colwell

Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

M. Daly
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

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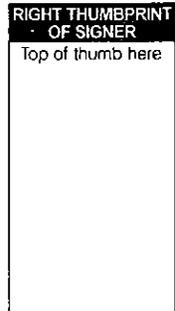
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

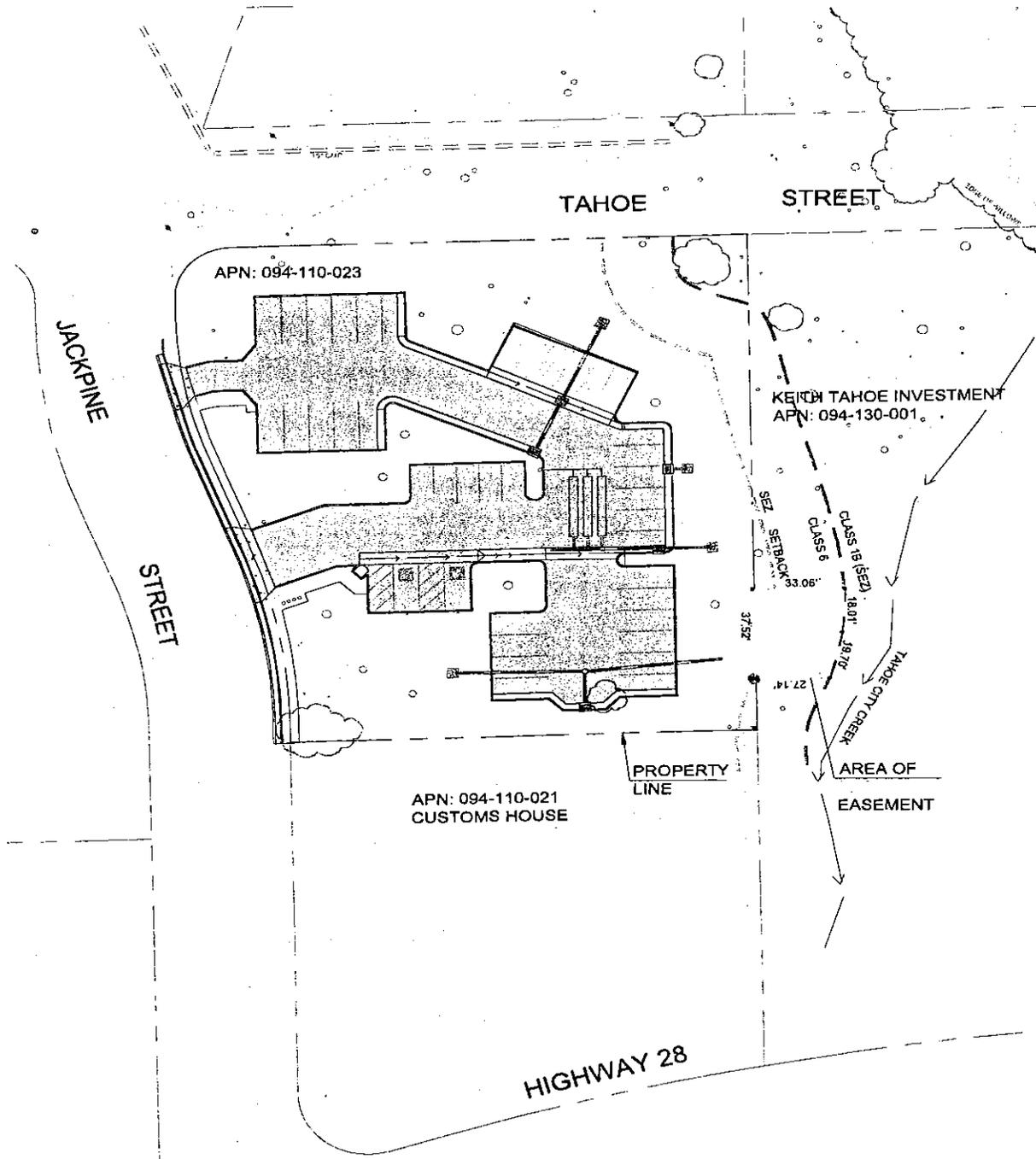
Signer's Name: _____

- Individual
- Corporate Officer --- Title(s): _____
- Partner --- Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



JACKPINE STREET PUBLIC PARKING LOT



40 Parking Spaces

26 Full Size, 12 Compact, 2 Handicap

7.

***ROPS
Discussion &
Adoption***

PLACER COUNTY
SUCCESSOR AGENCY
MEMORANDUM

TO: Honorable Members of the Oversight Board
FROM: Rae James, Director Redevelopment Department
DATE: August 14, 2012
SUBJECT: Approval of the Recognized Obligation Payment Schedule for the Period January 1, 2013 to June 30, 2013

ISSUE

Pursuant to Health and Safety Code §34177(m) a Recognized Obligation Payment Schedule (ROPS) for the period January 1, 2013 to June 30, 2013 must be approved and submitted to the Department of Finance (DOF) and the County Auditor-Controller no later than September 4, 2012. The DOF has 45 days after the ROPS has been submitted to provide a determination of enforceable obligations and the amounts and funding sources of the enforceable obligations. Failure to meet the deadline will result in a fine to the Successor Agency in the amount of \$10,000 per day for every day the schedule is late. There are additional penalties if not submitted within ten days of the deadline.

BACKGROUND

On May 11, 2012 your Board approved the second ROPS for the period July 1, 2012 to December 31, 2012. The items listed on that ROPS are the same as that on the third ROPS, except for an addition by DOF which now requires the Successor Agency to contract for audit services to provide an annual audit which will come to you for future review and approval once completed. A set aside of \$12,000 has been earmarked for this effort.

The estimated six-month total for the third ROPS is \$12,231,184 a reduction of \$2,051,279 from the previous ROPS six-month estimated total of \$14,282,463. The decrease is reflective of wind down activities, including contract closures, staff reductions and delayed disposition expenses.

ACTION REQUESTED

Approve by resolution, the submission of the ROPS to the DOF and the County Auditor-Controller for the period January 1, 2013 to June 30, 2013.

Attachments: Recognized Obligation Payment Schedule for the period January 1, 2013 to June 30, 2013.

Before the Placer County Oversight Board, State of California

In the matter of:

Approval of the Recognized Obligation Payment Schedule
for the Period January 1, 2013 to June 30, 2013

Resol. No: 2012-09

Ord. No:

First Reading:

The following Resolution was duly passed by the Oversight Board
of the County of Placer at a regular meeting held August 14, 2012,

by the following vote on roll call:

Ayes: FEIST, JOHNSON, LEWIS, MCINTYRE, MONTGOMERY

Noes: NONE

Absent: HART, HESTER

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Oversight Board

WHEREAS, pursuant to the provisions of California Health and Safety Code Section 34183(2), the Oversight Board may approve Successor Agency payments listed in its Recognized Obligation Payment Schedule for the six month period beginning January 1, 2013;

WHEREAS, the Oversight Board wishes to pay all debts and obligations of the former Redevelopment Agency which are determined to be enforceable obligations;

NOW, THEREFORE, BE IT RESOLVED by the Placer County Oversight Board that the Recognized Obligations Payment Schedule for the six-month period beginning January 1, 2013 is approved.

Successor Agency Contact Information

Name of Successor Agency:	<u>Placer County Successor Agency</u>
County:	<u>Placer County Successor Agency</u>
Primary Contact Name:	<u>Rae James</u>
Primary Contact Title:	<u>Director</u>
Address	<u>145 Fulweiler, Auburn, 95603</u>
Contact Phone Number:	<u>(530) 886-4618</u>
Contact E-Mail Address:	<u>rjames@placer.ca.gov</u>
Secondary Contact Name:	<u>Allison Carlos</u>
Secondary Contact Title:	<u>Principal Management Analyst</u>
Secondary Contact Phone Number:	<u>(530) 889-4027</u>
Secondary Contact E-Mail Address:	<u>acarlos@placer.ca.gov</u>

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency:

PLACER COUNTY SUCCESSOR AGENCY

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 60,387,125
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	11,311,757
B Anticipated Enforceable Obligations Funded with RPTTF	826,101
C Anticipated Administrative Allowance Funded with RPTTF	93,326
D Total RPTTF Requested (B + C = D)	919,427
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 12,231,184
E Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	919,427
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ -
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	2,256,034
H Enter Actual Obligations Paid with RPTTF	762,884
I Enter Actual Administrative Expenses Paid with RPTTF	470,316
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	1,022,834
K Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ (103,407)

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

Name

Title

Signature

Date

Name of Successor Agency: PLACER COUNTY SUCCESSOR AGENCY
 County: PLACER

Oversight Board Approval Date: August 14, 2012

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
 January 1, 2013 through June 30, 2013**

Item #	Project Name/ Debt Obligation	Contract/ Agreement Execution Date	Contract/ Agreement Termination Date	Payee	Description/ Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
Grand Total							\$60,387,125	\$ 13,209,604	\$ -	\$ 11,311,757	\$ -	\$ 93,326	\$ 826,101	\$ -	\$ 12,231,184
1	Lease	10/24/2003	8/31/2036	H.J. Cassady	Land -Pub Prkng Lot	NLT	1,490,566	48,736					24,368		24,368
2	Bond Payments	6/8/2006	6/8/2036	Bank of NY	Series A- NLT	NLT	24,075,180	969,798					316,599		316,599
3	Bond Payments	6/8/2006	6/8/2036	Bank of NY	Series B - No. Aub	NA	5,285,226	213,974					68,761		68,761
4	Bond Payments	6/8/2006	6/8/2036	Bank of NY	Series C - Areawide	NLT/NA	10,617,544	428,793					162,959		162,959
5	Bond Program		NA	Bank of NY	Trustee Costs	NLT/NA	129,600	5,400							-
6	Bond Program		NA	AMTEC	Bond Rebate Calcu Rpt	NLT/NA	4,000	1,000					1,000		1,000
7	Bond Program	TBD	TBD	Fraser & Asso.	Bond Administration	NLT/NA	14,000	14,000					14,000		14,000
8	State Loan	3/1/2005	2/28/2025	CIEDB-04-059	Brook Lot Construc	NLT	372,249	16,237					3,957		3,957
9	State Loan	7/1/2006	6/30/2026	CIEDB-05-067	Auburn Plaza Const	NA	1,884,626	78,773					19,302		19,302
10	State Loan	9/1/2007	8/31/2027	CIEDB-07-078	Minnow Lot Constr	NLT	636,314	24,553					6,327		6,327
11	State Loan			CIEDB	Loan Adminstrtn	NLT/NA	10,000	10,000							-
12	Agreement	7/1/2011	9/31/2012	NTBA	Econ Dev/Mrktng	NLT	21,667	21,667							-
13	Agreement	7/2/2011	9/31/2013	TCDA	Econ Dev/Mrktng	NLT	21,667	21,667							-
14	Prop. Mgmt Contracts	Various	Ongoing	Various	Maintenance, etc	NLT	81,038	81,038					41,616		41,616
15	Toxic Cleanup - State Plan	9/8/2011	6/30/2013	Kleinfelder	S.Mart-Decontamination	NLT	202,500	85,520					42,760		42,760
16	Toxic Cleanup - State Plan	9/8/2011	6/30/2013	Kleinfelder	Ronning-Decontamination	NLT	502,500	194,058					64,686		64,686
17	Toxic Cleanup - State Plan	11/2/2009	Until Clean	Calif SWRCB	Polanco Act - Tolling Agr	NLT	40,237								
18															
19	Property Disposition	TBD	6/30/2013	Johnson-Perkins	Appraiser	NLT	25,000	25,000					15,000		15,000
20	Property Disposition	TBD	6/30/2013	Andregg Geo.	Survey	NLT	25,000	25,000					12,498		12,498
21	Property Disposition	7/1/2011	6/30/2013	CoreLogic	Real Estate Software	NLT	2,400	2,400					1,248		1,248
22	Property Disposition		3/1/2013	Various	Sale of Properties	NLT	85,123	85,123					19,020		19,020
23	Preparation of DOF Audits	TBD	TBD	MGO	Due Diligence/ Audit	ALL	12,000	12,000					12,000		12,000
24															-
25	Liability a/o 1/31/2012	PERS	1/31/2022	RDA Fund PERS	RDA Fund PERS	ALL	1,871,000	93,550							-

Name of PLACER COUNTY SUCCESSOR AGENCY
 County: PLACER

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optic
 January 1, 2013 through June 30, 2013**

Item #	Notes/Comments
	Disputed Obligations - Reconsideration Request
28 & 29	<p>In response to the ROPS for January - June 2012, the Placer County Successor Agency received a letter from the Department of Finance (DOF) dated April 17, 2012 in which DOF objected to the expenditure of the proceeds of tax-exempt bonds issued in 2006 ("the Bonds") for certain obligations (line items 28 & 29). By letter dated May 2, 2012, the Placer County Successor Agency providing information that demonstrates that these items constitute enforceable obligations. We did not receive a response to that letter; however, our DOF analyst directed us to delete these disputed items from the ROPS for July - December 2012, indicating that the distribution of funds from the RPTTF would be jeopardized if we did not promptly submit a ROPS that contained no disputed items.</p>
	<p>Pursuant to Health and Safety Code Section 34178(a), on June 27, 2012 the Placer County Oversight Board adopted a resolution approving the execution of Amended and Restated Agreements which restate the obligations of the Successor Agency to provide the proceeds of the Bonds for the completion of the identified projects, and the obligation of the County Department of Public Works to complete construction of the projects. Copies of the Resolutions were transmitted to DOF on June 27, 2012. We did not receive a response to this transmittal.</p>
	<p>On July 18, 2012 representatives from the Successor Agency as well as the Chair of the Oversight Board who is also the Chair of the Placer County Board of Supervisors, met with DOF management to discuss this issue and were directed to submit a detailed narrative. That narrative is forthcoming.</p>
	<p>Included in this transmittal are the following:</p>
	<ol style="list-style-type: none"> 1. May 2, 2012 letter to DOF
	<ol style="list-style-type: none"> 2. (Resolution) Amended and Restated Agreement - 2006 Series A Bonds (North Lake Tahoe)
	<ol style="list-style-type: none"> 3. (Resolution) Amended and Restated Agreement - 2006 Series B Bonds (North Auburn)

3	2	Agreements	NTPUD	Contribution for construction of parking lot	North Tahoe			500,000	-								
3	3	SA Employee Costs	Employees of County	Project Disposition Oversight	North Tahoe			149,623	7,614								
3		CCIP	County Counsel	Legal Services	North Tahoe				3,282								
3		CCIP, Deer, Everett	Placer County - DPW	CCIP, Deer, Everett	North Tahoe				163,311								
3		Employee	PERS	Fund Redev Agency PERS	North Tahoe				1,407								
3		Employee	OPEB	Fund Redev Agency OPEB	North Tahoe				515								
4	1	SA Employee Costs	Employees of County	Payroll for employees	North Tahoe					50,405	133,162	150,392					
4	2	Continued Operations (BPO018811)	Sacramento Bee (McClatchy)	Public Notices	North Tahoe					-	1,595	-					
4	3	Continued Operations	BB LLC	Office rent	North Tahoe					-	-	-					
4	4	Continued Operations	BB LLC	Office rent - Additional (TI, Txs & Maint)	North Tahoe					-	-	-					
4	5	Continued Operations (BPO018246)	Golden State	Printer maintenance	North Tahoe					-	319	-					
4	6	Continued Operations (BPO018410)	Nextel	Cell phone	North Tahoe					107	285	153					
4	7	Continued Operations (BPO017980)	Meyers Nave	Legal services	North Tahoe					-	31,855	16,722					
4	8	Continued Operations	Various	Operations (Sec. 33127)	North Tahoe					311	1,595	17					
4	9	Continued Administration (BPO018467)	Confidential Documents	Document destruction	North Tahoe					54	64	75					
4	10	Continued Administration (BPO016841)	Empire Safety Supply	Safety supplies	North Tahoe					-	239	-					
4	11	Continued Administration (BPO019019)	Fraser & Assoc	Bond administration & SOI (8/9/11)	North Tahoe					47	2,920	2,357					
4	12	Continued Administration (BPO018746)	Staples Contract & Comm.	Office supplies	North Tahoe					507	1,910	1,267					
4	13	Continued Administration	Verizon Wireless	Office Wireless Phone	North Tahoe					30	320	40					
4	14	Continued Administration	First American Corelogic	Geographic Software	North Tahoe					188	635	865					
4	15	Continued Administration	US Postmaster	P.O. Box Rental	North Tahoe					-	70	-					
4	16	Continued Administration	Federal Express	Postage & Delivery Service	North Tahoe					34	140	89					
4	17	Continued Administration	Applied Business Software	Annual Mortgage Office Software Leases	North Tahoe					-	-	-					
4	18	Continued Administration	Placer County	Administrative Costs	North Tahoe					28,248	100,817	68,252					
4	19	Continued Administration	Facility Services	Property Negotiations/divestiture	North Tahoe					-	40,000	-					
4	20	Continued Administration	CEO	Property Negotiations/divestiture	North Tahoe					-	40,000	-					
4	21	SA Employee Costs	Employees of County	Payroll for Employees	North Tahoe					23,263							
4	22	Continued Operations & Admin	Various	Administrative Costs	North Tahoe					42,169							
4		Employee	PERS	Fund Redev Agency PERS	North Tahoe					6,647		25,456					
4		Employee	OPEB	Fund Redev Agency OPEB	North Tahoe					2,622		10,603					
4		Ronning - Soil Remediation	Clean Harbors	Soil Excavation	North Tahoe					27,623							

Name of Successor Agency:

Placer County Successor Agency

County:

Placer

**Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
January 1, 2012 through June 30, 2012**

Page/Form	Line	Project Name/Debt Obligation	Payee	Description Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		Grand Total				\$ -	\$ 26,318	\$ 55,303	\$ 30,548	\$ 11,174	\$ 118,854	\$ 66,533	\$ 100,925	\$ 137,276	\$ -	\$ -	\$ -
1	1	Bonds	Bank of NY	2006 Series B	North Auburn						\$ 70,214			70,214			
1	2	Bonds	Bank of NY	2006 Series C	North Auburn		26,318							25,999			
1	3	Bonds	AMTEC	Bond Rebate Calculations	North Auburn						-			-			
1	4	Loans	CALHFA	Loan for Affordable Housing	North Auburn						-			-			
1	5	Loans	CIEDB 05-067	Loan for Auburn Plaza	North Auburn						19,884			19,884			
1	6	Unfunded Liability as of 1-31-2012	PERS	Fund Redev Agency PERS	North Auburn						-			14,510			
1	7	Unfunded Liability as of 1-31-2012	Employees	Fund Redev Agency OPEB	North Auburn						-			6,669			
1	8	Continued Operations	PG&E	Electricity Service - Bowman Bear Sign	North Auburn						13			-			
1	9	Continued Operations	Placer County	Property tax admin/printing tax bills	North Auburn						-			-			
2	1	Bonds	Bennett Engineering	Engineering services	North Auburn			\$ 22,952	5,908								
2	2	BPO 19025	Blackburn Consulting	Hwy 49 streetscape - construction management - 8/11	North Auburn			17,401	10,726								
2	3	SA Employee Costs	Employees of County	Project Monitoring	North Auburn			14,950	9,553								
2		Hwy 49 Project	County Counsel	Legal Services	North Auburn				1,882								
2		SA Employee Costs	PERS	Fund Redev Agency PERS (SA Emp. Costs)	North Auburn				1,860								
2		SA Employee Costs	OPEB	Fund Redev Agency OPEB (SA Emp Costs)	North Auburn				619								
3	1	SA Employee Costs	Employees of Agency	Payroll for employees	North Auburn						18,813	32,418	65,318				
3	2	Continued Operations (BPO018811)	Sacramento Bee (McClatchy)	Public Notices	North Auburn						-	32	-				
3	3	Continued Operations (BPO018246)	Golden State	Printer maintenance	North Auburn						-	78	-				
3	4	Continued Operations (BPO018410)	Nextel	Cell phone	North Auburn						18	70	37				
3	5	Continued Operations (BPO017980)	Meyers Nave	Legal services	North Auburn						-	7,755	3,778				
3	6	Continued Operations	Various	Operations (Sec. 33127)	North Auburn						25	390	4				
3	7	Continued Administration (BPO018467)	Confidential Documents	Document destruction	North Auburn						13	24	-				
3	8	Continued Administration (BPO016841)	Empire Safety Supply	Safety supplies	North Auburn						-	58	-				
3	9	Continued Administration (BPO019019)	Fraser & Assoc	Bond administration & SOI (8/9/11)	North Auburn						11	390	574				
3	10	Continued Administration BPO 01874	Staples	Office Supplies	North Auburn						123	465	309				
3	11	Continued Administration	Verizon Wireless	Office Wireless Phone	North Auburn						7	77	10				
3	12	Continued Administration	First American Corelogic	Geographic Software	North Auburn						46	155	240				
3	13	Continued Administration	US Postmaster	P.O. Box Rental	North Auburn						-	41	-				
3	14	Continued Administration	Federal Express	Postage & Delivery Service	North Auburn						6	35	26				
3	15	Continued Administration	Applied Business Software	Annual Mortgage Office Software Leases	North Auburn						-	-	-				
3	16	Continued Administration	Placer County	Administrative Costs	North Auburn						5,692	24,545	15,054				
3	17	SA Employee Costs	Employees of Agency	Payroll for employees	North Auburn						5,663						
3	18	Continued Operations & Admin	Various	Administrative Costs	North Auburn						5,511						
2		SA Employee Costs	PERS	Fund Redev Agency PERS (SA Emp. Costs)	North Auburn						2,937			11,265			
2		SA Employee Costs	OPEB	Fund Redev Agency OPEB (SA Emp Costs)	North Auburn						1,052			4,310			

Name of Successor Agency:
County:

Placer County Successor Agency
Placer

**Pursuant to Health and Safety Code section 34186 (a)
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Page/Form	Line	Project Name/Debt Obligation	Payee	Description Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		Grand Total				\$ -	\$ 39,087	\$ -	\$ -	\$ 14,591	\$ 29,584	\$ 88,946	\$ 93,103	\$ 120,901	\$ -	\$ -	\$ -
1	1	Bonds	Bank of NY	2006 Series C	Sunset Ind		39,087							\$ 38,613			
1	2	Continued Operations	Placer County	Property tax admin/printing tax bills	Sunset Ind									-			
1	3	SA Employee Costs	Employees of County	Negotiate sunset Mitigation	Sunset Ind									53,913			
1	4	Unfunded Liability as of 1-31-2012	PERS	Fund Redev Agency PERS	Sunset Ind									19,440			
1	5	Unfunded Liability as of 1-31-2012	OPEB	Fund Redev Agency OPEB	Sunset Ind									8,935			
3	1	SA Employee Costs	Employees of Agency	Payroll for employees	Sunset Ind					18,089		43,433	56,207				
3	2	Continued Operations (BPO018811)	Sacramento Bee (McClatchy)	Public Notices	Sunset Ind					-		520	-				
3	3	Continued Operations (BPO018246)	Golden State	Printer maintenance	Sunset Ind					-		104	-				
3	4	Continued Operations (BPO018410)	Nextel	Cell phone	Sunset Ind					22		95	47				
3	5	Continued Operations (BPO017980)	Meyers Nave	Legal services	Sunset Ind					-		10,390	1,796				
3	6	Continued Operations	Various	Operations (Sec. 33127)	Sunset Ind					34		520	6				
3	7	Continued Administration (BPO018467)	Confidential Documents	Document destruction	Sunset Ind					17		20	-				
3	8	Continued Administration (BPO016841)	Empire Safety Supply	Safety supplies	Sunset Ind					-		78	-				
3	9	Continued Administration (BPO019019)	Fraser & Assoc	Bond administration & SOI (8/9/11)	Sunset Ind					15		520	769				
3	10	Continued Administration	Verizon Wireless	Office Wireless Phone	Sunset Ind					10		105	9				
3	11	Continued Administration	First American Corelogic	Geographic Software	Sunset Ind					61		210	282				
3	12	Continued Administration	US Postmaster	P.O. Box Rental	Sunset Ind					-		23	-				
3	13	Continued Administration	Federal Express	Postage & Delivery Service	Sunset Ind					8		45	26				
3	14	Continued Administration	Placer County	Administrative Costs	Sunset Ind					7,624		32,883	19,855				
3	15	SA Employee Costs	Employees of Agency	Payroll for Employees	Sunset Ind					7,587		-	-				
3	16	Continuous Operations & Admin	Various	Administrative Costs	Sunset Ind					7,004		-	-				
3		Continued Administration (BPO01874)	Staples	Office Supplies	Sunset Ind					165		-	413				
3		SA Employee Costs	PERS	Fund Redev Agency PERS (SA Emp. Costs)	Sunset Ind					2,613			9,872				
3		SA Employee Costs	OPEB	Fund Redev Agency OPEB (SA Emp Costs)	Sunset Ind					926			3,821				