



TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT  
AGENDA PACKET

For the Meeting of Wednesday  
October 17, 2012

7:00P.M. Regular Meeting

District Office  
1800 Willow Lake Road



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Chris Steele • Vice-President - Kevin Graves • Director - Jim Mattison • Director - Mark Simon • Director - Ray Tetreault

**NOTICE OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY CSD  
Wednesday October 17, 2012  
REGULAR MEETING 7:00 P.M.  
1800 Willow Lake Road, Discovery Bay, California  
Website address: [www.todb.ca.gov](http://www.todb.ca.gov)**

**REGULAR MEETING 7:00 P.M.**

**A. ROLL CALL AND PLEDGE OF ALLEGIANCE**

1. Call business meeting to order 7:00 p.m.
2. Pledge of Allegiance
3. Roll Call

**B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)**

During Public Comments, the public may address the Board on any issue within the District's jurisdiction which is not on the agenda. The public may comment on any item on the Agenda that is before the Board for consideration. Any person wishing to speak must come up and speak from the podium. There will be no dialog between the Board and the commenter. Any clarifying questions from the Board must go through the Chair.

**C. PRESENTATIONS**

**D. PRESIDENT REPORT AND DIRECTORS' COMMENTS**

**E. CONSENT CALENDAR**

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Minutes of previous Special meeting dated October 3, 2012
2. Minutes of previous Regular meeting dated October 3, 2012
3. Register of District Invoices
4. Approve and Adopt Resolution 2012-26 for the Official Town Seal and a Logo for the Town of Discovery Bay
5. Approve Purchase of One (1) portable Changeable Message Sign
6. Capacity Fee Charge Report for Fiscal Year 2011-2012

**F. NEW BUSINESS AND ACTION ITEMS**

1. Possible options related to future Town of Discovery Bay District Offices
2. Discussion and possible action regarding purchase of Street Pole Banners

**G. VEOLIA REPORT**

**H. MANAGER'S REPORTS**

**I. GENERAL MANAGER'S REPORT**

1. Discussion and possible action regarding photos of Board Members on the Town's Website
2. Discussion on status of Negotiations and acquisition of the Discovery Bay Athletic Club parcel for a possible future Town of Discovery Bay Community Center

**J. DISTRICT LEGAL COUNSEL REPORT**

**K. COMMITTEE UPDATES**

**L. CORRESPONDENCE-Discussion and Possible Action**

1. R - Contra Costa County Aviation Advisory Committee meeting minutes dated July 12, 2012
2. R - Contra Costa Special Districts Association meeting minutes dated July 16, 2012
3. R - East Contra Costa Fire Protection District meeting minutes dated September 10, 2012
4. S - Letter to Contra Costa County Department of Conservation and Development re LP12-2106 dated October 9, 2012

**M. PUBLIC RECORD REQUESTS RECEIVED**

**N. FUTURE AGENDA ITEMS**

**O. ADJOURNMENT**

Adjourn to the next Regular meeting of November 7, 2012 starting at 7:00 p.m. at 1800 Willow Lake Road- Located behind the Delta Community Presbyterian Church.

"This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the American with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Town of Discovery Bay, at (925)634-1131, during regular business hours, at least twenty-four hours prior to the time of the meeting."

"Materials related to an item on the Agenda submitted to the Town of Discovery Bay CSD after distribution of the agenda packet are available for public inspection in the District Office located at 1800 Willow Lake Road during normal business hours."



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Chris Steele • Vice-President - Kevin Graves • Director - Jim Mattison • Director - Mark Simon • Director - Ray Tetreault

**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY CSD  
Wednesday, October 3, 2012  
1800 Willow Lake Road, Discovery Bay, California  
SPECIAL MEETING 6:30 P.M.  
Website address: [www.todb.ca.gov](http://www.todb.ca.gov)**

**SPECIAL MEETING AT 6:30 P.M.**

**A. ROLL CALL**

Call business meeting to order – 6:30 p.m. by President Steele  
Roll Call – All Present

**B. PUBLIC COMMENT**

None

**C. OPEN SESSION DISCLOSURE OF CLOSED SESSION AGENDA  
(Government Code Section 54957.7)**

**Legal Counsel Attebery** – The Board adjourned into Closed Session conference with Legal Counsel on the existing litigation pursuant to Government Code Section 54956.9 (a) Town of Discovery Bay Community Services District vs. SWWC Services, Inc., et al. Case No. C12-01259

**D. CLOSED SESSION:**

**1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Pursuant to Government Code section 54956.9(a):  
Town of Discovery Bay Community Services District vs. SWWC Services, Inc., et al. Case No. C12-01259

**E. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION  
(Government Code Section 54957.1)**

**Legal Counsel Attebery** – The Board returned from a Closed Session, all five (5) Board Members were present during the entire Closed Session, there is no reportable action.

**F. ADJOURNMENT**

The meeting adjourned at 7:00 p.m. to the Regular Meeting on October 3, 2012 at 7:00 p.m. on 1800 Willow Lake Road

//cmc – 10.10.12

<http://www.todb.ca.gov/content/agenda-and-minutes/>



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Chris Steele • Vice-President - Kevin Graves • Director - Jim Mattison • Director - Mark Simon • Director - Ray Tetreault

## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY CSD

Wednesday October 3, 2012

REGULAR MEETING 7:00 P.M.

1800 Willow Lake Road, Discovery Bay, California

Website address: [www.todb.ca.gov](http://www.todb.ca.gov)

### REGULAR MEETING 7:00 P.M.

#### A. ROLL CALL AND PLEDGE OF ALLEGIANCE

Call business meeting to order – 7:01 p.m. by President Steele

Pledge of Allegiance – Led by President Steele

Roll Call – All Present

#### B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

None

#### C. PRESENTATIONS

None

#### D. AREA AGENCIES REPORTS / PRESENTATION

##### 1. SHERIFF'S OFFICE REPORT

Lieutenant Alan Johnson – Provided the law enforcement report for the month of September. There was discussion between the Board, Lieutenant Johnson, and the Public.

##### 2. CHP REPORT

Officer Godman – Provided an update of the services to the Town of Discovery Bay and also updated the Board that he was transferring and that Officer Eric Brewer would be replacing him. There was discussion between the Board and Officer Godman.

##### 3. FIRE DISTRICT REPORT

Chief Burris – Provided his report and the details for the month of September. There was discussion between the Board and Chief Burris.

##### 4. EAST CONTRA COSTA FIRE PROTECTION DISTRICT REPORT – No report

##### 5. SUPERVISOR MARY PIEPHO, DISTRICT III REPORT

Karyn Cornell – Provided an update on several projects surrounding Discovery Bay, provided some handouts, and informed the Board of the new Code Enforcement Officer for Discovery Bay is Larry Olson.

#### E. COMMITTEE/LIAISON REPORTS

1. Trans-Plan Report – No Report

2. County Planning Commission Report – No Report

3. Code Enforcement Report – No Report

4. Special Districts Report\*\* - No Report

\*\*These meetings are held Quarterly

#### F. CONSENT CALENDAR

All matters listed under the CONSENT CALENDAR are considered by the District to be routine and will be enacted by one motion.

1. Minutes of previous Special meeting dated September 19, 2012

2. Minutes of previous Regular meeting dated September 19, 2012

3. Register of District Invoices

4. Geotechnical Services for Wastewater Treatment Plant Construction Projects

**Motion by:** Director Tetreault to accept the Consent Calendar

**Second by:** Director Simon

**Vote:** Motion Carried – AYES: 5, NOES: 0

**G. PUBLIC HEARING to Consider the Following**

**1. Town of Discovery Bay CSD amending Capacity Charge Fee Program ("Capacity Fee") and adoption of Resolution No. 2012-23**

**General Manager Howard** – Provided the details of item G-1 and also introduced Alison Lechowicz with Bartle Wells Associates

**Alison Lechowicz** – Provided the presentation for the Water and Wastewater Capacity Fee Study

**President Steele** – Opened the Public Hearing for Public Comment

**Hofmann Company – David Lennon** – Provided additional details of item G-1. There was discussion between the Board and David Lennon

**President Steele** – Closed the Public Hearing

**General Manager Howard** – Provided additional details of item G-1

There was one (1) Public Comment Speaker

**Motion by:** Director Simon to adopt Resolution No. 2012-23 establishing capacity charges for water and wastewater service

**Second by:** Director Tetreault

**Vote:** Motion Carried – AYES: 5, NOES: 0

**H. NEW BUSINESS AND ACTION ITEMS**

**1. Town of Discovery Bay CSD amending Revenue, Operating & Maintenance and Capital Improvement Program Budget projections for FY 2012-13 and adoption of Resolution No. 2012-24**

**General Manager Howard** – Provided the details of item H-1

**Motion by:** Director Tetreault to adopt Resolution No. 2012-24 amending the Town of Discovery Bay Revenue, Operating & Maintenance and Capital Improvement Program Budget for FY 2012-13

**Second by:** Director Simon

**Vote:** Motion Carried – AYES: 5, NOES: 0

**2. Agency Comment Request – Home Occupation Use Permit Application – Jesus Lopez (LP12-2106)**

**General Manager Howard** – Provided the details of item H-2. There was discussion between the Board, the General Manager, and the Public. There was one (1) Public Comment Speaker

**Motion by:** President Steele to send a letter to the County with the concerns of noise and traffic, and the delivery of hazardous materials

**Second by:** Director Tetreault

**Vote:** Motion Carried – AYES: 5, NOES: 0

**I. PRESIDENT REPORT AND DIRECTORS' COMMENTS**

**Vice-President Graves** – Provided details of the California Special Districts Association Conference in San Diego September 21, 2012 through September 27, 2012

**Vice-President Graves** – Provided details and a report for the East Contra Costa Fire District meeting dated October 1, 2012

**President Steele** – Provided details of the California Special Districts Association Conference in San Diego September 21, 2012 through September 27, 2012

**J. MANAGER'S REPORT**

**1. Discussion and possible action on 2013 Discovery Bay Earth Day proposed projects (Veteran's Memorial & Demonstration Gardens)**

**General Manager Howard** – Provided details of item J-1

**Parks and Landscape Manager Perez** – Provided additional details of item J-1. There was discussion between the Board, the General Manager, and the Parks and Landscape Manager

**Motion by:** Director Mattison to form a committee that would include Vice-President Graves and President Steele

**Legal Counsel Attebery** – Made the recommendation that there will be no motion

**Motion withdrawn**

**General Manager Howard** – Provided information that the Public Access Ramp Replacement Project that will begin on October 18, 2012

**K. GENERAL MANAGER'S REPORT**

**1. Discussion regarding electronic message boards**

**General Manager Howard** – Provided details of item K-1. There was discussion between the Board and the General Manager

**Motion by:** Vice-President Graves to purchase one (1) DH500FM as stands with no options

**Motion withdrawn**

**Motion by:** Vice-President Graves to purchase one (1) Portable Changeable Message Sign - DH500FM for safety reasons for our workers and for residents to be aware of projects going on in Discovery Bay

There was discussion between the Board, the General Manager, and the Water and Wastewater Manager.

**Motion** – Withdrawn by Vice-President Graves

**Motion by:** Vice-President Graves to purchase the DH500FM with the radar speed display option

**Second by:** Director Mattison

There were two (2) Public Comment Speakers

**Vote:** Motion Carried – AYES: 4 – President Steele, Vice-President Graves, Director Mattison, Director Tetreault, NOES: 1 – Director Simon

**2. Discussion regarding Official Town of Discovery Bay CSD Seal and Logo**

**General Manager Howard** – Provided details of item K-2. There was discussion between the Board and the General Manager

**Motion by:** Vice-President Graves to adopt the Seal for official use and have the Seal trademarked – the Seal to use is on page 151 of the digital packet and adopt a Logo to be used on other items such as shirts, hats, and other non-official documents

**Second by:** Director Simon

**Vote:** Motion Carried – AYES: 5, NOES: 0

There was one (1) Public Comment Speaker. There was discussion between the Board and the Public Comment Speaker

**L. DISTRICT LEGAL COUNSEL REPORT**

**Legal Counsel Attebery** – There was a Special Closed Session at 6:30 p.m. regarding conference with Legal Counsel on an existing litigation listed as item D-1 on the Special Agenda, all five (5) Board Members were present during the entirety of the Closed Session and there was no reportable action. Also, added information on how a motion and public comment is taken care of.

**M. COMMITTEE UPDATES**

None

**N. CORRESPONDENCE – Discussion and Possible Action**

1. R – Letter from California Natural Resources regarding response from Governor Brown on the subject of the Peripheral Canal dated September 13, 2012

2. R – Letter from Contra Costa County Public Works Department regarding Transfer of Parks in Countywide Lighting and Landscape District Zones in Discovery Bay dated September 24, 2012

There was one (1) Public Comment Speaker. There was discussion between the Board, the General Manager, the Public Comment Speaker, and Legal Counsel.

**O. PUBLIC RECORD REQUESTS RECEIVED**

None

**P. FUTURE AGENDA ITEMS**

None

**Q. ADJOURNMENT**

The meeting adjourned at 9:01 p.m. to the next regular meeting on October 17, 2012 starting at 7:00 p.m. at 1800 Willow Lake Road

//cmc – 10.10.12

<http://www.todb.ca.gov/content/agenda-and-minutes/>



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

**Meeting Date**

October 17, 2012

**Prepared By:** Dina Breitstein, Finance Manager & Lesley Marable, Sr. Accounts Clerk  
**Submitted By:** Rick Howard, General Manager

### Agenda Title

Register of District Invoices

### Recommended Action

Staff recommends that the Board approve the listed invoices for payment

### Executive Summary

District invoices are paid on a regular basis, and must obtain Board authorization prior to payment. Staff recommends Board authorization in order that the District can continue to pay warrants in a timely manner.

### Fiscal Impact:

**Amount Requested** \$429,127.93

**Sufficient Budgeted Funds Available?:** Yes (If no, see attached fiscal analysis)

**Prog/Fund #** See listing of invoices. **Category:** Operating Expenses and Capital Improvements

### Previous Relevant Board Actions for This Item

### Attachments

Request For Authorization to Pay Invoices for the Town of Discovery Bay CSD 2012/2013  
Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 8 2012/2013  
Request For Authorization to Pay Invoices for the Discovery Bay Lighting & Landscape District # 9 2012/2013

AGENDA ITEM: E-3

**Request for authorization to pay invoices (RFA)**  
**For the Meeting on October 17, 2012**  
**Town of Discovery Bay CSD**  
**For Fiscal Year's 7/12 - 6/13**

<u>Vendor Name</u>	<u>Invoice Number</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Amount</u>
<b>Administration</b>				
Bruce & Linda Barbara	510 KEATS CT	Refund for Overpayment	10/08/12	\$6.46
Brut Force Janitorial	10	October 2012 Janitorial Service	10/01/12	\$250.00
Brut Force Janitorial	10	October 2012 Janitorial Service (Z57,Z61)	10/01/12	\$50.00
Carter & Associates	3600 SAILBOAT DR	Refund for Overpayment	10/08/12	\$3.23
Caselle, Inc.	45066	Monthly Contract Support Nov 2012	10/01/12	\$690.00
Chris Steele	CSDA EXPENSE REPORT	Expenses for Conference	10/10/12	\$68.28
Contra Costa Fire Equipment	1459	Annual Maintenance of Fire Extinguishers	10/04/12	\$47.50
Denalect Alarm Company	R44313	Qtly Alarm Charge	10/01/12	\$111.00
Dina Breitstein	SEPT EXPENSE REPORT	Sept Expense Report	09/25/12	\$16.99
Freedom Mailing Service, Inc	21301	Bill Processing	09/19/12	\$877.92
Freedom Mailing Service, Inc	21357	Bill Processing-Large Users	09/28/12	\$46.98
Jim Mattison	CSDA EXPENSE REPORT	Expenses for Conference	10/02/12	\$80.64
Kevin Graves	CSDA EXPENSE REPORT	Expenses for Conference	10/09/12	\$68.30
Mr Copy	0CR19A1/700917	iPad 2 - 32GB and 16GB	08/24/12	\$5,947.80
Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$3,903.15
Odyssey Landscape Co, Inc.	36037732	Monthly Contract Amount (Z35,57,61)	09/20/12	\$7,130.00
Office Depot	624985066001	Office Supplies	09/14/12	\$66.01
Office Depot	626002164001	Office Supplies	09/24/12	\$21.64
Office Depot	626002200001	Office Supplies	08/21/12	\$23.57
Richard Howard	CSDA EXPENSE REPORT	Expenses for Conference	10/03/12	\$415.93
Ricoh Americas Corporation	416622168	Photocopier Monthly Charge Sept 2012	10/02/12	\$314.13
SDRMA	11878	Medical Benefits	10/05/12	\$570.87
SDRMA	41655	Liability Ins 2012-2013-Boom Lift , Gator, Pump Trailer, E	10/01/12	\$1,913.79
Select 1 Realty	250 AMESBURY	Refund for Overpayment	10/08/12	\$6.60
Shred-It	9400907160	Service Date 09/20/12	09/20/12	\$70.99
Spectral Wireless Networks	3594	Qtly Internet Service, Website	09/23/12	\$240.00
U.S. Bank Corporate Payment System	4246044555703473/912	Travel & Meeting BOD	09/25/12	\$1,446.24
U.S. Bank Corporate Payment System	4246044555703473/912	Travel & Meetings Staff	09/25/12	\$139.30
U.S. Bank Corporate Payment System	4246044555703473/912	Telephone-General	09/25/12	\$915.25
U.S. Bank Corporate Payment System	4246044555703473/912	Telephone-Internet	09/25/12	\$278.46
U.S. Bank Corporate Payment System	4246044555703473/912	Telephone-Cellular	09/25/12	\$54.11
U.S. Bank Corporate Payment System	4246044555703473/912	Vehicle & Equipment Fuel	09/25/12	\$113.33
U.S. Bank Corporate Payment System	4246044555703473/912	Computer Equipment & Supplies	09/25/12	\$32.46
U.S. Bank Corporate Payment System	4246044555703473/912	Computer Software-Acronis Backup	09/25/12	\$853.00
U.S. Bank Corporate Payment System	4246044555703473/912	Computer Software-ipad downloads	09/25/12	\$26.33
U.S. Bank Corporate Payment System	4246044555703473/912	Office Supplies	09/25/12	\$159.65
U.S. Bank Corporate Payment System	4246044555703473/912	UPS-Finance Auth Bonds	09/25/12	\$81.99
U.S. Bank Corporate Payment System	4246044555703473/912	Misc Services & Supplies	09/25/12	\$33.98
U.S. Bank Corporate Payment System	4246044555703473/912	Community Outreach	09/25/12	\$350.00
			<b>Administration</b>	<b>Sub-Total</b>
				<b>\$27,425.88</b>
<b>Water</b>				
Aaron Goldsworthy	AUG EXPENSE REPORT	Jun-Aug Expense Report	10/09/12	\$108.71
American Retrofit Systems	253	Repairs at Willow Lake Booster, Photo cell and bulb	09/26/12	\$130.00
Contra Costa County Treasurer-Tax Collect	004075007700/1202443	Property Tax 2012-2013 Well1B Land	09/07/12	\$14.64
Contra Costa County Treasurer-Tax Collect	008200015900/1200664	Property Tax 2012-2013 Willow Lake WTP	09/07/12	\$156.48
Contra Costa County Treasurer-Tax Collect	011220036500/1201189	Property Tax 2012-2013 Newport Treatment Plant	09/07/12	\$60.82
County Clerk - CCC	CEQA	CEQA Determination	10/17/12	\$50.00
EnerPower	61683	Electric Charge 08/12-09/12	09/27/12	\$1,777.00
EnerPower	61685	Electric Charge 08/12-09/12	09/27/12	\$803.00
Ferguson Waterworks	846455	Supplies for Water Repairs	09/21/12	\$226.48
Ferguson Waterworks	846465	Supplies for Water Repairs	09/24/12	\$28.15
Groeniger & Company	848094	Parts for Water Meters	09/28/12	\$717.16
J.W. Backhoe & Construction, Inc.	1750	Leak on Discovery Bay Blvd	09/29/12	\$3,458.40
J.W. Backhoe & Construction, Inc.	1751	Leak on Marlin Ct	09/29/12	\$1,937.90
Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$1,126.60

Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$94.60
Neumiller & Beardslee	250806	Southwest Water Litigation	09/14/12	\$779.59
U.S. Bank Corporate Payment System	4246044555703473/912	Travel & Meetings Staff	09/25/12	\$19.00
U.S. Bank Corporate Payment System	4246044555703473/912	Memberships	09/25/12	\$238.00
U.S. Bank Corporate Payment System	4246044555703473/912	Telephone-General	09/25/12	\$87.17
U.S. Bank Corporate Payment System	4246044555703473/912	Vehicle & Equipment Fuel	09/25/12	\$358.03
U.S. Bank Corporate Payment System	4246044555703473/912	Misc Small Tools	09/25/12	\$198.22
U.S. Bank Corporate Payment System	4246044555703473/912	Computer Software-ipad download	09/25/12	\$16.99
Univar	SJ513009	Chemicals delivered 09/18/12	09/18/12	\$210.00
Veolia Water North America	00017939A	R&M for June 2012	09/06/12	\$2,674.81
Veolia Water North America	20178	Monthly R&M Aug 2012	09/19/12	\$11,266.86
Veolia Water North America	20703	Monthly O&M Oct 2012	10/10/12	\$38,628.79

**Water Sub-Total \$65,167.40**

**Wastewater**

Brentwood Ace Hardware	808/093012	Screws and Fasteners	09/30/12	\$20.50
Conco West Inc.	398	Dewatering & Solar Dryer #3 Progress billing #6	09/30/12	\$170,722.98
Contra Costa County Treasurer-Tax Collect	008330017800/1200705	Property taxes 2012-2013 WWTP#1	09/07/12	\$480.86
Contra Costa County Treasurer-Tax Collect	008330057400/1200705	Property Tax 2012-2013 WWTP#1 Wetlands	09/07/12	\$522.26
Contra Costa County Treasurer-Tax Collect	008340033300/1200706	Property Tax 2012-2013 WWTP#2 Operations	09/07/12	\$126.24
Contra Costa County Treasurer-Tax Collect	008340040800/1200706	Property Tax 2012-2013 WWTP#2 Land	09/07/12	\$2,612.24
Contra Costa County Treasurer-Tax Collect	008340041600/1200706	Property Tax 2012-2013 WWTP#2 Land	09/07/12	\$973.10
Cramer, Frank	SEPT EXPENSE REPORT	Sept Expense Report	10/03/12	\$94.35
EnerPower	61684	Electric Charge 08/12-09/12	09/27/12	\$349.00
Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$963.90
Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$141.90
Neumiller & Beardslee	250806	Southwest Water Litigation	09/14/12	\$1,169.38
U.S. Bank Corporate Payment System	4246044555703473/912	Travel & Meetings Staff	09/25/12	\$28.50
U.S. Bank Corporate Payment System	4246044555703473/912	Telephone-general	09/25/12	\$740.22
U.S. Bank Corporate Payment System	4246044555703473/912	Automotive & Equipment Fuel	09/25/12	\$204.40
U.S. Bank Corporate Payment System	4246044555703473/912	Automotive Supplies & Repairs	09/25/12	\$59.61
U.S. Bank Corporate Payment System	4246044555703473/912	Misc Small Tools	09/25/12	\$36.43
Veolia Water North America	00017939A	R&M for June 2012	09/06/12	\$18,741.33
Veolia Water North America	20089	UV Panel/Solids Improvement	09/19/12	\$35,138.67
Veolia Water North America	20178	Monthly R&M Aug 2012	09/19/12	\$12,779.88
Veolia Water North America	20703	Monthly O&M Oct 2012	10/10/12	\$57,943.20

**Wastewater Sub-Total \$303,848.95**

**Community Center**

Hulberg & Associates	1	Real Estate Appraisers for Community Center	10/01/12	\$2,250.00
Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$1,133.00
Neumiller & Beardslee	251151	Community Center Purchase	09/20/12	\$8,110.50

**Community Center Sub-Total \$11,493.50**

**Grand Total \$407,935.73**

**Request For Authorization To Pay Invoices (RFA)**  
**For the Meeting on October 17, 2012**  
**Town of Discovery Bay, D.Bay L&L Park #8**  
**For Fiscal Year's 7/12 - 6/13**

<u>Vendor Name</u>	<u>Invoice Number</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Amount</u>
Brentwood Ace Hardware	808/093012	Sign, Gloves, Edgeguard Spreader	09/30/12	\$116.96
Brentwood Ace Hardware	808/093012	Hardware to Install Cornell Rules Sign	09/30/12	\$27.92
Brut Force Janitorial	10	October 2012 Janitorial Service	10/01/12	\$25.00
Brut Force Janitorial	10	October 2012 Janitorial Service	10/01/12	\$335.00
California Park & Recreation Society	120434	Membership	09/19/12	\$170.00
Contra Costa County Treasurer-Tax Collect	4200013300	Property Tax 2012-2013 Cornell Park	09/07/12	\$633.08
Contra Costa County Treasurer-Tax Collect	008210024900/1200666	Property Tax 2012-2013 Landscape	09/07/12	\$13.18
Contra Costa County Treasurer-Tax Collect	008330065700/1200706	Property Tax 2012-2013 Front Entrance	09/07/12	\$10.18
Contra Costa County Treasurer-Tax Collect	008460021200/1200738	Property Tax 2012-2013 Landscape	09/07/12	\$91.70
Discovery Bay Disposal	170001966/092812	Monthly Disposal	09/28/12	\$279.75
Estevan Rocha	SEPT EXPENSE REPORT	Sept Expense Report	09/26/12	\$60.50
Mike's Auto Glass	6285	2010 Ford F150	10/02/12	\$175.78
Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$64.50
Office Depot	624037274001	Office Supplies	09/07/12	\$21.03
Office Depot	624037275001	Office Supplies	09/07/12	\$10.81
Office Depot	624985066001	Office Supplies	09/14/12	\$69.28
Sue Heintl	SEPT EXPENSE REPORT	Sept Expense Report	10/04/12	\$6.11
U.S. Bank Corporate Payment System	4246044555703473/912	Equipment	09/25/12	\$393.96
U.S. Bank Corporate Payment System	4246044555703473/912	Clipper Dr	09/25/12	\$17.30
U.S. Bank Corporate Payment System	4246044555703473/912	Travel & Meetings Staff	09/25/12	\$115.75
U.S. Bank Corporate Payment System	4246044555703473/912	Telephone-general	09/25/12	\$122.84
U.S. Bank Corporate Payment System	4246044555703473/912	Vehicle & Equipment Fuel	09/25/12	\$173.25
U.S. Bank Corporate Payment System	4246044555703473/912	Equipment Maintenance	09/25/12	\$21.64
U.S. Bank Corporate Payment System	4246044555703473/912	Misc Small Tools	09/25/12	\$141.05
U.S. Bank Corporate Payment System	4246044555703473/912	Equipment Rental/Leasing	09/25/12	\$103.05
U.S. Bank Corporate Payment System	4246044555703473/912	Facility Maintenance Landscape	09/25/12	\$52.80
U.S. Bank Corporate Payment System	4246044555703473/912	Special Expense-Safety Signs, Fire Ext.	09/25/12	\$304.50
Watersavers Irrigation Inc.	11218979	Clipper Dr	09/14/12	\$75.04
Watersavers Irrigation Inc.	11220633	Clipper Dr	09/19/12	\$285.78
Watersavers Irrigation Inc.	11222367	Small Tool	09/24/12	\$2.93
Watersavers Irrigation Inc.	11222367	Clipper Dr	09/24/12	\$32.05
Watersavers Irrigation Inc.	11223408	Clipper Dr	09/26/12	\$370.94
Watersavers Irrigation Inc.	11223474	Clipper Dr	09/26/12	\$12.43
Watersavers Irrigation Inc.	11223806	Clipper Dr	09/27/12	\$60.06
Town of Discovery Bay	25	Zone 8 Payroll Reimb Sept 2012	10/05/12	\$11,236.58
			<b>Total</b>	<b>\$15,632.73</b>

**Request For Authorization To Pay Invoices (RFA)**  
**For the Meeting on October 17, 2012**  
**Town of Discovery Bay, D.Bay L&L Park #9 (Ravenswood)**  
**For Fiscal Year's 7/12 - 6/13**

<u>Vendor Name</u>	<u>Invoice Number</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Amount</u>
American Retrofit Systems	255	Splash Pad Repair	09/26/12	\$400.00
Brut Force Janitorial	10	October 2012 Janitorial Service	10/01/12	\$25.00
Mike's Auto Glass	6285	2010 Ford F150	10/02/12	\$100.00
Neumiller & Beardslee	250804	Legal Services Performed thru 08/31/12	09/14/12	\$64.50
Odyssey Landscape Co, Inc.	36037732	Monthly Contract Amount	09/20/12	\$2,725.00
Office Depot	624037182001	Office Supplies	09/07/12	\$49.88
Office Depot	624985066001	Office Supplies	09/14/12	\$69.28
U.S. Bank Corporate Payment System	4246044555703473/912	Telephone-general	09/25/12	\$70.06
U.S. Bank Corporate Payment System	4246044555703473/912	Vehicle & Equipment Fuel	09/25/12	\$243.84
U.S. Bank Corporate Payment System	4246044555703473/912	Misc Small Tools	09/25/12	\$6.44
U.S. Bank Corporate Payment System	4246044555703473/912	Facillity Maintenance Landscape	09/25/12	\$183.27
Woodmill Recycling Company	2012-1896	Ravenswood tree removal-replacement	09/15/12	\$37.00
Town of Discovery Bay	26	Zone 9 Payroll Reimb Sept 2012	10/05/12	\$1,585.20
			<b>Total</b>	<b>\$5,559.47</b>



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

**Meeting Date**

October 17, 2012

**Prepared By:** Rick Howard, General Manager  
**Submitted By:** Rick Howard, General Manager

**Agenda Title**

Approve and Adopt Resolution 2012-26 for the Official Town Seal and a Logo for the Town of Discovery Bay

**Recommended Action**

Adopt Resolution 2012-26 for the Official Town of Discovery Bay seal and logo to be used in all official correspondence and other business related activities

**Executive Summary**

The Communications Subcommittee, consisting of Vice President Graves and Board Member Mattison, met with staff to review a number of options towards the establishment of a singular Town of Discovery Bay (TODB) Seal and Logo that specifically identifies the TODB from other entities in town. The existing "logo" is utilized by a number of local businesses and organizations.

At the October 3, 2012 Board meeting, the Board discussed and took action to adopt a new TODB Seal and Logo. However, that action can only take place with the adoption of a Resolution of the Board of Directors. Additionally, the agenda item was identified as a discussion item only and did not provide a method for the Board to take action. Consequently, the approval of Resolution 2012-26 is a "clean-up" to the previous action taken on October 3, 2012.

A copy of Resolution 2012-26 and the recommended Seal and Logo, are attached.

**Fiscal Impact:**

**Amount Requested:** n/a  
**Sufficient Budgeted Funds Available?:** (If no, see attached fiscal analysis)  
**Prog/Fund # Category:** Pers. Optg. Cap. -or- CIP# 37 Fund#

**Previous Relevant Board Actions for This Item**

October 3, 2012 – Approval by the Board of Directors to officially adopt a new TODB Seal and Logo

**Attachments**

Resolution 2012-26  
Proposed TODB Seal and Logo

**AGENDA ITEM: E-4**



**TOWN OF DISCOVERY BAY  
COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2012-26**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TOWN OF DISCOVERY BAY,  
A CALIFORNIA COMMUNITY SERVICES DISTRICT,  
ADOPTING AN OFFICIAL TOWN OF DISCOVERY BAY SEAL AND LOGO  
TO BE USED IN ALL OFFICIAL CORRESPONDENCE  
AND OTHER BUSINESS RELATED ACTIVITIES**

WHEREAS, Government Code §61060(i) permits a Community Services District the authority "To adopt a seal and alter it", and

WHEREAS, the Board of Directors of the Town of Discovery Bay (TODB), a California Community Services District, determined it in the best public interest to adopt a new TODB Seal for all official correspondence, records, documents, publications, vehicle identification, and all other official matters related to the business of the Town of Discovery Bay, and

WHEREAS, the TODB Seal is incorporated herein by reference and as a part of this Resolution, and

WHEREAS, the Board of Directors of the Town of Discovery Bay (TODB), a California Community Services District, determined it in the best public interest to adopt a new TODB Logo for unofficial purposes, such as street banners, hats, shirts, and any other "unofficial" identification of the TODB, and

WHEREAS, the TODB Logo is incorporated herein by reference and as a part of this Resolution.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Seal, as attached, shall serve as the official Town of Discovery Bay seal.

SECTION 2. That the Logo, as attached, shall serve as the official Town of Discovery Bay logo.

SECTION 2. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 17<sup>th</sup> DAY OF OCTOBER 2012.

---

V. Chris Steele  
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on October 17, 2012, by the following vote of the Board:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Richard J. Howard  
Board Secretary





# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

**Meeting Date**

October 17, 2012

**Prepared By:** Rick Howard, General Manager  
**Submitted By:** Rick Howard, General Manager

**Agenda Title**

Approve Purchase of One (1) portable Changeable Message Sign

**Recommended Action**

Approve purchase of one (1) portable ADDCO Model DH500FM in the amount of \$16,500.00, plus tax to Road Tech Safety Services, Inc., and authorize the General Manager to execute all purchase documents

**Executive Summary**

At the October 3, 2012 Board meeting, the Board discussed and directed staff to purchase one (1) ADDCO Model DH500-FM portable changeable message sign to be deployed in construction situations. However, the agenda item was identified as a discussion item only and did not provide a method for the Board to take action. Consequently, this action will formally authorize the purchase of the portable message board.

Additionally, in the time period that has ensued since the October 3, 2012 Board meeting, staff has had an opportunity to obtain updated pricing for the item. Based upon the Town of Orinda's competitive bid schedule, the Town of Discovery Bay can "piggy back" off that bid and obtain the same pricing. The Town of Orinda's bid price for the sign is \$14,950.00 (the original price quote was \$15,950 plus tax). The purchase price as listed does not include the Radar Speed Display Option of \$1,550.00, plus tax.

Consequently, the combined pricing for the message board and the radar speed option is \$16,500.00, plus tax.

**Fiscal Impact:**

**Amount Requested: \$16,500.00 plus tax.**

**Sufficient Budgeted Funds Available?: (If no, see attached fiscal analysis)**

**Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# 37 Fund#**

**Previous Relevant Board Actions for This Item**

October 3, 2012 – Approval by the Board of Directors to purchase one ADDCO Model DH500-FM Portable Message Board

**Attachments**

Proposal to Purchase one ADDCO Model DH500-FM Portable Message Board  
ADDCO DH500-FM Brochure

**AGENDA ITEM: E-5**



4151 S. Shingle Road, Unit 1; Shingle Springs, CA., 95682  
 p: (530)672-0222 f: (530)672-0622  
[www.road-tech.com](http://www.road-tech.com)

# QUOTATION

Project #	Bid Date
	<b>10/9/12</b>

Town of Discovery Bay 1800 Willow Lake Road Discovery Bay, CA., 94505-9376
--

Location	Terms	Mobilization	Estimator	Delivery
Discovery Bay	Net 30	fob destination	Joe Jeffrey	30 days, ARO

## Purchase Prices:

*Item #*

Portable Changeable Message Signs – Solar

ADDCO model DH500FM: \$14,950.00 each + tax

Radar speed display option: \$1,550.00 per unit + tax

Road-Tech Safety Services is a California certified Small Business # 0022833. California contractors license # 796857 - C31. Road-Tech offers a full line of cones, signs, stands, safety clothing and traffic control equipment. Please call for details.
---

## Standard Trailer

### Steel Control & Battery Boxes

- Lockable
- Metal boxes
- Sealed weatherstripping
- Non-slip treads on top
- Easy control access

### Control Panel

- Streamlined instrument layout
- See only the controls you need
- Easy Programming Guide on panel

## Standard Display

### BRICK® LED Module

- Self-contained, sealed LED unit
- High Density
- No special tools needed
- Plug-and-play simplicity

### Legibility & Power Consumption

- Superior legibility
- Automatically adjust LED 0 to 100% brightness for ambient conditions
- Power Management System

### Message Display

- Text, graphics or both
- Variable width/height fonts
- 3 lines, up to 12 characters/line

### Message Panel

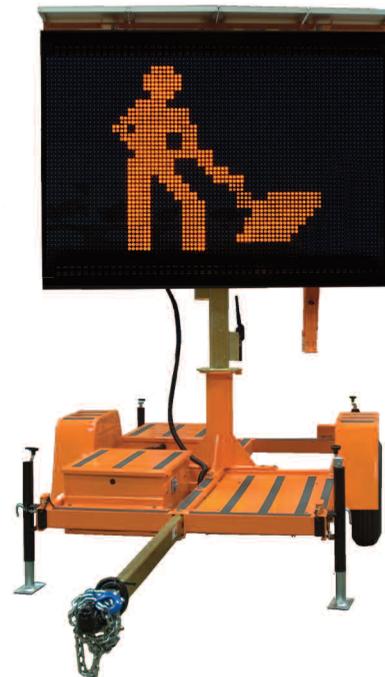
- Aluminum back plate & surround
- Flat black powder coat finish
- Lightweight, wind load tested
- Sealed BRICK® LED modules

### Sign Locking

- Heavy-duty brake

## Available Options

- Additional solar panels & batteries
- Radar
- Deluxe locking lug nuts
- Custom paint colors
- Tongue jack
- Cell modem
- Land line modem
- Extended warranty



## Removable Tongue

### Trailer Construction & Materials

We are an ISO 9001:2000 certified company. We use exacting standards to develop, engineer and manufacture every product. The quality of materials and dedicated craftsmanship of our trailers give you superior durability, lower total cost of ownership and a better return on investment.

#### Key features:

- Heavy-duty, Grade B, structural steel tubing
- Steel tubing size: 4" x 2" x 3/16"
- MIG welds
- Highway Safety Orange powder coat finish
- Fenders: Bolt-on, heavy-duty, 10-gauge, steel with non-slip treads
- Torsion axle
- 80" wide footprint
- Removable Tongue

### LED Power Management System

Side-by-side competitive comparisons of ADDCO's full matrix displays show the exceptional legibility of our products. Our exclusive Power Management System produces an extremely low drive current while achieving superior legibility at up to 1,200 feet. This technology requires fewer solar panels and batteries and gives you greater autonomy.

#### Key features:

- Highest intensity LEDs purchased in BIN
- Single color LEDs purchased in BIN
- LED brightness consistent across entire display face
- Amber LED color consistent across entire display face

# Specifications

## Mid-Size Full Matrix

### STANDARD CONFIGURATION - DH500-FM

#### Trailer Dimensions

- Width.....80"
- Length with hitch .....168"
- Length without hitch .....109"
- Operating height.....154"
- Transport height .....96"
- Ground clearance .....10.25"
- Gross Weight .....2,500 lbs.

#### Message Panel Dimensions

- Height.....61"
- Width.....83"
- Depth.....2.25"

#### Features

- Best towing trailer
- Removable tongue
- 7-function taillight & amber side marker package meets FMUSS 108 specifications
- 3,500 lb. Dexter torsion axle = independent suspension
- Heavy-duty tires are DOT1NVT compliant

#### Powder Coat Finish

- Highway Safety Orange powder coat

#### Mast

- Hydraulic lift mast
- Telescoping
- 360° rotation
- Lock in any position

#### Batteries & Solar Panels

- Battery & Solar Panel configurations are customized for maximum performance in the customer's geographic area

#### Sign Controller & Software

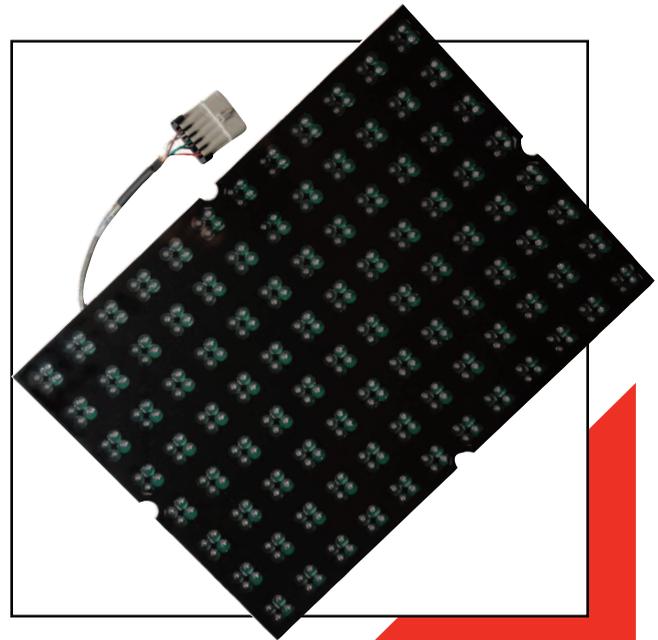
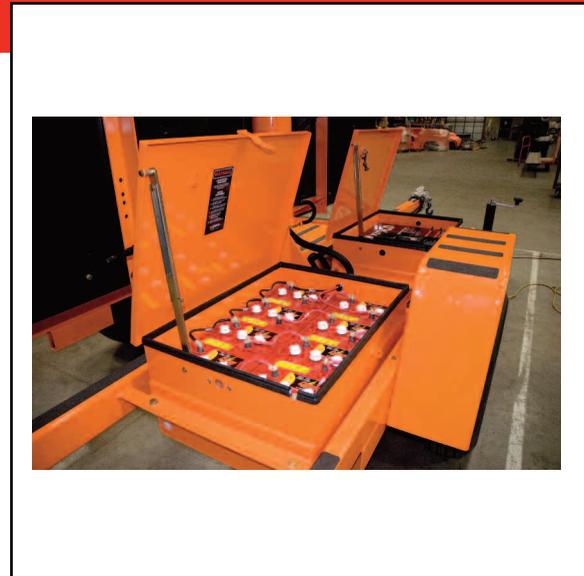
- EZPro™ Handheld Terminal
- Operate from the clear zone
- Rugged handheld specifically for PCMS applications
- Heavy-duty coiled cord
- Create, edit, display messages with text, graphics or both
- Store up to:
  - 99 operator programmed messages
  - 200 preprogrammed messages
- Easily change messages on the fly
- Displays low battery voltage warning
- Password protected

#### Warranty

- 1-year warranty on parts and workmanship
- 2-year warranty on BRICK® module, electronic components

msfm\_071808

Specifications are subject to change without notice.





# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

**Meeting Date**

October 17, 2012

**Prepared By:** Calista Anderson, Executive Assistant  
**Submitted By:** Rick Howard, General Manager

**Agenda Title**

Capacity Fee Charge Report for Fiscal Year 2011-2012

**Recommended Action**

Approval of the Capacity Fee Charge Report for the Fiscal Year 2011-2012

**Executive Summary**

Each year, the District is required to prepare a "Capacity Fee Charge" Report within 180 days of the end of each fiscal year. The report identifies those charges deposited into the District's capacity charges account, the amount in the account, how and when the charges were expended, and a description of all improvements completed or to be completed with the capacity charge funds.

For FY 2011/12, the amount deposited was \$.00; there were no Water capacity charges and there were no Wastewater capacity charges collected for this fiscal year. The Capacity Fee report and the exhibits are attached.

**Fiscal Impact:**

**Amount Requested \$** N/A

**Sufficient Budgeted Funds Available?:** (If no, see attached fiscal analysis)

**Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# Fund#**

**Previous Relevant Board Actions for This Item**

**Attachments**

- Capacity Fee Charge Report Cover Sheet for 2011-2012 with Attachments
- Exhibit "A" – Basis of Capacity Fee
- Exhibit "B" – Capacity Fees Collected for 2011-12
- Exhibit "C" – Capital Improvement Budget
- Exhibit "D" – Capacity Fees Collected from 2004 through 2012

**AGENDA ITEM: E-6**



## **TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

### **CAPACITY FEE CHARGE REPORT FOR YEAR END 2011-2012**

The Town of Discovery Bay Board of Directors approved and adopted a new "Capacity Fee" charge on February 18, 2004 to cover various capital improvement projects for the community of Discovery Bay.

In this document we have attached "Exhibits A-D" that show the various components that make up the year-end report.

Exhibit "A" – "Basis of Capacity Fee" Worksheet listing the projects and their estimated cost that was adopted by the Board of Directors.

Exhibit "B" – "Capacity Fees Worksheet" highlighting the capacity fees collected. This exhibit shows all the Sewer/Water Permits Fees collected. The columns are labeled "W-Capacity" which shows the dollars received from Water Permits and "S-Capacity", which show the dollars received for Sewer Permits.

Exhibit "C" – Shows the Capital Budget and Actuals of the annual Capital expenditures that were spent by the District for the various projects for the 2011-2012 year.

Exhibit "D" – "Capacity Fee Year End Report" This report shows the dollar amount approved by the Board of Directors and the total "Capacity Fees" that were received and which project these fees are allocated to.

The Total Capacity Fees collected for the fiscal year end 2011-12 came to a total of \$.00 compared to \$.00 for the 2010-11 year.

## EXHIBIT "A"

### Town of Discovery Bay

#### Basis of Capacity Fee

Wastewater	Project Type or Name	Estimated Cost
	Discharge Pipeline (Under Development)	\$2,000,000.00
	Bio-Solids	\$1,700,000.00
	Wetlands	\$2,500,000.00
		\$6,200,000.00
<b>Water</b>		
	Future Upgrades (Purchase of Land, Pumps, Etc.)	\$400,000.00
	Sub -Total	\$6,600,000.00
	Current Residents Contribution via Usage Fees (4851)	(\$2,510,000.00)
		\$4,090,000.00
	<b>No. of Lots For Future Development</b>	
	Discovery Bay - 100	
	Discovery Bay West - 1000	
	Ravenswood - 203	
	Pantages - 300	
	Total = 1603	
	\$4,090,000 divided by (1603) =	<b>\$2,551</b>
<b>Other</b>	Existing Facilities	
<b>Wastewater</b>	UV System	\$676,000.00
	1988 Improvements	\$2,250,000.00
	Generators Portable	\$60,000.00
	Vac Truck	\$25,000.00
	SCADA System	\$132,500.00
	Sub-total	\$3,143,500.00
	Divide by Total Buildout of (6454) =	<b>\$487.00</b>
<b>Water</b>	Well 5 Generator & Transfer Switch	\$106,000.00
	Abandon of Wells 1a & 3	\$60,000.00
	Fencing of Future Well Site	\$12,000.00
	SCADA System	\$132,500.00
	Sub-total	\$310,500.00
	Divide by Total Buildout of (6454) =	<b>\$48.00</b>
	Grand Total of Wastewater & Water	\$3,454,000.00
	Divide by Total Buildout of (6454) =	<b>\$535.00</b>
	Total Capacity Charge / Fee	<b>\$3,086.00</b>

Update 02/23/04

**EXHIBIT "B"**  
**TOWN OF DISCOVERY BAY CSD**  
**CAPACITY FEES CHARGE REVENUE WORKSHEET 2011-2012**

Sewer/Water Permits Fees						
Date	Permit #	Lot(s) & Sub.	S/W Amount	W-Capacity	S-Capacity	Total Fees Paid
<b>08/09</b>						
07/01/08	1641	Delta Presbyterian Church	Not Paid Yet	Not Paid Yet	Not Paid Yet	\$0.00
09/26/08	1643	4525 Discovery Point	\$370.00	\$0.00	\$0.00	\$370.00
10/29/08	1644	5792 Drakes Drive	\$210.00	\$0.00	\$0.00	\$210.00
11/05/08	1645	4490 Discovery Point	\$370.00	\$0.00	\$0.00	Not Paid
06/10/09	1646	8592 Pinehollow Circle	Permits Never issued	\$0.00	\$0.00	\$0.00
06/10/09	1647	8586 Pinehollow Circle	Permits Never issued	\$0.00	\$0.00	\$0.00
06/10/09	1648	8580 Pinehollow Circle	Permits Never issued	\$0.00	\$0.00	\$0.00
06/16/09	1649	5033 Double Point	\$160.00	\$0.00	\$0.00	\$160.00
06/19/09	1650	794 DB Boulevard	\$370.00	\$0.00	\$0.00	\$370.00
		<b>08/09 Total</b>	<b>\$1,480.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,110.00</b>
<b>09/10</b>						
12/11/09	1652	948 Lido Circle	Not Paid Yet	Not Paid Yet	Not Paid Yet	\$0.00
		<b>09/10 Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>10/11</b>						
10/13/10	1654	4896 North Point	\$370.00	\$0.00	\$0.00	\$370.00
10/22/10	1655	14850 Hwy 4 Ste B	\$210.00	\$0.00	\$0.00	\$210.00
11/15/10	1656	5510 Beaver Lane	\$370.00	\$0.00	\$0.00	\$370.00
06/28/11	1657	2451 Cherry Hills Drive	\$50.00	\$0.00	\$0.00	\$50.00
		<b>10/11 Total</b>	<b>\$1,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,000.00</b>
<b>11/12</b>						
09/20/11	1658	4035 Newport Lane	Not Yet Paid	Not Yet Paid	Not Yet Paid	\$0.00
02/21/12	1659-1662	Hofmann/Lots #117-120 Tract 8580	Cancelled these permits and voided			\$0.00
		<b>11/12 Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

1

**EXHIBIT "C"**

<b>TOWN OF DISCOVERY BAY CSD</b>			
<b>CAPITAL Improvement Program - FY 11/12</b>			
APPROVED 6/15/11			
Acct. #	Account Description	2011/2012 Approved BUDGET	2011/2012 Actuals BUDGET
<b>SEWER</b>			
0910-004	Manhole Rehabilitation Project	\$15,000	\$0
0910-005	Landscape @ Plant #1	\$7,000	\$0
0910-006	Replace Sewer Main - Discovery Point		
0910-007	UV System Upgrade	\$23,665	\$26,889
0910-008	Salinity Study Project	\$70,000	\$0
0910-009	Pumps/Motors Replacement		
0910-010	Wetlands		
1011-001	By-Pass Pipeline		
1011-002	Upgrade/Replace SCADA PLC's (Multi Year)	\$25,000	\$1,527
1011-003	Bio-Solids Pumps (2) Wet Well	\$20,000	\$10,000
1011-004	Rehab Lift Station W	\$20,000	
1011-005	Bypass Valve Lift Station S	\$10,000	
1011-006	Metal Cover for UV Area *	\$25,000	
1011-007	Clarifier Cleaning Devices		
1011-008	Paving for Bio-Solids Containment Area	\$15,000	
1011-009	New Moles (2)		
1011-010	Road Crossing Ramps	\$15,000	
1011-022	Emergency Sewer Main Repairs - Cherry Hills		
1112-001	Trailered Trash-Pump	\$20,000	
1112-002	Raise Manholes	\$20,000	\$19,900
1112-003	Beltpress - Bio-sollids Area (Multi-year)	\$800,000	\$399,000
1112-009	Collection System Pump Station Improvements	\$40,000	
	<b>Sewer Sub Total</b>	<b>\$1,125,665</b>	<b>\$457,316</b>
<b>WATER</b>			
0910-011	Security Door Locks (12)	\$8,000	\$0
0910-012	Ladder Vandel Guard	\$10,000	\$10,000
0910-013	Pumps / Motors Replacement		\$54,000
0910-014	Water Meter Program (Multi-Year)	\$500,000	
0910-000	Water Meter Program: Reimbursements	(\$500,000)	
1011-011	Filter Media Replacement		
1011-013	Rehabilitate Well(s)	\$30,000	\$15,000
1011-015	Water Meter Trailer		
1112-006	New Well #7 (Multi-Year)	\$40,000	\$0
1112-008	Install Water Well Transducers & Wellhead Survey	\$36,000	\$36,000
	<b>Water Sub Total</b>	<b>\$124,000</b>	<b>\$115,000</b>
<b>MISC.</b>			
0910-015	Replace District Office Roof		
1011-016	Pickup Truck (1)		
1011-017	K-Rail for Bulk Material		
1011-018	Portable Message Units		
1011-019	GPS Tracking Device		
1011-020	Replace Fence Near Marina		
1011-021	New Chairs for Board Room		
	<b>Misc. Sub Total</b>	<b>\$0</b>	<b>\$0</b>
	<b>Total Capital Budget</b>	<b>\$1,249,665</b>	
	<b>Infrastructure Replacement Fund</b>		
R1112-008	Sewer Infrastructure Replacement Program	\$150,000	\$150,000
R1112-009	Pumps/Motors Replacement Program	\$40,000	\$40,000
R1011-010	Water Infrastructure Replacement Program	\$100,000	\$100,000
R1112-011	Facilities and Vehicles Replacement Fund	\$30,000	\$30,000
	<b>Total Replacement Fund</b>	<b>\$320,000</b>	<b>\$320,000</b>
	<b>Total Replacement Fund &amp; Capital Budget</b>	<b>\$1,569,665</b>	<b>\$892,316</b>

**EXHIBIT "D"**  
**Town of Discovery Bay CSD**  
**Capacity Fee Charge Report for 2011-2012**

Project	Bio-Solids Account	Discharge Pipeline Account	Wetlands Account	Future Water Upgrades	Other Account	Total Capacity Fees Collected	Year
Estimated Cost	\$1,700,000.00	\$2,000,000.00	\$2,500,000.00	\$400,000.00	\$3,454,000.00		
Actual Cost of Projects to date	\$1,802,913.00	\$1,339,953.00	\$257,059.00	\$976,842.00	\$3,454,000.00		
Capacity Fee Allocated to these projects	\$38,872.37	\$45,732.20	\$57,165.25	\$9,146.44	\$77,744.74	\$228,661.00	2003-04
Capacity Fee Allocated to these projects	\$217,480.32	\$255,859.20	\$319,824.00	\$51,171.84	\$434,960.64	\$1,279,296.00	2004-05
Capacity Fee Allocated to these projects	\$141,647.40	\$166,644.00	\$208,305.00	\$33,328.80	\$283,294.80	\$833,220.00	2005-06
Capacity Fee Allocated to these projects	\$31,582.12	\$37,155.44	\$46,444.30	\$7,431.09	\$63,164.25	\$185,777.20	2006-07
Capacity Fee Allocated to these projects	\$3,530.39	\$4,153.40	\$5,191.75	\$830.68	\$7,060.78	\$20,767.00	2007-08
Capacity Fee Allocated to these projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	2008-09
Capacity Fee Allocated to these projects	\$524.62	\$617.20	\$771.50	\$123.44	\$1,049.24	\$3,086.00	2009-10
Capacity Fee Allocated to these projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	2010-11
Capacity Fee Allocated to these projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	2011-12
Sub Total of Fees Collected to Date	<b>\$433,637.22</b>	<b>\$510,161.44</b>	<b>\$637,701.80</b>	<b>\$102,032.29</b>	<b>\$867,274.45</b>	<b>\$2,550,807.20</b>	
Allocated by %	17.00%	20.00%	25.00%	4.00%	34.00%		



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

**Meeting Date**

October 17, 2012

**Prepared By:** Rick Howard, General Manager  
**Submitted By:** Rick Howard, General Manager

### Agenda Title

Possible options related to future Town of Discovery Bay District Offices

### Recommended Action

Discussion and Possible Action/Direction to Staff

### Executive Summary

The Town of Discovery Bay Community Services District was formed as an independent special district in 1998 by a majority vote of the residents during a general election. The District essentially took over the operations of Sanitary District 19. The new Community Services District was initially formed to provide domestic water supply and wastewater collection and treatment to the Discovery Bay community. Since that time, the Community Services District has also added as its core responsibilities lighting and landscaping, parks maintenance and facilities, and recreation. The Town of Discovery Bay, as a duly organized public agency, is not a business that will come and go, we are limited by our boundaries, and the District will live well into the future, either in its current configuration or as another public entity.

As responsibilities and programs have been added, the staff has grown from two (2) to twelve (12) since the District's formation in 1998. In 2003, a small staff of five (5) moved from 1037 Discovery Bay Boulevard (Well 1 Site) to our present location at 1800 Willow Lake Road.

Currently, Town staff occupies three (3) different work locations throughout town. Three (3) field staff utilizes Wastewater Treatment Plant 1 (WWTP1), three (3) that are located at 1037 Discovery Bay Boulevard, while the remaining six (6) work out of the District Office at 1800 Willow Lake Road. It is not anticipated that those members of the staff that are located at WWTP1 would be affected by this action. However, those located at both 1037 Discovery Bay Boulevard and 1800 Willow Lake Road would be affected.

The current District Office does not allow for the administrative staff to be housed in one (1) location. As a consequence, there is a natural disconnect between staff and managers, and the General Manager. Additionally, there is no conference room for meetings, personnel discussions, or Board Closed Sessions. Currently, the Board Room portion of the office is used for those purposes.

Staff has been evaluating different options related to office and Board Room space, and has identified four (4) options for Board consideration. Those options are as follows: do nothing; lease space at 1540 Discovery Bay Boulevard.; lease space at 1520 Discovery Bay Boulevard.; and obtain an additional mobile/modular unit and bring it onsite at the current District Office location. Other than option 1 (do nothing), the remaining three (3) options are discussed, below.

Option 2 is 4800 square feet of office space that is located at 1540 Discovery Bay Boulevard. This space will accommodate the Town's management and administrative functions, provide a conference room, break room, copy room and Board Room. There are some tenant improvements that will be required to accommodate a Board Room; however, those improvements are relatively simple. The main concern of staff is that this building is eventually slated to be demolished as a part of the Hofmann Development Company's plans to develop that location (and the vacant corner of Discovery Bay Boulevard and Sand Point Roads) into a multi unit residential subdivision. The monthly lease rate for this space is estimated to be \$6,720.00/month, or \$1.40/square foot, and incorporates the cost of the improvements.

*Continued...*

Option 3 is office space that is located at 1520 Discovery Bay Boulevard. and is 5,475 square feet. The office portion of the space is 2,880 square feet and the previously used bank space is 2,595 square feet. The office space is currently in excellent condition, and was recently vacated by a local business. The space includes a break room, copy room, and conference room. The bank space would require tenant improvements in order to accommodate a Board Room and a closed session conference room. These improvements would be relatively minor, and generally consist of new carpet, paint, and window coverings. The monthly lease rate for this space is estimated to be approximately \$7,665.00/month, or \$1.40/Sq ft., and incorporates the cost of the improvements. This building is not slated to be demolished.

If the Board does direct staff to move forward with either Option 1 or Option 2, All God's Children School has indicated an interest in leasing the existing office space in order to accommodate some of their administrative functions. This would mitigate lease expenses to the District associated with either of the two (2) options.

Option 4 would bring an additional modular building to our existing site at 1800 Willow Lake Road. The modular would be approximately 12'x50' and would include two (2) offices, an administrative workstation, as well as necessary storage and regular office equipment facilities. The building would be located along the fence line with Discovery Bay Elementary School and would be adjacent to rear door of the current space. The estimated cost for this option depends upon whether the building is leased or purchased. A lease would be approximately \$1,000.00/month. An outright purchase would cost between \$20,000.00-\$30,000.00 depending on age and condition.

The current office space is marginally adequate. During hot summer days the air conditioning struggles to keep up, and it is not uncommon to have the thermostats set at 68 or lower, yet the interior temperature hovers in the mid to upper 80's. Cold winter days result in the opposite, and it is not uncommon for staff to use space heaters in order to be comfortable and remain productive.

From an office efficiency standpoint, it would be desirable to have all of the Town management and administrative personnel housed in a facility that has an improved HVAC system, a break room and a conference room(s). For the Board, it would also be desirable to have a private conference room to be used as a closed session room, allowing the public to enter the Board Room while a closed session is taking place and not be subjected to the elements.

Since the Town of Discovery Bay has entered into a Purchase and Sale Agreement between the District and the owners of the Discovery Bay Athletic Club parcel, it is anticipated that once a facility is constructed it will provide the necessary space to house all of the functions of the Board as well as the overall management and administrative functions of the District. This will not likely take place for at least another three (3) to five (5) years, at best.

In the meantime, staff recommends that the two (2) offices consolidate into one (1) location, be it at 1520 or 1540 Discovery Bay Boulevard., or by obtaining an additional modular office at 1800 Willow Lake Road.

Staff would like to obtain Board feedback and direction.

**Fiscal Impact:**

**Amount Requested \$ N/A**

**Sufficient Budgeted Funds Available?: (If no, see attached fiscal analysis)**

**Prog/Fund #    Category: Pers.    Optg.    Cap.    -or-    CIP#    Fund#**

**Previous Relevant Board Actions for This Item**

N/A

**Attachments**

N/A

**AGENDA ITEM: F-1**



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

**Meeting Date**

October 17, 2012

**Prepared By:** Fairin Perez, Parks and Landscape Manager  
**Submitted By:** Rick Howard, General Manager

### Agenda Title

Discussion and possible action regarding purchase of Street Pole Banners

### Recommended Action

Accept lowest bid from Sierra Display to purchase and install street pole banners at various locations throughout Discovery Bay and authorize staff to issue a Purchase Order to Sierra Display in the amount of \$4,515.00, plus tax

### Executive Summary

Last fall, staff proposed modifications to the Town's holiday lighting display. One of the items proposed was the purchase and installation of street pole banners to be used at various times of the year and at different locations throughout Discovery Bay. Street pole banners are commonly used by communities to promote a positive image to their community. However, the Board chose to delay the banner purchase until a later date.

At this time, staff proposes the purchase and installation of light pole banners to be erected at different times throughout the year. As we are heading into the holiday season, the timing and opportunity is right to show off the new Town of Discovery Bay (TODB) Seal and/or Logo. Besides the TODB banners, other banners will be purchased with a theme in mind, be it holiday, spring, summer or fall.

Locations for installation include the three (3) double light poles at the entrance to Discovery Bay Boulevard and Highway 4, four (4) additional poles along the west side of Discovery Bay Boulevard, and seven (7) single poles on Bixler and Point of Timber Roads.

Bids were received for hardware, banners and installation. The Bannerflex III Bracket was requested and recommended as one of the industry's most reliable hardware systems. The bracket comes with a ten (10) year warranty and is constructed to withstand harsh elements. The banners are 30" x 94" custom print, dual sided. The material is 18 oz vinyl fabric and has a lifespan of three (3) years (due to sun fade). The cost of each banner is \$95.00 for a standard banner and \$115.00 for each TODB custom banner. The total project cost is \$4,515.00 plus tax. The hardware purchase is a one-time expense, and the banners will be replaced as needed at a minimal cost.

Out of the four (4) bids received, Sierra Display was not only the lowest on material pricing but also offered installation services (see attached spreadsheet). Installation of hardware should be done professionally to ensure proper attachment. Once the hardware is in place, banner change outs can be performed in-house.

The purchase and initial installation will be funded between Discovery Bay Landscape and Lighting Zone 8 and Contra Costa County Landscape and Lighting Zone 61. This is a budgeted item.

### Fiscal Impact:

Amount Requested - \$4,515.00 (Zone 61 - \$1,682.00, Zone 8 - \$2,833.00)  
Sufficient Budgeted Funds Available?: YES Zone # Category: 8 & 61

### Previous Relevant Board Actions for This Item

Approval of 2012/13 FY Operations and Capital Improvement Budget, DB L&L #8, June 20, 2012

### Attachments

1) Proposal Summary, Street Pole Banners; and 2) Proposed Renderings of TODB Banners

**AGENDA ITEM: F-2**



**Street Pole Banners**  
Proposal Summary

	Date received	KBW Bannerflex III Bracket - Single	Qty	Ext. Price	KBW Bannerflex III Bracket - Double	Qty	Ext. Price	Stainless Steel Buckle	Qty	Ext. Price	Stainless Steel Banding	Qty	Ext. Price	30" x 94" Custom Banner - Dual Sided	Qty	Ext. Price	30" x 94" Standard Banner - Dual Sided	Qty	Ext. Price	Installation of Hardware & Banner	Total
Sierra Display	10/10/2012	\$47.00	20	\$940.00	\$94.00	3	\$282.00	\$1.20	64	\$76.80	\$2.05	320	\$656.00	\$115.00	8	\$920.00	\$95.00	8	\$760.00	\$880.00	\$4,514.80
Pacific Display	10/11/2012	\$54.00	20	\$1,080.00	\$108.00	3	\$324.00	\$1.35	64	\$86.40	\$2.27	320	\$726.40	\$124.00	8	\$992.00	\$105.00	8	\$840.00	\$1,024.00	\$5,072.80
Fast Signs	10/11/2012	NB			NB			NB			NB			\$205.00	9	\$1,845.00	\$205.00	9	\$1,845.00	NB	\$3,690.00
Five Star	6/28/2012	NB			NB			NB			NB			\$162.00	9	\$1,458.00	\$162.00	9	\$1,458.00	NB	\$2,916.00

Summarized on: 11-Oct-12

Fairin Perez, Parks & Landscape Manager

Prices do NOT reflect hardware or installation

*Welcome to*



*Welcome to*



*Welcome*





## MONTHLY OPERATIONS REPORT

September 2012

Town of Discovery Bay, CA

**1129** Days of Safe Operations

**48259** worked hours since last recordable incident

**TRAINING:**

**Safety, Operations, & Equipment**

<b>Safety</b>	<b>Attended</b>	<b>Hours</b>
Fall Protection Genie Lift Ergonomics Permit Confined Space Defensive Driving Workshop	All Staff Members	12.0
<b>Operation</b>		
NPDES/Sampling Tech. New Belt Press	Lori, Blaise & Mike	1.0 1.0

### WATER SERVICE

- Replaced sample valve at Filter "C" WL
- Repaired Well ARV
- Installed new pump kit on Hypo Pump at WL
- Jockey Pump #1 at WL was installed after repairs
- Adjusted Actuators at WL
- Trouble shoot & repaired Issue with PLC 30 at NP

*Note: Well 4 in lead and Well 5 in lag to offset specific conductivity*

**Customer Inquiries:**

0 Brown water calls

<b># of Active Wells</b>	<b>Water Produced (MG)</b>	<b>Chemical Usage/Delivered</b>	<b>Fire Hydrant Flushing</b>
5	136.0	5236	0

**Bacteriological Test Results:**

Routine Bacteria Samples Collected	No. Total Coliform Positives	No. Fecal/E. coli Positives
16*	0	0

\*Note – Total of 22 Bac-T were taken; 6 additional, 3 for the low pressure incident & 3 a routine that Showed an indicator present.

**WASTEWATER SERVICE**

- Repaired Gear Box , Rotor #1, Plant #1
- Pulled RAS pump #1 Plant 1 for inspection
- Relocated Proximity sensor on New Press
- Installed missing Slats on Bio-Solids Truck
- Replaced Alarm Light on Clarifier #4
- Troubleshoot Exhaust Fan 10 Solar Dryer

**Customer Inquiries:**

0

# of Active Lift Stations	# of Inactive Lift Stations	Chemical Usage Polymer-gals	SSO	Wastewater Received (MG)
15	0	61.6	0*	40.4

\* Broken ARV blow out roughly < 40 gals.

**Collections:**

- Flushed **2977 ft** of sanitary sewer. YTD **15114 ft. 23%** completed
- Inspected **8** manhole & covers. YTD **40**
- Repaired leaking ARV on Hwy 4
- Replaced bad ARV on Clipper Dr.

### Wastewater Laboratory Analysis

<i>WW Effluent Parameter</i>	<i>Permit Limits</i>	<i>August Lab Data</i>	<i>September Lab Data</i>
Flow, MG Effluent, <b>monthly total</b>		40.53	38.3
Flow, MG Daily Discharge Flow, <b>avg.</b>	<b>2.1</b>	1.31	1.28
Effluent BOD <sub>5</sub> , lbs/d, <b>monthly avg.</b>	<b>350</b>	25	21
Effluent TSS, lbs/d, <b>monthly avg.</b>	<b>525</b>	57	53
Effluent BOD <sub>5</sub> , mg/L, <b>monthly avg.</b>	<b>20</b>	3	2
Effluent TSS, mg/L, <b>monthly avg.</b>	<b>30</b>	6	5
Total Coli form 7 day Median Max	<b>23</b>	4	8
Total Coli form Daily Maximum	<b>240</b>	17	13
% Removal BOD <sub>5</sub> , monthly avg.	<b>85% min.</b>	99	99
% Removal, TSS, monthly avg.	<b>85% min.</b>	97	96
Electrical Conductivity, umhos/cm <b>annual avg.</b>	<b>2100</b>	2176(YTD)	2173(YTD)

Red – new parameter added

### Maintenance:

#### Preventive and Corrective

Total # of WO's Completed	Total Hours
261	453

#### Call & Emergency Responses

Call Outs	Emergencies
13	0

#### Personnel Hours & Overtime:

Regular Hours	Overtime
1329	60



# Town of Discovery Bay

*"A Community Services District"*

## AGENDA REPORT

**Meeting Date**

October 17, 2012

**Prepared By:** Rick Howard, General Manager  
**Submitted By:** Rick Howard, General Manager

### Agenda Title

Discussion on status of Negotiations and acquisition of the Discovery Bay Athletic Club parcel for a possible future Town of Discovery Bay Community Center

### Recommended Action

Discussion and Possible Action, as necessary

### Executive Summary

In December 2011, the Community Center Committee made a series of recommendations to the Board of Directors in their final report to the Board. One of those recommendations (attached) was that the Town of Discovery Bay Board of Directors pursue the purchase of the 10+/- acre parcel at the corner of Discovery Bay Boulevard and Willow Lake Road, more commonly known as the Discovery Bay Athletic Club. That parcel is presently, and has been for sale since the summer of 2011.

Staff has been meeting with the Board and real estate professionals for a number of months in the hopes of negotiating a Purchase and Sale Agreement between the Town and the owners (through their representatives) of the parcel, and in late September an agreement was reached between the sellers and the District. One of the conditions of the transaction is that Delta Community Presbyterian Church purchase a 3+/- acre portion of the site for their school and sanctuary expansion, with the Town of Discovery Bay obtaining the remaining 7+/- acres. The attached survey map shows the planned lot line adjustments for what will eventually become the two (2) separately configured parcels.

Although the terms of the agreement are fairly detailed (the Purchase and Sale Agreement is attached), the fundamental transaction points are relatively straight-forward. Please refer to the attached "Deal Point Summary" for an uncomplicated description of the transaction.

As progress advances towards a December closing date, the parties are also moving ahead with their respective due-diligence requirements. Currently, engineering and survey work is taking place, as is the appraisal and site environmental analysis. A California Environmental Quality Act (CEQA) Notice of Exemption will be filed with the County on Thursday, October 18, 2012.

### Fiscal Impact:

**Amount Requested \$ N/A**  
**Sufficient Budgeted Funds Available?: (If no, see attached fiscal analysis)**  
**Prog/Fund # Category: Pers. Optg. Cap. -or- CIP# Fund#**

### Previous Relevant Board Actions for This Item

Various Closed Session Discussions

### Attachments

1) Deal Point Summary and site plan; 2) Community Center Committee report recommendation that the DBAC parcel be acquired as a Community Center location; 3) Purchase and Sale Agreement

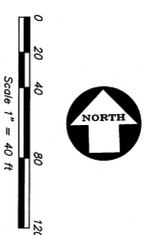
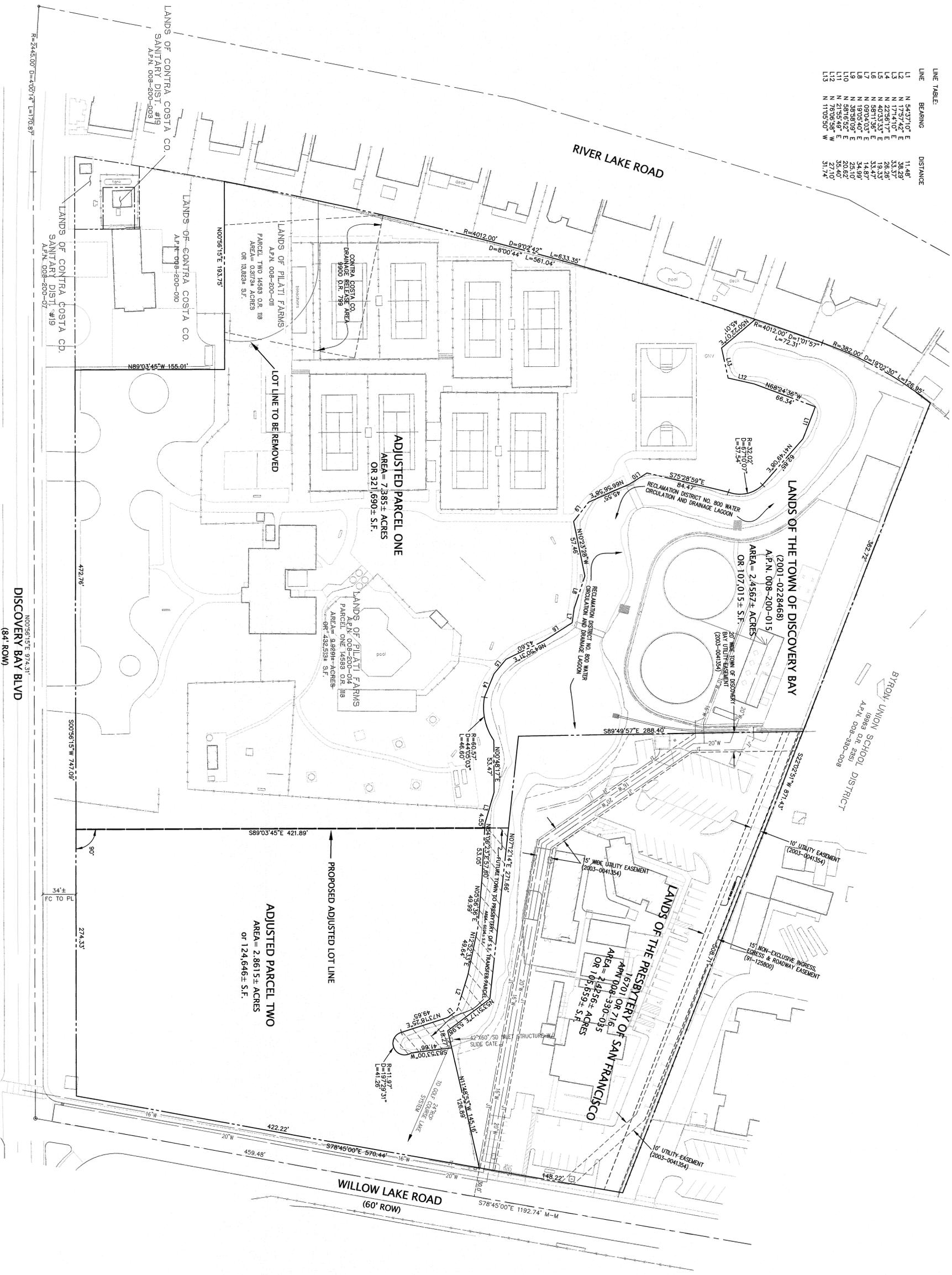
**AGENDA ITEM: I-2**

## **Deal Point Summary for Purchase and Sale Agreement – Willow Lake Road/Discovery Bay Boulevard – Athletic Club Property**

1. Pilati Farms, a partnership, (“Seller”) owns approximately 10.24 +/- acres of property designated as APN 008200011 and APN 008200014, located near the northeast corner of Discovery Bay Blvd and Willow Lake Road in Discovery Bay.
2. The District has entered into a contract with Seller to purchase approximately a 7.385 +/- acre portion of the subject property, including improvements, appurtenances, and certain personal and intangible property. The remaining portion of the Seller’s property is the subject of a proposed sale from Seller to the District’s southern neighbor, Delta Community Presbyterian Church. The exact boundaries and size of the District’s property must be determined by an agreement between the District and the Church. A Conceptual Adjusted Parcel Exhibit showing the proposed District parcel and the proposed Church parcel is attached.
3. This is an all cash transaction. The combined price for both the District’s parcel and the Church’s parcel is \$1,200,000. On or before the “Contingency Date” of approximately November 20, 2012 (with that date being subject to an extension adjustment per the contract), the District and the Church must agree to the share of the combined price that each will pay. The District’s share cannot exceed the appraised value of the portion it will acquire. Escrow has now been opened and the District has deposited \$12,000 as the Initial Deposit. If the District’s contingencies are not satisfied before the Contingency Date then the District will be entitled to a refund of the Initial Deposit. On the Contingency Date, and only after approval of all Buyers’ Contingencies, the District will deposit an additional \$24,000 in Escrow; the balance to be paid at Closing, which is estimated for late December, 2012.
4. This is roughly a 90 day escrow, depending on how quickly the parties can work with each other and with the Church, the Civil Engineer, the Environmental Consultant, the Appraiser, and the County.
5. We are now in the Due Diligence period and the District and the Church are coordinating with the Civil Engineer to arrive at parcel configurations that are agreeable. The District has engaged an appraiser and an environmental consultant for work to be done in valuing and assessing the environmental condition of the property to be acquired. The Church and the District need to agree to a cost sharing for the work done by the engineer, appraiser, environmental consultant, and any other costs that require sharing between the Church and the District.
6. During the Due Diligence period the Church and the Seller must agree to a purchase and sale agreement for the Remainder Land (the portion of the land that is not purchased by the District).
7. The Seller will provide certain Preliminary Documents that the District will review and approve, or not object to, such as copies of any construction drawings or plans for the Property, any permits, any environmental reports or complaints, any litigation matters related to the Property.
8. Title to the Property must be acceptable to the District and the District must have an ALTA title insurance extended coverage policy to protect its interest. The District must determine that it is, or will be, permitted to build a community center, or governmental offices, or both, on the Property.
9. A detailed list of the District’s contingencies are set out in Article 3 of the Purchase Sale Agreement.
10. The sale to the District will be “AS IS,” but is subject to certain standard representations, including those that say to the “Seller’s Knowledge” certain matters or conditions exist, have occurred or have not occurred. For example, the Agreement contains a representation that Seller is authorized to sell the property, that Seller’s agreement is legal, valid and binding, and that Seller has not received any written notice of Hazardous Materials on the Property.
11. To facility communications, Randy Prince of Intero Real Estate Services is acting in the capacity of a dual agent for both Seller and the District, but the District has no obligation to pay any fee, commission or compensation to Mr. Prince or his broker.

LINE TABLE:

LINE	BEARING	DISTANCE
L1	N 54°37'10" E	11.48'
L2	N 17°57'42" E	38.82'
L3	N 22°56'10" E	33.97'
L4	N 40°33'33" E	19.33'
L5	N 58°11'36" E	33.34'
L6	N 09°04'03" E	14.87'
L7	N 38°59'09" E	25.10'
L8	N 58°16'52" E	20.82'
L9	N 21°55'49" E	35.40'
L10	N 11°53'50" W	51.74'
L11	N 11°53'50" W	51.74'
L12	N 68°24'36" W	66.34'
L13	N 68°24'36" W	66.34'



**CONCEPTUAL ADJUSTED PARCEL EXHIBIT**  
FOR  
**THE TOWN OF DISCOVERY BAY**

DISCOVERY BAY, CALIFORNIA

**KIER & WRIGHT**  
CIVIL ENGINEERS & SURVEYORS, INC.  
2850 Collier Canyon Road Phone (925) 245-8788  
Livermore, California 94551 Fax (925) 245-8796

NO.	REVISION	BY	NO.	REVISION	BY
1	REVISE PROPOSED LLA PARCEL CONFIGURATIONS 10-3-12	ACM	1		
2			2		
3			3		
4			4		

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# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Kevin Graves • Vice-President - Chris Steele • Director - Brian Dawson • Director - Mark Simon • Director - Ray Tetreault

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**To:** Board of Directors  
**From:** Community Center Committee  
**Date:** January 4, 2012  
**Subject:** Recommendations of the Community Center Committee

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At the January 22, 2011 Town of Discovery Bay Community Services Districts' Community Workshop, there were a number of topics that were discussed and that the Board of Directors wished to explore further. One of those items was the establishment of a Community Center Committee. It is the hope of the Board, and the community at large, that a community center can finally transition from dreams to reality. After almost twenty (20) years of on-and-off again starts and stops, challenges and roadblocks, it was the vision of the Board that this Committee would be able to navigate some of the many challenges that prior committees had previously faced, and for one reason or another, have been unable to overcome.

On March 16, 2011 the Board of Directors of the District appointed Directors Steele and Tetreault, and at-large Discovery Bay residents Bob Abbadie, Jim Mattison and Sean O'Toole to serve on the Community Center Committee.

The Committee conducted their first meeting on April 22, 2011 and has held monthly meetings since that time.

## COMMUNITY CENTER HISTORY

The establishment of a Community Center in Discovery Bay has been a vision of the community since before 1990. There have been numerous attempts to reach consensus and identify a site for a community center, and over the years, at least four (4) different sites have been considered that were believed to be promising. However, with each site, a variety of issues transpired that derailed each of those efforts.

The Community Center Project has had a number of highly dedicated individuals committed to see the mission to its culmination. Those efforts have not gone unnoticed by the current Community Center Committee and to a large extent those efforts helped this Committee identify and develop its recommendations as identified later in this report.

## **Potential Community Center sites that have had prior consideration are:**

1. **The "Gas Station":** This site referred to as the former "gas station" at the corner of Discovery Bay Boulevard and Sand Point Road. The property is currently owned by the Hofmann Family Trust and presently has an application for an eighty (80) unit residential subdivision on the site. This location was the site initially identified as the preferred site by previous committees. A series of architectural renderings were developed by the Discovery Bay Lions Club for this site that depicted a Community Center at that location.
2. **1520 Discovery Bay Boulevard:** This site, also presently owned by the Hofmann Family Trust, is an approximate 10,000 sq.ft office building that is partially occupied by tenants. The site would provide community center space capable of operating a facility that would meet the basic needs of the community, as well as provide office space for District Offices. However, this facility cannot accommodate large banquettes and there is limited room for kitchen preparation facilities. This location has been considered on two (2) different occasions, most recently in June 2010. The District commissioned an appraisal on the site and was in negotiations with Contra Costa County and the Hofmann Company to acquire the property when negotiations faltered due to the pending application of the eighty (80) residential units on other portions of the site.

3. **Discovery Bay Athletic Club:** The Discovery Bay Athletic Club, at 1601 Discovery Bay Boulevard, was considered as a potential community center site in 2000. The District was in negotiations to purchase the site; however, a price amenable to all parties was not reached. In September 2011, the Athletic Club site, approximately 10 +/- acres, has been listed by the owner and is presently for sale for \$2.3M.
4. **“The Twelve Lots”:** As a part of the Conditions of Approval for Discovery Bay West between the Hofmann Company and Contra Costa County, there included a condition that a parcel of land be identified and set aside as a future Community Center site. The Hofmann Company identified and set aside a parcel, commonly known as the “The Twelve Lots”. This approximate 2+/- acre parcel is located at the confluence of Newport Drive, Preston, and Berkshire Lane, and is directly across the street from Timber Point Elementary School. Although this site has a number of beneficial characteristics, the proximity to residential dwellings and increased neighborhood traffic make this site undesirable. There is a value to the “Twelve Lots” and it is anticipated that the value will be transferred to the District if the site is eventually designated residential.

It should be noted that the Board of Directors, at their meeting on November 2, 2011, directed staff and two (2) members of the Board to meet with Contra Costa County officials and the Hofmann Company to discuss considering an alternate location to the “twelve lots” for the community center site. The outcome of these negotiations will more than likely play a role in the District’s ability to identify a suitable community center site.

**CURRENT FINANCIAL STATUS**

Financial considerations have always been a concern – how will construction funds be raised? What about ongoing facility operations? It is widely known that the District has limited resources to operate a Community Center at this time. The cost of land, construction, and ongoing operations are major hurdles that must be overcome. While there are currently funds available that could provide an opportunity to “land bank” a site, the fact remains that construction and ongoing operational expenses pose the biggest roadblock to a successful outcome.

Based upon assumptions obtained from current public agency construction projects and architects familiar with public facilities similar to the one envisioned for Discovery Bay, a range of \$200/sq.ft to \$300/sq. ft has been identified for sizing and reference purposes. Based upon the type of construction techniques utilized and the overall appearance packages selected, the cost of the facility could vary widely. It is anticipated that a 10,000 sq.ft to 20,000 sq. ft facility will be necessary to accommodate the variety of services and programming identified by the committee. Estimated facility costs for planning purposes are identified in the following table using the midrange square footage. It should be noted, however, that these costs take into account requirements placed on government entities pursuant to the California Public Contract Code, including the requirement to pay prevailing wage which will result in higher project costs than commonly seen in the private sector.

Construction–15,000 sq. ft @ \$200/sq. ft*	\$3.0M	Construction – 15,000 sq. ft @ \$300/sq. ft*	\$4.5M
Soft costs (including design) @ 30%	\$0.9M	Soft costs (including design) @ 30%	\$1.35M
Construction Management @ 5%	\$0.150M	Construction Management @ 5%	\$0.225M
FFE @ \$15/sq.ft	\$0.225M	FFE @ \$15/sq.ft	\$0.225M
Project Contingency	\$0.210M	Project Contingency	\$0.315M
Total	\$4.485	Total	\$6.615M

\* Includes parking at 4/1,000 s/f, so 60 cars at 350 sq. ft/car (21,000 s/f of parking area, lighting, and landscape).

**DESIGN AND CONSTRUCTION FINANCING:**

As part of the aforementioned Conditions of Approval for Discovery Bay West, the Hofmann Company was also obligated to deposit one-half (½) of the construction costs that were predicated on the construction of a 6,695 sq.ft facility at a cost not to exceed \$1.25M. Consequently, the Hofmann Company deposited a bond at the County with an escalator clause that has increased the bond amount from the initial \$625,000 to almost \$900,000.

In 2008, voters passed Measure WW, sponsored by the East Bay Regional Park District that would continue to provide long term funding for park infrastructure for years to come. The Town of Discovery Bay CSD has approximately \$430,000 identified in Measure WW bonds for the Community Center Project.

The developer of the Ravenswood subdivision, D.R. Horton, committed to the Community Center Project with a contribution of \$525,000 towards a future facility.

On August 24, 2011, representatives of Pantages, a planned two-hundred and ninety-two (292) unit residential subdivision attended the Community Center Committee Meeting and committed to contributing \$2,500 per residential unit towards the Community Center once their project has been approved. This would provide an additional \$730,000 if all two-hundred and ninety-two (292) units are eventually built. Additional funding can also be realized from smaller in-fill projects as the economy improves and those projects are approved and move forward.

The following table identifies financial resources that are currently available to be utilized for construction and/or operation of a Community Center.

Source of Funds	Amount of Funds*	Present Location of Funds
Measure WW Bond Proceeds	\$430,000	East Bay Regional Park District
Ravenswood Development	\$525,000	District Managed (ECC Bank)
The Hofmann Company	\$900,000	Bond at County
	\$1,855,000	* Approximate

As previously discussed, there is a financial value of the "Twelve Lots" to the District which requires consideration. At this time, that value of that parcel has not been identified nor has it been studied. It should be noted, however, that Survey respondents did not favor the "Twelve Lots" as a preferred site.

Consequently, it would not be unrealistic to anticipate an additional \$1.0M in future development related contributions towards the project. This would provide an approximate total of \$3.0M be allocated to the project.

This does leave a significant overall financial shortfall for land acquisition and construction costs.

**OPERATIONS AND MAINTENANCE FINANCING**

After a review of financials of other existing Community Centers the Committee believes that programming and class fees, as well as facility rentals, will provide a funding source capable of offsetting the expenses of those activities. However, there will not be sufficient funding to operate the facility itself.

The operations, maintenance and capital improvement costs to support and maintain the facility will pose significant long-term financial challenges that those revenues will be insufficient to cover. It will be necessary for the District to identify a funding source that meets ongoing facility needs.

**A NEW VISION FOR DISCOVERY BAY**

It is anticipated that the Community Center will become an important integral component of the recreational fabric of the community, complementing the variety of other recreational activities currently available to the public. By offering programs, services and activities intended to attract all age levels of the community, the center would become a destination to learn, explore and celebrate. It is envisioned that the Center will become a focal point of pride for the community where residents of all ages will be able to enjoy activities and utilize its services in a safe, comfortable and welcoming environment. Additionally, the Center will be operated in a manner that provides the greatest flexibility in providing cost efficient, affordable, and community appropriate programming.

In an effort to judge the community's interest in a Community Center and its potential location and services offered, the Committee created a community needs survey that was distributed to the community electronically (see attached survey results). The survey was advertised in the local media, signs were placed, and residents were encouraged by word of mouth to take the survey.

On June 8, 2011 the survey went "*Live*" and stayed online until September 30, 2011. There were four-hundred and fifty-seven (457) respondents that started the survey, and four-hundred (400) completed the survey. The survey results are discussed in further detail later in this report.

Additionally, the Community Center Committee, in an effort to better understand and become more familiar with the relationship between the District, The Hofmann Company and Contra Costa County, invited Ms. Catherine Kutsuris of the Contra Costa County Department of Conservation and Development to address the Committee.

Committee members also visited a number of neighboring community centers to obtain a feel for the types of facilities that are located within our region, and the types of services and programs offered to the community at those facilities.

The Committee was also provided with a presentation on differing types of building techniques, from brick and mortar to prefabricated facilities by local architect Mark Lee.

Mr. Robert Zuer, an expert in establishing Community Foundations, gave a presentation to the Committee that provided valuable information that might make a community foundation a feasible fund raising mechanism for this project. This 501(c) 3 Foundation, if created, would become the fundraising arm of the Center, providing the opportunity to raise funds in a tax deductible manner from residents and corporate partners alike.

The Community Center is intended to be financially self sufficient. Room rentals will be made available to the community, and activities and recreational programming will be on a pay for use basis, consistent with the "Best Practices" procedures utilized in most communities. Additionally, clubs, groups and other parties may rent all or a part of the facility for special events.

**RESULTS OF THE COMMUNITY ASSESSMENT SURVEY:**

Based upon the efforts of the Community Center Committee, and information obtained from experts, site visits, and the Community Assessment Survey, the following recommendations are being respectfully forwarded to the Board of Directors of the Town of Discovery Bay Community Services District for consideration. The Committee would like to note to the Board and the Public that the following recommendations were voted upon individually and that each recommendation was unanimously supported by the Committee. The Recommendations are assembled into the following four (4) categories; Location, Funding Considerations, Facility Needs, and Planning and Other Considerations.

**A. LOCATION**

Recommendation A1:

The Community Center Committee recommends to the Board of Directors that the preferred location for the Community Center be the intersection of Discovery Bay Boulevard and Willow Lake Road/Sand Point Road, and more specifically, the site currently known as the Discovery Bay Athletic Club. This location, 10+/- acres, is presently for sale and offers the right opportunity at the right time to secure the necessary land for the eventual location of a Community Center, while offering immediate benefits to the community based on the existing facilities. The Community Center Committee encourages the Board of Directors to explore the possibility of acquiring this site in an expeditious but financially prudent manner.

Should the Board of Directors not be able to negotiate terms on the entire parcel, the Community Center Committee recommends that the Board of Directors attempt to purchase just the vacant portion of that site at the corner of Discovery Bay Boulevard and Willow Lake Road. If neither of those parcels is available, then the Community Center Committee recommends attempting to purchase all or a portion of the vacant land across the street at the corner of Discovery Bay Boulevard and Sand Point Road.

Given the limited amount of funds currently available today, the site should offer sufficient space for future expansion, as the community itself will inevitably grow, and with that growth, should come developer funds to support expansion.

The recommendation for these locations are supported by the survey results, which showed a strong preference for this general location, with more than twice as many respondents saying they "love it" versus any other location. Even residents of Discovery Bay West generally found this location to better than most of the other alternative locations.

**B. FUNDING CONSIDERATIONS**

Recommendation B1:

The Community Center Committee recommends to the Board of Directors that the Center be as self-supporting as possible and that financial models be developed to assist in this effort in order to identify and determine long-term operational costs and expenses.

From the Committee's review of financials from surrounding Community Centers it is clear that the centers are typically not self-supporting from user-fees, class fees, and facility rentals alone. A reasonably well-run center should be self-supporting in terms of staff, supplies, and other direct expenses; however, these fees did not appear to be sufficient to support costs associated with the construction of the facilities or their ongoing maintenance and repair. To that end, it will be very important for the Board of Directors to identify funds for landscaping, building repairs, and long-term capital expenditures related to mechanical equipment replacement.

Recommendation B2:

The Community Center Committee recommends to the Board of Directors that a community wide assessment be considered for construction, ongoing operations, maintenance, and capital replacement costs.

Roughly 60% of survey respondents indicated that they would be willing to pay a parcel tax on their property, and 46.7% indicated they would be willing to pay \$100 annually as a dedicated revenue source to the Community Center for ongoing operations.

The Committee acknowledges the lack of a local business base that would generally help financially support a project such as this in a more economically diverse community. As Discovery Bay is predominately a residential community with limited commercial opportunities, the Committee believes the primary method of providing the necessary funding to acquire land, construct and operate a Community Center will have to come from the funds previously identified, public support (donations), and regrettably, a parcel tax.

**Recommendation B3:**

The Community Center Committee recommends to the Board of Directors that there be a Community Foundation created to allow 501(c) 3 tax charitable donations from individuals, trusts, and business the opportunity to donate towards the construction or ongoing operations of the facility in a convenient manner.

The Community Foundation should be established in a cost efficient manner intended to maximize contributions and limit exposure to consultant costs. The Foundation should only be established once the project budget has been fully authorized by the Boards of Directors and the primary sources of funding have been identified.

**C. FACILITY NEEDS**

**Recommendation C1:**

The Community Center Committee recommends to the Board of Directors that the facility offer a minimum of three (3) classrooms suitable for holding a variety of class activities. Rooms should be of various configurations including; at least one (1) fitness, dance, aerobics oriented room, likely with one (1) mirrored wall and appropriate flooring; at least one (1) training room with a podium and projection screen and training room style desks; and at least one (1) arts and crafts room with supply cabinets, sinks and an easy to clean hard surface floor.

Classes were the number one activity sought by respondents to the survey. The most sought after classes included: cooking (see kitchen recommendation below); fitness / aerobics, CPR / safety, yoga / tai chi / pilates, nutrition/health, art / painting, boating, gardening, and language. In addition a review of financials from neighboring community centers show that classes produce the most self-sustaining revenue, partially because they are easy to schedule or cancel based on demand, and user fees offset all related expenses outside of building costs or maintenance.

**Recommendation C2:**

The Community Center Committee recommends to the Board of Directors that the facility offer an auditorium with ancillary facilities able to accommodate three-hundred (300) for town meetings, weddings, dinners, and other types of formal and informal events. The auditorium should be divisible through partition walls into at least three (3) spaces. Ancillary facilities should include a modest stage area, a backstage area suitable for basic on-stage preparation, and a room that could function in multiple applications, including that of a bride's room. The auditorium should have ample storage for chairs and folding dining tables such that the room can easily be reconfigured for various event types.

Respondents to the survey considered an Auditorium to be a "very important" part of a community center. In addition a divisible auditorium creates a variety of rental opportunities that are clearly an important revenue source for the ongoing operation of any community center.

**Recommendation C3:**

The Community Center Committee recommends to the Board of Directors that the facility include a "caterer's" kitchen with sufficient accommodations for food warming, limited cooking, storage, ice production, with sufficient space and appropriate layout to support food preparation for three-hundred (300), as well as the ability to host cooking classes.

Survey respondents selected cooking classes more often than any other class clearly showing local demand to support the facility. A kitchen is also an important revenue source as it is required in order to see full potential rental use of an auditorium.

**Recommendation C4:**

The Community Center Committee recommends to the Board of Directors that the facility provide adequate space for leisure activities such as card playing, reading, and entertainment opportunities. While these activities are not directly revenue generating in the same manner as classes, a kitchen or an auditorium; the Committee believes they support the very concept of a Community Center by providing areas for seniors and others to gather and socialize.

Recommendation C5:

The Community Center Committee recommends to the Board of Directors that the Community Center include a senior citizen program component. Seniors will be a key user of the facility during day time hours and age appropriate programming, classes, and activities are an integral part of a successful Community Center.

Recommendation C6:

The Livermore Community Center shared facilities with other District functions, consolidating the staff and all operational functions into a central location. Livermore staff felt this lowered costs when compared to building and operating multiple facilities. The Community Center Committee recommends to the Board of Directors that they consider similar opportunities to consolidate facilities, so long as the construction and operational expenses of those facilities does not divert Community Center funds for those functions.

Recommendation C7:

The Community Center Committee recommends to the Board of Directors that the facility include a conference room suitable of accommodating twelve (12) individuals, as well as audio visual and networking capabilities. The conference room will be able to accommodate small home based businesses, service organizations, and the community, among others, with the opportunity to utilize a conference room on a user fee platform on an "as necessary" basis.

**D. PLANNING AND OTHER CONSIDERATIONS**

Recommendation D1:

The Community Center Committee recommends to the Board of Directors that the facility be designed in the most cost effective manner, acknowledging the fact that the facility will be heavily used in a commercial type environment, and that long lasting construction techniques be utilized to provide a facility with a minimum fifty (50) year life span.

Recommendation D2:

The Community Center Committee recommends to the Board of Directors that a space plan be developed that takes into account the actual space needs necessary to meet the mission and service plan of the center. A well thought out space plan will incorporate the necessary components to be included in the Community Center. Once complete, the space plan model will then be utilized to estimate the overall project cost as well as provide the platform for final design and construction documents.

Architect Mark Lee of Lee • Jagoe Architecture, Inc. has provided a proposal for preliminary site planning and floor plan design based upon program requirements. Mr. Lee performed the initial design drawings for the Community Center that were previously developed on behalf of the Discovery Bay Lion's Club. The cost to perform this important first function is \$5,250. A copy of Mr. Lee's proposal is attached. The Committee recommends that the Board authorize staff to enter into a professional services agreement with Lee • Jagoe Architecture Inc. to facilitate this portion of the project.

Recommendation D3:

The Community Center Committee recommends that the Board of Directors identify and engage the necessary resources and experts to: 1) analyze the feasibility of a community wide parcel assessment, and ultimately develop, promote and see that assessment through to passage; 2) oversee space planning, architectural requirements, construction plans and ultimately construction of the center; and 3) further negotiations on the acquisition of the preferred site and resolve the disposition of the "Twelve Lots" parcel.

Recommendation D4:

The Community Center Committee recommends to the Board of Directors that the facility offer programming consistent with the survey results, and that the center regularly adjust programming to meet changing needs within the community. Nutrition and health related classes are also an ongoing and important component of a successful Community Center.

## SUMMARY

The Community Center Committee recognizes the difficulties that have been faced by prior Community Center Committees in their efforts to locate a Community Center in Discovery Bay. With constrained funding being the Achilles heel of the Community Center Project, this committee understands and is well aware of the difficult decisions that must be made in order to transition this project from a vision to a reality.

Consequently, the Committee sees no other alternative of funding the center other than assessing the community for the facility and its ongoing operational costs.

Since the Contra Costa County Local Agency Formation Commission (LAFCO) directed the District to provide recreational opportunities for our community, and as the survey results indicate, there is a need and a desire to have this type of community asset. It is the Committee's sincere hope that the Board continue to pursue this goal.

The Community Center Committee would like to acknowledge the efforts of those communities that hosted tours of their facilities, Architect Mark Lee for his valuable input, Community Foundation specialist Bob Zuer for his guidance, and Catherine Kutsuris of Contra Costa County for all of her efforts on behalf of the Town of Discovery Bay.

PURCHASE AND SALE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") is made as of September 6<sup>th</sup>, 2012 ("Effective Date"), between Pilati Farms, a partnership ("Seller"), and the Town of Discovery Bay, a community services district ("Buyer").

RECITALS

- A. Seller is the owner of certain real property located in the unincorporated area of the County of Contra Costa ("County"), State of California ("State"), consisting of approximately 10 +/- acres of property designated as APN 008200011 and APN 008200014, the whole of which is more particularly described in Exhibit A attached to this Agreement, and to be referred to as the "Seller's Real Property."
- B. Seller desires to sell and Buyer desires to purchase an approximate 7.5 +/- acre portion of Seller's Real Property, the exact boundaries and size to be determined pursuant to the terms of this Agreement (the "Land"), and including improvements, appurtenances, and certain personal and intangible property.
- C. The Land is improved by buildings and other facilities related to the operation of an athletic club business, including, without limitation, a pool, and tennis courts.
- D. Seller also desires to sell, concurrently with the sale of the Property (defined in Section 1.2) to Buyer, the remainder portion of the Seller's Real Property with an approximate size of 2.5 +/- acres (the "Remainder Land") to a third party currently identified as Presbytery of San Francisco in trust for Delta Community Presbyterian Church (the "Church"). The Remainder Land is unimproved.
- E. As set forth in this Agreement, among the conditions for the purchase and sale of the Property is (i) an agreement in writing among the Seller, Buyer, and Church as to the exact boundaries and configuration of the portions of property that each is to acquire, which boundaries, configuration and legal requisites must be in compliance with the Subdivision Map Act and the Subdivided Lands Act, and (ii) a concurrent closing of escrows for the Buyer's purchase of the Property and the Church's purchase of the Remainder Land, all as more fully set forth in this Agreement.
- F. Therefore, Seller desires to sell and Buyer desires to purchase the Property on the terms and conditions as specifically described below.

ARTICLE 1 -- AGREEMENT OF SALE

1.1 Purchase and Sale. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller agrees to sell and Buyer agrees to purchase all Property described below in Section 1.2, under the terms and conditions of this Agreement.

1.2 Description of the Property. The property to be sold and purchased under this Agreement (the "Property") consists of the following:

1.2.1 Land. The exact location, boundaries and configuration of the Land must be agreed to by Seller and Buyer as conditions to their obligations to sell and purchase the Property (see Sections 1.3, 3.4 and 4.1.3). Such location, boundaries and configuration must be in compliance with the Subdivision Map Act and the Subdivided Lands Act. Further, compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.

1.2.2 Appurtenances. All privileges, rights, easements appurtenant to the Land, including without limitation all minerals, oil, gas, and other hydrocarbon substances on and under the Land; all development rights, air rights, water, water rights, and water stock relating to the Land; all right, title, and interest of Seller in and to any streets, alleys, passages, water and sewer taps, sanitary or storm drain capacity or reservations and rights under utility agreements, and other easements and other rights-of-way included in, adjacent to, or used in connection with the beneficial use and enjoyment of the Land (collectively, the "Appurtenances").

1.2.3 Improvements. The buildings described in Recital C and all other buildings, structures, fences, parking areas, or improvements located upon the Land or upon the Improvements, including fixtures, systems, and equipment attached to the Land or Improvements and used in connection with the operation or occupancy of the Land and Improvements (such as heating and air-conditioning systems, pool pumps and heating systems, refrigeration, ventilation, garbage disposal, or utility conduits) (collectively, the "Improvements," which together with the Land and the Appurtenances are called the "Real Property").

1.2.4 Personal Property. Certain tangible personal property and all intangible property owned by Seller that is located on or in or is used in connection with the use or operation of any of the Property ("Personal Property"). Personal Property includes, without limitation, all the following: (a) all of the tangible property listed on a schedule to be delivered according to Section 3.1.3 of this Agreement; (b) the service contracts listed on a schedule to be delivered according to Section 3.1.4 of this Agreement, which Buyer elects to assume, by written notice to Seller not less than 10 days before the Closing; (c) all warranties and guaranties on or related to the tangible Personal Property or related to construction, repair, or alteration work on the Real Property, to the full extent such warranties and guaranties are assignable; (d) all licenses and permits related to the Property; (e) all plans, drawings, engineering studies located within, used in connection with, or related to the Property; (g) all intellectual property associated with, related to, or used in connection with the Property, including logos, trademarks, designs, tradenames, service marks, e-mail addresses, domain names, and telephone numbers; and (f) all goodwill associated with the Real Property.

### 1.3 Survey of Seller's Real Property and Lot Line Adjustment.

1.3.1 Within 5 days of the Effective Date Buyer will engage Kier & Wright Civil Engineers & Surveyors, Inc. (the "Civil Engineers") to (i) conduct a ALTA Survey of the Seller's Real Property meeting the requirements of the most current edition of the ALTA/ACSM Minimum Survey Standards (the "Survey") and showing Items selected in the discretion of Buyer from Table A of the ALTA/ACSM Minimum Survey Standards; (ii) consult with Seller and Buyer to determine the exact location, boundaries and configuration of the Land; and (iii) to apply for such permits and take all action necessary to obtain the approval of the County of Contra Costa and any other applicable governmental entity so that the lot lines of the Seller's Real Property are adjusted to conform with Seller's and Buyer's requirements for this sales transaction. Such location, boundaries and configuration must be in compliance with the Subdivision Map Act and the Subdivided Lands Act. Compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.

1.3.2 Buyer and Seller shall meet and confer with the Civil Engineers and in good faith negotiate for the adjustment of the Seller's Real Property lot lines to result in an agreeably sized and located portion of Seller's Real Property for Buyer's acquisition under this Agreement.

## ARTICLE 2 -- PURCHASE PRICE

2.1 Amount. The full purchase price (the "Purchase Price") of the Property will be determined in the manner, and paid in accordance with, this ARTICLE 2.

2.2 Appraisals. Within 5 days after Seller and Buyer enter into a written agreement determining the location, boundaries and configuration of the Land, Buyer will engage Hulberg & Associates, Inc., ("Appraiser") to separately appraise the Property and the Remainder Land.

2.3 Combined Price. For purposes of determining the Purchase price, Seller and Buyer agree that the combined purchase price of the Property and the Remainder Land shall be \$1,200,000, or the lesser of the combined appraised value of the Property and the Remainder Land, (the "Combined Price"). If the Combined Price is less than \$1,200,000 then, on or before the Contingency Date, Seller may terminate this Agreement pursuant to Sections 4.1.1 and 4.2.

2.4 Agreement of Buyer and Church. Buyer's obligation to purchase, and Seller's obligation to sell, the Property is expressly conditioned on the Buyer and the Church agreeing in writing, on or before the Contingency Date, on the share of the Combined Price that each will pay. The share agreed to by the Buyer will be the Purchase Price. If the Buyer and the Church do not so agree, then either Buyer or Seller may terminate this Agreement pursuant to Sections 3.9 and 3.10 (District) or 4.1.1 and 4.2 (Seller). Buyer and Seller understand and acknowledge that it is a Seller's contingency that Seller enter into a purchase and sale agreement for the sale of the Remainder Land on terms and conditions satisfactory to Seller (see Section 4.1.4) and that close of escrow for such sale occur concurrently with the Closing under this Agreement (see Section 7.2.3).

2.5 Appraised Value Limitation. In no event shall the Purchase Price of the Property exceed the appraised value of the Property.

2.6 Deposits.

2.6.1 Initial Deposit. Within 3 Business Days after the Effective Date, as a deposit against the Purchase Price, Buyer must deposit \$12,000.00 ("Initial Deposit") into an escrow ("Escrow") to be opened with Old Republic Title Company (referred to herein as "Escrow Holder" and "Title Company").

2.6.2 Second Deposit. On the Contingency Date (as defined in Section 3.2), if the contingencies set forth in ARTICLE 3 have been met and this Agreement has not been otherwise terminated, Buyer must deposit an additional \$24,000.00 into Escrow as an additional deposit against the Purchase Price ("Second Deposit").

2.6.3 Requirements for Deposit. Buyer may make the Initial Deposit and the Second Deposit (collectively, the "Deposit") in cash, or by check payable to the Escrow Holder, or by electronic transfer of federal funds. The Escrow Holder will hold the Deposit in an escrow account at a bank and invested in investments approved by Buyer, with interest accruing for the benefit of Buyer. On the Closing Date (defined in Section 8.2.2, the Deposit will be credited against the Purchase Price and paid to Seller. If this Agreement terminates for any reason except Buyer's default, the Escrow Holder must refund the Deposit to Buyer.

2.7 Payment of Balance. Subject to the conditions set forth in this Agreement, Buyer agrees to pay, or cause to be paid, the balance of the Purchase Price, adjusted by prorations, costs, and such mandatory withholding as may be required by law, to Seller through the Escrow by depositing cash or federal funds by wire transfer at least one Business Day before the Close of Escrow, or depositing a cashier's check during business hours at least three Business Days before the Close of Escrow.

2.8 Allocation of Purchase Price. The Purchase Price will be allocated among various assets constituting the Property in accordance with an exhibit ("Allocation of Purchase Price") to be negotiated by the parties in good faith, which exhibit will be prepared in the manner required by §1060 of the Internal Revenue Code of 1986 ("Code"), as amended, and attached to this Agreement in the form of Exhibit B at least 5 days before the Closing. Seller and Buyer agree to prepare and file all federal, state, local, and foreign tax returns and other filings reflecting this transaction on a basis consistent with such allocation, and to cooperate with each other in good faith in preparing any and all statements required to be included in their respective tax returns, including IRS Form 8594 and any required exhibits to the tax returns (or other forms required under §1060 of the Code, or other applicable tax laws) reflecting such allocation. Seller and Buyer further agree that they will not make any inconsistent written statement or take any inconsistent position on any tax returns, in any refund claim, or during the course of any Internal Revenue Service or other tax audit, so long as there exists a reasonable basis in law to maintain the position reflected by such allocation. Each party must notify the other party if it receives notice that the Internal Revenue Service or any other taxing authority proposes any allocation that is different from the allocation set forth on the Allocation of Purchase Price.

## ARTICLE 3 -- BUYER'S CONTINGENCIES

3.1 Seller's Delivery of Documents. Buyer's obligation to purchase the Property is expressly conditioned on Seller's delivery to Buyer of all documents listed below (collectively, "Preliminary Documents"). Failure to deliver the Preliminary Documents within 15 days after the Effective Date will extend the Contingency Date (as defined in Section 3.2) by 1 day for every 1 day thereafter that the last such Preliminary Document is delivered. Buyer may terminate this Agreement under Section 3.10 if the Preliminary Documents are not all delivered within 30 days after the Effective Date.

3.1.1 Preliminary Report. A preliminary report ("Preliminary Report") dated no earlier than 30 days before the Effective Date covering the Real Property and issued Title Company, together with a legible copy of all exceptions to title shown in the Preliminary Report, including each document, map, and survey referred to in the Preliminary Report.

3.1.2 Surveys. Copies of all existing surveys in Seller's possession.

3.1.3 Schedules of Personal Property. A complete schedule of all tangible Personal Property to be sold under this Agreement and a complete schedule of all service contracts related to the Property that Seller does not intend to cancel before the Closing Date.

3.1.4 Agreements. Copies of all written easements, covenants, restrictions, agreements, service contracts, and other documents that affect the Property, including without limitation any agreements relating to insurance, service, operation, repair, supply, advertising, promotion, sale, leasing, or management of the Property or the use of the common facilities.

3.1.5 Licenses and Permits. Copies of any licenses, permits, or certificates required by governmental authorities in connection with construction or occupancy of the Improvements, including without limitation building permits, certificates of completion, certificates of occupancy, and environmental permits and licenses, and any correspondence related to the Improvements.

3.1.6 Plans. Copies of any existing construction drawings, as-built plans, and specifications for the Property.

3.1.7 Tax Bills. Property tax bills for the past 3 years.

3.1.8 Financial Information. Copies of operating statements for the Property covering each calendar month of the current calendar year to date, and each of the prior 3 calendar years and all budgets prepared in relation to the current year and the prior 3 years. Copies of all invoices, utility bills, and other records of operating expenses incurred during the current years and the prior 3 years must be made available for inspection by Buyer at reasonable times at Buyer's address for notice as set forth in Section 11.1.2.

3.1.9 Insurance Policies. Copies of all liability, fire, and casualty insurance policies carried by Seller, and copies of certificates evidencing all insurance that tenants of the Property are required to carry.

3.1.10 Materials Related to Condition of the Property. Any environmental impact reports, "Phase I" or "Phase II" reports, or environmental site assessments concerning Hazardous Materials on the Property, complaints or notices of the presence of Hazardous Materials on the Property, geological surveys, soil tests, engineering reports, inspection results, complaints, or notices received regarding the safety of the Property. In this Agreement "Hazardous Materials" means, any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, which include, but are not limited to, substances defined as "hazardous substances, hazardous materials, or toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 United States Code §§9601 et seq.); the Hazardous Materials Transportation Safety and Security Reauthorization Act (49 United States Code §§5101 et seq.); the Resource Conservation and Recovery Act (42 United States Code §§6901 et seq.); the substances defined as "hazardous wastes" in California Health and Safety Code §25117 or as "hazardous substances" in California Health and Safety Code §25316; and the chemicals known to cause cancer or reproductive toxicity as published in the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code §25249.5 et seq.); and in the regulations adopted and publications promulgated under each of the aforesaid laws).

3.1.11 Litigation Materials. All materials related to pending or threatened litigation, or litigation that was pending or threatened during the period of Seller's ownership of the Property, involving the Property or the Seller on account of its ownership of the Property, including correspondence, complaints, court orders, settlements, and judgments.

3.1.12 Other Documents. All other data, correspondence, documents, agreements, waivers, notices, applications, and other records regarding the Property relating to transactions with taxing authorities, governmental agencies, utilities, vendors, tenants, neighbors, and others with whom Buyer may be dealing from and after the Closing Date.

3.1.13 Excluded Records. The Preliminary Documents will not include any books, records, documents, or information on the corporate, financial, and accounting records of the operations of Seller as an entity (as opposed to records concerning the Property), regarding offers or inquiries made by third parties concerning the purchase of some or all of the Property or appraisals of the value of the Real Property that are attorney-client communications of Seller, that are Seller's attorney's work product, or that are not in the possession of Seller or persons under Seller's control.

3.2 Buyer's Approval of Preliminary Documents. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the matters disclosed in the Preliminary Documents. Buyer will have the period from the Effective Date until the date that is 45 days after delivery to Buyer of (i) the last Preliminary Document, and (ii) written notice by Seller to Buyer stating that Seller has provided Buyer with all Preliminary Documents (such date to be the "Contingency Date") to review the Preliminary Documents and to decide whether to approve the

matters disclosed in the Preliminary Documents. On or before the Contingency Date, Buyer will deliver written notice to Seller either accepting the matters disclosed in the Preliminary Documents or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have elected to terminate this Agreement.

3.3 Buyer's Approval of Contracts. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of all service contracts, management agreements, maintenance contracts, and other contracts and agreements related to or affecting the operation of the Property and not included as part of the title documents (collectively, the "Contracts"). Buyer shall have until the date that is 10 business days before the Contingency Date to either approve or disapprove any Contracts ("Disapproved Contracts"). Seller shall have until 10 business days before the Contingency Date to notify Buyer, in writing, of its agreement to terminate the Disapproved Contracts on or before the Closing Date. In no event, however, shall Seller be required to terminate any Contracts that by their terms are not terminable before the Closing unless Buyer agrees, in writing, to pay at Closing any prorated charges or other costs associated with such early termination. Failure by Seller to agree to terminate the Disapproved Contracts within the specified period shall be deemed Seller's election not to terminate the Disapproved Contracts. On or before the Contingency Date, Buyer shall deliver written notice to Seller either accepting the Disapproved Contracts that Seller elected (or is deemed to have elected) not to terminate or terminating this Agreement.

3.4 Adjustment of Parcel Lines. Buyer's obligation to purchase the Property is expressly conditioned on Buyer and Seller agreeing in writing, on or before the Contingency Date, to the exact location, boundaries and configuration of the Land. Such location, boundaries and configuration must be in compliance with the Subdivision Map Act and the Subdivided Lands Act. Compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.

3.5 Escrowed Costs of Civil Engineers and Appraiser. Buyer's obligation to purchase the Property is expressly conditioned on Buyer entering into a written agreement with the purchaser of the Remainder Land for the sharing of costs related to the Civil Engineer's and Appraiser's work referred to in Sections 1.3 and 2.2. Such agreement must be entered into on or before the Contingency Date.

3.6 Approval of Title. Buyer's obligation to purchase the Property is expressly conditioned on Buyer's approval of the condition of title of the Property in accordance with the following procedure:

3.6.1 Permitted Exceptions. The following exceptions shown on the Preliminary Report ("Permitted Exceptions") are approved by Buyer: (a) exceptions for a lien for local real estate taxes and assessments not yet due or payable, (b) the standard preprinted exceptions and exclusions of the Title Company, (c) any other exception shown on the Preliminary Report, other than exceptions for monetary liens, which Buyer does not object to by written notice to Seller within 10 days after receipt by Buyer of the Preliminary Report, or 10 days after the Effective Date, whichever is later ("Buyer's Title Notice"), or as otherwise provided in this Section 3.6. All exceptions on the Preliminary Report

other than the Permitted Exceptions will be title objections ("Title Objections"). If Buyer fails to deliver Buyer's Title Notice within the time specified in this Section 3.6, Buyer will be deemed to have objected to each title exception shown in the Preliminary Report that is not otherwise a Permitted Exception.

3.6.2 Title Objections. With respect to any Title Objection arising or resulting from any act or omission of Seller, Seller will have 10 days after delivery of Buyer's Title Notice (or Buyer's deemed objection to all exceptions) to specify the manner in which it will remove or cure such Title Objection. With respect to any Title Objection that did not arise or result from any act or omission of Seller, Seller will have 10 days after delivery of Buyer's Title Notice to give notice to Buyer in writing ("Seller's Title Notice"), stating either (a) the manner in which Seller will remove or cure such Title Objection, or (b) that Seller will not remove or cure such Title Objection. If Seller fails to deliver Seller's Title Notice within the time specified in this 3.6.2, Seller will be deemed to have elected not to cure such Title Objection. Despite the foregoing, Seller agrees to remove all liens securing the payment of money that encumber the Property.

3.6.3 Seller Elects Not to Cure. If Seller elects not to cure or remove a Title Objection (or is deemed to have so elected), then Buyer will have 10 days after delivery of the Seller's Title Notice to deliver a written notice to Seller ("Buyer's Election Notice") of Buyer's election either to (a) proceed with the purchase of the Property, waive such Title Objection, and accept the exception shown in the Preliminary Report as a Permitted Exception, or (b) terminate this Agreement. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 3.6.3, Buyer will be deemed to have elected to terminate this Agreement.

3.6.4 Nonmonetary Cure. If Seller is obligated or elects to cure or remove a Title Objection, but the method specified for removing or curing the Title Objection is other than the payment of a specific sum of money, then Buyer will have 10 days after delivery of the Seller's Title Notice to deliver Buyer's Election Notice specifying whether it elects to (a) proceed with the purchase of the Property, subject to Seller's removal of the Title Objection, or (b) terminate this Agreement. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 3.6.4, Buyer will be deemed to have elected to terminate this Agreement.

3.6.5 Additional Encumbrances. If any encumbrance or other exception to title arises or is discovered after the delivery of the Preliminary Report ("Additional Encumbrance"), the party discovering such Additional Encumbrance must promptly give written notice to the other. No later than 5 days after delivery of the notice of such Additional Encumbrance, Buyer will deliver a new Buyer's Title Notice to Seller specifying whether the Additional Encumbrance is a Title Objection or a Permitted Exception. If Buyer objects to the Additional Encumbrance, the parties will proceed in the same manner as set forth above for Title Objections arising from the Preliminary Report. If Buyer fails to deliver Buyer's Election Notice within the time specified in this Section 3.6.5, Buyer will be deemed to have elected to terminate this Agreement.

3.6.6 Seller's Failure to Remove Title Objection. If Seller is obligated or elects to cure or remove a Title Objection and fails to do so least 5 days before the Closing Date, or fails to show that it will be able to do so on Closing, then Seller will be in default under this Agreement, and Buyer will have all its rights and remedies provided by this Agreement.

3.7 Review of Physical Condition and Other Matters.

3.7.1 Due Diligence. Buyer's obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the condition of the Property and all other matters concerning the Property, including without limitation economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property. Buyer will have until the Contingency Date to conduct such investigations as Buyer may choose ("Due Diligence") to determine, in its sole discretion, whether this contingency is met. On or before the Contingency Date, Buyer will deliver written notice to Seller accepting the Property, or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer will be deemed to have elected to terminate this Agreement.

3.7.2 Access to Property. As part of its Due Diligence, Buyer may investigate economic, financial, and accounting matters relating to or affecting the Property or its value, and conduct inspections, tests, and studies with respect to the physical and environmental condition of the Property. Buyer and Buyer's consultants, agents, engineers, inspectors, contractors, and employees ("Buyer's Representatives") must be given reasonable access to the Property during regular business hours for the purpose of performing such Due Diligence. Buyer will undertake the Due Diligence at its sole cost and expense, except as provided in Section 8.7.5. Buyer will indemnify, defend with counsel reasonably acceptable to Seller, and hold Seller harmless from all claims (including claims of lien for work or labor performed or materials or supplies furnished), demands, liabilities, losses, damages, costs, fees, and expenses, including Seller's reasonable attorney fees, costs, and expenses, arising from the acts or activities of Buyer or Buyer's Representatives in, on, or about the Property during or arising in connection with Buyer's inspections of the Property.

3.8 Permits Authorizing Buyer's Intended Use. Buyer's obligation to purchase the Property is expressly conditioned on (i) Buyer obtaining, on or before the Contingency Date, any and all licenses, permits, completion of environmental documentation or certificates required by governmental authorities or otherwise in connection with Buyer's intended use, operation or development of the Property as a community center, government offices, or both, and (ii) Church obtaining, on or before the Contingency Date, any and all licenses, permits, completion of environmental documentation or certificates required by governmental authorities or otherwise in connection with Church's intended use, operation or development of the Remainder Land as a church, school, or both.

3.9 Purchase Price Contingency. Buyer's obligation to purchase, and Seller's obligation to sell, the Property is expressly conditioned on the Buyer and the Church

agreeing in writing, on or before the Contingency Date, on the share of the Combined Price that each will pay. In no event shall the Purchase Price of the Property exceed the appraised value of the Property.

3.10 Termination for Failure of a Contingency. If this Agreement is terminated or deemed to be terminated for failure of a contingency set forth in this ARTICLE 3, then immediately on written notice from Buyer, Escrow Holder must refund the Deposit to Buyer, without offset for any charges or claims. Any cancellation fee or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a contingency will be borne equally by Seller and Buyer, and each party must pay its own expenses.

#### ARTICLE 4 – SELLER’S CONTINGENCIES

4.1 Contingencies. Seller’s obligation to sell the Property is expressly conditioned on the following occurring on or before the Contingency Date:

4.1.1 Satisfaction of the contingencies in Seller’s favor set forth in Sections 2.3 and 2.4.

4.1.2 Completion of the Survey and delivery of a copy to Seller.

4.1.3 Buyer and Seller must agree in writing to the exact location, boundaries and configuration of the Land. Such location, boundaries and configuration must be in compliance with the Subdivision Map Act and the Subdivided Lands Act. Further, compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.

4.1.4 Seller having entered into a purchase and sale agreement for the sale of the Remainder Land on terms and conditions satisfactory to Seller.

4.2 Termination for Failure of a Contingency. If this Agreement is terminated or deemed to be terminated for failure of a contingency set forth in this ARTICLE 4, then immediately on written notice from Seller, Escrow Holder must refund the Deposit to Buyer, without offset for any charges or claims. Any cancellation fee or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a contingency will be borne equally by Seller and Buyer, and each party must pay its own expenses.

#### ARTICLE 5 -- SELLER’S PRECLOSING COVENANTS

5.1 No Amendments or Agreements. On or after the Effective Date, Seller will not (a) amend or waive any right under any Preliminary Document or (b) enter into any lease or other agreement of any type affecting the Property that would survive the Closing Date, without Buyer’s prior written consent. Before the Contingency Date, Buyer may not unreasonably withhold its consent under this Section 5.1; after the Contingency Date, however, Buyer will have sole discretion in all such matters.

5.2 Execution of Documents. Seller agrees to execute (sign with acknowledgment) any and all documents that may be required to gain the approval by any governmental body or agency of any lot-line adjustments, or plans or maps submitted by Buyer for approval pursuant to this Agreement. The cost or expense of any execution by Seller pursuant to this paragraph shall be borne solely by Buyer.

5.3 Insurance. Through the Closing Date, Seller must maintain or cause to be maintained in full force and effect comprehensive general liability casualty and other insurance on the Property in an amount equal to the full replacement cost of the Improvements.

5.4 Maintenance and Operation. Seller, at its sole cost and expense, must operate the Property in substantially the same manner as it has operated the Property before the Effective Date and must maintain and keep the Property such that on the Closing Date the Property is in at least as good condition and repair as on the Effective Date, reasonable wear and tear excepted. Seller may not make any material alterations to the Property without Buyer's prior written consent.

5.5 Mechanics' Liens. Except for materials, supplies, or work provided or ordered for the Property at the request of or for the account of Buyer, on or before the Closing, Seller must (a) pay for all materials, supplies, and work provided or ordered for the Property for which a labor, materialman's, or mechanics' lien may be claimed under applicable law and (b) if required by the Title Company, provide the Title Company with such indemnifications or security as it may require to insure title to the Property at the Closing without exception for any unrecorded labor, materialmen's, or mechanics' claim of lien.

5.6 No Marketing. Seller agrees not to market, show, or list the Property to any other prospective buyer during the term of this Agreement.

5.7 Existing Financing. Seller must not permit any default, or any event that could give rise to a default with lapse of time or notice, to occur under any existing loan secured by the Property or other financing encumbering the Property.

5.8 Licenses and Permits. Seller will use due diligence and its best efforts to keep in full force and effect, and will renew when necessary, all licenses and permits for the Property.

5.9 Access to Property. Buyer and Buyer's representatives, agents, and designees will have the right at all reasonable times until Closing to enter the Property as provided in Section 3.7.2.

5.10 Notification. Seller will promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that makes any representation or warranty of Seller under this Agreement untrue or misleading.

5.11 Service Contracts. Seller covenants and agrees that before the Closing Date it will terminate all service contracts related to the Property except any that Buyer has specifically elected to assume under Section 8.4.2.

## ARTICLE 6 -- REPRESENTATIONS AND WARRANTIES

6.1 Seller's Representations and Warranties. Seller hereby represents and warrants that each of the following is true as of the Effective Date and the Closing Date:

6.1.1 Authority. This Agreement and the performance of Seller's obligations under it and all documents executed by Seller that are to be delivered to Buyer at the Closing are, or on the Closing Date will be, duly authorized,

executed, and delivered by Seller and are, or at the Closing Date will be, legal, valid, and binding obligations of Seller, and do not, and on the Closing Date will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Seller to enter into or to perform Seller's obligations under this Agreement, except as has already been obtained.

6.1.2 No Violation of Law. To Seller's knowledge, Seller has received no written notice of any currently outstanding violations of any federal, state, county, or municipal law, ordinance, order, regulation, or requirement affecting the Property.

6.1.3 Litigation. To Seller's knowledge, Seller has not received any written notice of any existing or threatened litigation or arbitration involving the Property and no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or threatened against Seller or Seller's interest in the Property, nor are any such proceedings contemplated by Seller.

6.1.4 Preliminary Documents. To Seller's knowledge, the Preliminary Documents constitute all books, records, documents, agreements, contracts, reports, and other materials related to the Property that are in Seller's possession or control. To Seller's knowledge, the Preliminary Documents are true, correct, and complete copies of what they purport to be.

6.1.5 No Condemnation. To Seller's knowledge, Seller has received no written notice of any presently pending or contemplated special assessments or proceedings to condemn or demolish the Property or any part of it, or any proceedings to declare the Property or any part of it a nuisance.

6.1.6 Hazardous Wastes. To Seller's knowledge, Seller has received no written notice of any Hazardous Materials located on, under, or about the Property, except as disclosed in the Preliminary Documents.

6.1.7 Foreign Person. Seller is not a foreign person and is a "United States Person" as that term is defined in §7701(a)(30) of the Internal Revenue Code of 1986, as amended.

6.1.8 No Leases. There are no leases, subleases, occupancies, or tenancies in effect pertaining to the Property.

6.1.9 Utilities. To Seller's knowledge, all water, sewer, gas, electric, telephone, drainage facilities, and all other utilities required by law or by the normal operation of the Property are adequate to service the Property in its present use and to permit full compliance with all requirements of law and normal usage of the Property.

6.1.10 Development Rights. To Seller's knowledge, neither Seller nor any previous owner of the Property has, except by operation of law, sold, transferred, conveyed, or entered into any agreement regarding "air rights," "excess floor

area ratio,” or other development rights or restrictions relating to the Property, except as otherwise expressly set forth in the Preliminary Report.

6.1.11 Title to the Property. Seller has good and marketable title to the Property. Seller has no actual knowledge of any unrecorded or undisclosed legal or equitable interest in the Property owned or claimed by anyone other than Seller. Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

6.1.12 Personal Property. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

6.1.13 Seller’s Knowledge. As used in this Agreement, the phrase “Seller’s knowledge” will be limited to the actual knowledge of any of the following: Dennis Pilati, Joyce Pilati or Gerald Smith, without duty of inquiry or investigation into the matter so qualified.

6.2 Buyer’s Representations and Warranties. Despite anything to the contrary in this Agreement, Buyer hereby warrants and represents that the following is true as of the Effective Date and the Closing Date. This Agreement and the performance of Buyer’s obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing are, or on the Closing Date will be, duly authorized, executed, and delivered by Buyer and are, or at the Closing Date will be, legal, valid, and binding obligations of Buyer, and do not, and on the Closing Date will not, violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Buyer to enter into or to perform Buyer’s obligations under this Agreement, except as has already been obtained.

6.3 Effect of Representations and Warranties. Each representation and warranty in this ARTICLE 6, (a) is material and being relied on by the party to which the representation and warranty is made; (b) is true in all respects as of the Effective Date; (c) must be true in all respects on the Closing Date; and (d) will survive the Closing.

6.4 “As Is” Purchase. Subject to the approval or waiver of the Contingencies in ARTICLE 3, Seller’s preclosing obligations under ARTICLE 5, the closing conditions in ARTICLE 7, and as a material inducement to Seller’s execution and delivery of this Agreement and performance of its duties under this Agreement: EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER HAS AGREED TO ACCEPT POSSESSION OF THE PROPERTY ON THE CLOSING DATE ON AN “AS IS” BASIS. SELLER AND BUYER AGREE THAT THE PROPERTY WILL BE SOLD “AS IS, WHERE IS, WITH ALL FAULTS” WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND, EXCEPT AS SET FORTH IN SECTION 6.1 OF THIS AGREEMENT, SUCH SALE WILL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION,

WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.

6.5 Survival of Warranties. All warranties, covenants, and other obligations in this Agreement shall survive delivery of the Deed, as defined herein, to the Property.

#### ARTICLE 7 -- CLOSING CONDITIONS

7.1 Buyer's Closing Conditions. All obligations of Buyer under this Agreement are subject to the fulfillment, before or at the Closing, of each of the following conditions ("Buyer's Closing Conditions"). Buyer's Closing Conditions are solely for Buyer's benefit and any or all of Buyer's Closing Conditions may be waived in writing by Buyer in whole or in part without prior notice.

7.1.1 Title. It is a Buyer's Closing Condition that, on the Closing Date, Seller convey to Buyer good and marketable fee simple title to the Property by execution and delivery of a grant deed in a form satisfactory to Buyer (the "Deed") and cause to be delivered to Buyer from Old Republic Title Insurance Company an ALTA Owner's Extended Coverage Policy of Title Insurance with liability in the full amount of the Purchase Price, insuring title to the Real Property in Buyer, subject only to the Permitted Exceptions, together with such endorsements described below or as may be reasonably requested by Buyer ("Title Policy"). The Title Policy must also include such endorsements or guaranties as Buyer may request. Seller must deliver to the Title Company such instruments, documents, releases, and agreements and must perform such other acts as Title Company may reasonably require in order to issue the Title Policy. Indemnification of the Title Company to induce it to insure any otherwise unpermitted exception to title will not be allowed except with Buyer's prior written consent after full disclosure to Buyer of the nature and substance of such exception and indemnity, which consent will not be unreasonably withheld by Buyer for exceptions not material to marketable title to the Real Property.

7.1.2 Liens. Buyer must have received a certified report, with copies of all documents, satisfactory to Buyer and Buyer's counsel, from the Title Company or a reputable lien search company indicating that there are no personal property liens of record on file with the Secretary of State of California, other than those that will be discharged at the Closing, as of a date no more than 10 Business Days before the Closing Date, and a confirmation dated no more than 3 Business Days before the Closing Date that no further liens have been filed since the date of the certified report. Also, Buyer must have received a verified report, satisfactory to Buyer and Buyer's counsel, from the Title Company or a reputable lien search company, indicating that there are no federal or state tax liens of record against the Property and on file with the respective agencies as of a date no more than 10 Business Days before the Closing Date.

7.1.3 Seller's Representations, Warranties, and Covenants. The representations and warranties of Seller in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date.

Seller must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date. Buyer must have been furnished with a certificate of Seller dated as of the Closing Date, certifying to the fulfillment of the foregoing conditions. Such certificate will have the effect of a representation and warranty of Seller made on and as of the Closing Date.

7.1.4 Approval of Contingencies. It is a Buyer's Closing Condition that Seller must have acknowledged its approval or waiver of all contingencies as required under ARTICLE 4. Notwithstanding any other provision of this Agreement, compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.

7.1.5 Closing Documents. Seller must have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.

7.1.6 Physical Condition. The physical condition of the Property must be substantially the same on the Closing Date as on the Effective Date, reasonable wear and tear excepted.

7.1.7 Adverse Actions. There will exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings, pending or threatened, against Seller or regarding the Property that would materially and adversely affect Seller's ability to perform its obligations under this Agreement or Buyer's title to the Property, and there will exist no pending or threatened action, suit, or proceeding regarding the Seller before or by any court or administrative agency that seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transactions contemplated by this Agreement.

7.1.8 Hazardous Material. No Hazardous Materials will have been discovered on the Property after the Contingency Date that were not previously disclosed to Buyer or discovered by Buyer before the Contingency Date.

7.1.9 No Material Changes. No event will have occurred nor will any condition have arisen after the Contingency Date that as of the Closing Date materially and adversely affects all or any part of the Property or its current or prospective operation, use, value, income, expenses, or occupancy.

7.1.10 Consents. All necessary agreements and consents of all parties to consummate the transaction contemplated by this Agreement will have been obtained and furnished by Seller to Buyer.

7.2 Seller's Closing Conditions. Seller's obligation to sell the Property is expressly conditioned on the fulfillment of each condition precedent at or before the Closing ("Seller's Closing Conditions"). Seller's Closing Conditions are solely for Seller's benefit and any of Seller's Closing Conditions may be waived in writing by Seller in whole or in part without prior notice.

7.2.1 Approval of Contingencies. It is a Seller's Closing Condition that Buyer must have acknowledged its approval or waiver of all contingencies as

required under ARTICLE 3. Notwithstanding any other provision of this Agreement, compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.

7.2.2 Purchase Price. Buyer must have delivered the Purchase Price to Escrow, plus or minus prorations and costs provided for in this Agreement.

7.2.3 Concurrent Closing of Escrow. It is a Seller's Closing Condition that the Buyer's purchase of the Property and the Church's purchase of the Remainder Land, close concurrently.

7.2.4 Delivery of Closing Documents and Funds. Buyer must have delivered to Escrow the documents and funds specified in Section 8.4.

7.2.5 Buyer's Representations, Warranties, and Covenants. The representations and warranties of Buyer in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Buyer must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date. Seller must have been furnished with a certificate of Buyer dated as of the Closing Date, certifying to the fulfillment of the foregoing conditions. Such certificate will have the effect of a representation and warranty of Buyer made on and as of the Closing Date.

7.3 Termination for Failure of a Condition. If Buyer's Closing Conditions or Seller's Closing Conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the party in whose favor the Closing Condition runs by written notice to the other. If this Agreement is so terminated, the parties will have no further obligation or liability under this Agreement, except as provided in ARTICLE 10, this Section 7.3, and Sections 3.7.2 and 8.8. Subject to Buyer's obligations and covenants under Section 7.2 and subject to ARTICLE 10, on such termination, Escrow Holder must return the Deposit to Buyer. Any cancellation fee or other costs of the Escrow Holder and Title Company will be borne equally by Seller and Buyer and each party will pay its own expenses.

## ARTICLE 8 -- CLOSING

8.1 Escrow. The Escrow will be opened with the Escrow Holder on the execution of this Agreement. This Agreement constitutes joint Escrow Instructions to Escrow Holder. Buyer and Seller will promptly on the Escrow Holder's request execute such additional Escrow instructions as are reasonably required to consummate the transaction contemplated by this Agreement and are not inconsistent with this Agreement.

### 8.2 Closing Definitions.

8.2.1 Definition. The "Closing" means the exchange of money and documents as described in this ARTICLE 8 and will be deemed to have occurred when Seller's Deed to Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining documents described in this ARTICLE 8, the Title Company is irrevocably and unconditionally committed to issue the Title

Policy, and Buyer has delivered the Purchase Price in immediately available funds to Escrow Holder.

8.2.2 Closing Date. Seller and Buyer agree that the Closing will occur on the "Closing Date." The Closing Date will be a date mutually agreeable to Buyer and Seller that is no later than 30 days after the Contingency Date. If the Closing has not occurred within 30 days after the Contingency Date, then subject to Section 7.3 either party may elect to terminate this Agreement, the Deposit will be returned to Buyer, and neither party will have any obligations to the other except on account of any breach of this Agreement. The Closing will be at the offices of Escrow Holder or such other place as the parties may agree.

8.3 Seller's Deposit of Documents and Funds. Seller must deposit into Escrow the following documents duly executed by Seller in form and substance reasonably satisfactory to Buyer:

8.3.1 Deed. The duly executed and acknowledged Deed conveying the Property to Buyer subject only to the Permitted Exceptions;

8.3.2 Bill of Sale. A duly executed bill of sale, in the form attached to this Agreement as Exhibit C, conveying the Personal Property to Buyer free and clear of liens, encumbrances, and restrictions of every kind and description ("Bill of Sale");

8.3.3 Assignment. A duly executed assignment, in the form attached to this Agreement as Exhibit D, assigning to Buyer Seller's interest (a) in the Plans (if any), (b) in all warranties of which Seller is the beneficiary with respect to the Improvements or Personal Property, (c) in all intangible assets of the Property, and (d) in such service contracts and other agreements as Buyer elects to assume ("Assignment");

8.3.4 Natural Hazard Disclosure. Completed Natural Hazard Disclosures specified under California Civil Code Section 1102.6c;

8.3.5 Real Estate Transfer Disclosure. A completed Real Estate Transfer Disclosure Statement;

8.3.6 Nonforeign Certification. Certificates required by §1445 of the Internal Revenue Code of 1986, and the California Revenue and Taxation Code §18662, executed by Seller and in a form satisfactory to Buyer ("Nonforeign Certification"), to relieve Buyer of any potential transferee's withholding liability under such statutes;

8.3.7 Seller's Proof of Power and Authority. Such proof of Seller's authority and authorization to enter into and perform under this Agreement, and such proof of power and authority of the individuals executing or delivering any instruments, documents, or certificates on behalf of Seller to act for and bind Seller as may reasonably be required by Buyer or the Escrow Holder, including without limitation, a Certificate of Partnership Authority (GP-1) duly executed by all Seller's partners, certified by the California Secretary of State, and recorded in the real property records of Contra Costa County, and a Partnership Certification,

duly executed by all Sellers partners and providing a true and correct copy of Seller's partnership agreement and all amendments and modifications; and

8.3.8 Additional Documents. Such additional documents, including written Escrow instructions consistent with this Agreement, as may be necessary or desirable to convey the Property in accordance with this Agreement.

8.4 Buyer's Deposit of Documents and Funds. Buyer must deposit into Escrow the following funds and documents duly executed by Buyer in form and substance reasonably satisfactory to Seller:

8.4.1 Purchase Price. The Purchase Price in accordance with ARTICLE 2, plus or minus prorations and costs as provided in this Agreement;

8.4.2 Assignment. The duly executed Assignment;

8.4.3 Buyer's Proof of Power and Authority. Such proof of Buyer's authority and authorization to enter into and perform under this Agreement, and such proof of power and authority of the individuals executing or delivering any instruments, documents, or certificates on behalf of Buyer to act for and bind Buyer, as may reasonably be required by Seller and the Escrow Holder; and

8.4.4 Conveyance Documents. Such documents, including written Escrow instructions consistent with this Agreement, as may be necessary or desirable for conveyance of the Property in accordance with this Agreement.

8.5 Closing. When the Escrow Holder receives all documents and funds identified in Sections 8.3 and 8.4, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder will close Escrow by:

8.5.1 Recording the Deed;

8.5.2 Issuing the Title Policy to Buyer;

8.5.3 Delivering to Buyer the Assignment, the Bill of Sale, the Nonforeign Certification, the Natural Hazard and Real Estate Transfer Disclosures, copies of all recorded documents related to the transfer or encumbering of the Property, and a copy of Seller's Escrow instructions; and

8.5.4 Paying the Purchase Price to Seller, plus or minus prorations and other charges provided for hereunder, and minus any required withholdings.

8.5.5 Thereafter, Title Company will deliver signed closing statements showing all receipts and disbursements to Buyer and Seller, will file with the Internal Revenue Service (with copies to Buyer and Seller) the reporting statement required under Internal Revenue Code §6045(e), and will, if required by the laws of California, remit required funds to the California Franchise Tax Board.

8.6 Prorations. All receipts and disbursements of the Property will be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price will be adjusted on the following basis:

8.6.1 Capital Expenditures and Accounts Payable. All capital and other improvements (including labor and material) that are performed or contracted for, by or on behalf of Seller before the Closing Date, and all sums due for accounts payable that were owed or incurred by the Property before the Closing Date, must be paid by Seller.

8.6.2 Property Taxes. All real and personal property ad valorem taxes and special assessments, if any, whether payable in installments or not, including without limitation all supplemental taxes attributable to the period before the Closing Date for the calendar year in which the Closing occurs, and all delinquencies, arrearages, and penalties, will be paid current and prorated to the Closing Date, based on the latest available tax rate and assessed valuation.

8.6.3 Utility Charges. Charges for utilities, including water, sewer, electric, and gas, will be prorated within 30 days after the Closing Date based on the then most recent bills for such services. Seller must pay for all utility services to the Property for all periods before the Closing and Buyer must pay for all utility services to the Property for the Closing Date and all periods thereafter.

8.7 Closing Costs. Closing costs will be allocated as follows:

8.7.1 Seller will pay all costs associated with removing any debt encumbering the Property;

8.7.2 Buyer will pay Escrow costs;

8.7.3 Buyer will pay the cost of the Title Policy;

8.7.4 Buyer will pay the cost of recording the Deed;

8.7.5 Buyer will share the costs of the Surveyor and the Civil Engineer with the Church as buyer of the Remainder Land, in accordance with the provisions of Section 3.5. Seller will have no obligation to pay these costs;

8.7.6 Buyer will pay any sales tax; and

8.7.7 Buyer will pay the documentary transfer tax and any municipal transfer tax.

8.8 Broker's Commission; Indemnity. Seller will pay Interio Real Estate Services ("Broker") for its services as broker in this transaction under the terms of a separate agreement between Seller and Broker. Broker has represented Seller and Buyer as a dual agent pursuant to the terms of a separate agreement, but **Buyer has no obligation to pay any fee, commission or compensation to Broker.** Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or person, other than the Broker, who can claim a commission or finder's fee as a procuring cause of the sale contemplated in this Agreement. If any other broker or finder perfects a claim for a commission or finder's fee based on any contract, dealings, or communication with a party ("Indemnifying Party"), then the Indemnifying Party must indemnify, defend, and hold the other party ("Nonindemnifying Party") harmless from all costs and expenses (including reasonable attorney fees and costs of defense) incurred by the Nonindemnifying Party in connection with such claim.

8.9 Possession. Seller will deliver exclusive right of possession of the Property to Buyer on the Closing Date.

#### ARTICLE 9 -- RISK OF LOSS

9.1 Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding ("Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer will be entitled to keep, all awards for the Condemnation that accrue to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must notify Buyer of any notice of Condemnation of all or any portion of the Property within 5 days after the receipt of this notice, and Buyer must exercise its option(s) as provided in this Section 9.1 within 10 days after receipt of such notice. If necessary, the Closing Date will be extended to give Buyer the full 10 day period to make such election.

9.2 Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, will have occurred that results in an uninsured loss of FIVE THOUSAND Dollars (\$5,000.00) or less, then at the Closing Seller must assign to Buyer the right to collect any insurance proceeds with respect to such loss and give Buyer a credit against the Purchase Price in the amount of such uninsured loss. If such damage or destruction results in an uninsured loss of more than FIVE THOUSAND Dollars (\$5,000.00), then within 5 days after determination of the amount of the insurance proceeds Seller must elect either (a) to give Buyer a credit for the entire amount of such uninsured loss and assign to Buyer the right to collect any insurance proceeds with respect to such loss, or (b) to terminate this Agreement. Despite any such damage or destruction, the Purchase Price for the Property will not be reduced except by the credits referred to above. For purposes of this Section 9.2, uninsured loss is the difference between (i) the sum of the actual cost necessary for the Seller to fully repair such damage and destruction, as determined by a qualified insurance adjuster selected by the insurance carrier providing insurance for the Property, and (ii) the total amount of insurance proceeds, which are the proceeds from any and all insurance with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance. Uninsured losses may arise because of self-insurance, deductible amounts under policies, proceeds of policies insufficient to cover the loss, risks not insured for, or otherwise. If any damage to or destruction of the Property occurs, the Closing Date will be extended until the amount of the insurance proceeds is determined and Seller has made any election permitted under this Section 9.2.

## ARTICLE 10 -- REMEDIES FOR DEFAULT

10.1 Buyer's Default. Buyer will be deemed to be in default under this Agreement (1) if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a condition precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (2) if a material breach of any representation or warranty (made by Buyer) has occurred by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that no default will be deemed to have occurred unless and until Seller has given Buyer written notice, describing the nature of the default, and Buyer has failed to cure such default within 5 days after the receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

10.2 REMEDIES FOR BUYER'S DEFAULT. IF THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT UNDER THE TERMS OF THIS AGREEMENT, BUYER WILL BE RESPONSIBLE FOR ALL CANCELLATION CHARGES REQUIRED TO BE PAID TO TITLE COMPANY AND ANY ESCROW CHARGES. IN ADDITION, THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES WILL TERMINATE AND THE INITIAL DEPOSIT (AND THE SECOND DEPOSIT, IF THE DEFAULT OCCURS AFTER THE SECOND DEPOSIT HAS BEEN DELIVERED TO ESCROW HOLDER BY BUYER) WILL BE IMMEDIATELY DELIVERED BY TITLE COMPANY TO SELLER ON SELLER'S REQUEST. THE INITIAL DEPOSIT, AND THE SECOND DEPOSIT, IF THE SECOND DEPOSIT HAS BEEN DELIVERED TO ESCROW HOLDER BY BUYER, WILL BE DEEMED LIQUIDATED DAMAGES FOR BUYER'S NONPERFORMANCE AS SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER (INCLUDING, WITHOUT LIMITATION, SELLER'S RIGHTS TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT AND TO RECEIVE DAMAGES) FOR BUYER'S FAILURE TO PURCHASE THE PROPERTY, WHICH SUMS WILL BE PRESUMED TO BE A REASONABLE ESTIMATE OF THE AMOUNT OF ACTUAL DAMAGES SUSTAINED BY SELLER BECAUSE OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY. FROM THE NATURE OF THIS TRANSACTION, IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER WOULD SUSTAIN IF BUYER BREACHES SUCH OBLIGATION. THE IMPRACTICABILITY AND DIFFICULTY OF FIXING ACTUAL DAMAGES IS CAUSED BY, WITHOUT LIMITATION, THE FACT THAT THE PROPERTY IS UNIQUE. GIVEN THE FOREGOING FACTS, AMONG OTHERS, BUYER AND SELLER AGREE THAT LIQUIDATED DAMAGES ARE PARTICULARLY APPROPRIATE FOR THIS TRANSACTION AND AGREE THAT SAID LIQUIDATED DAMAGES MUST BE PAID IN THE EVENT OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY, DESPITE ANY WORDS OR CHARACTERIZATIONS PREVIOUSLY USED OR CONTAINED IN THIS AGREEMENT IMPLYING ANY CONTRARY INTENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE §3275 OR §3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE §§1671, 1676, AND 1677. NOTHING IN THIS AGREEMENT WILL, HOWEVER, BE DEEMED TO LIMIT BUYER'S

LIABILITY TO SELLER FOR DAMAGES FOR BREACH OF BUYER'S INDEMNITY OBLIGATIONS UNDER SECTIONS 3.7.2 and 8.8, OR FOR ATTORNEY FEES AND COSTS AS PROVIDED IN SECTION 11.9.

WE ACKNOWLEDGE THIS LIQUIDATED DAMAGES PROVISION:

SELLER'S INITIALS: \_\_\_\_\_

BUYER'S INITIALS: RH by CR

10.3 Seller's Default. Seller will be deemed to be in default under this Agreement (1) if Seller fails, for any reason other than Buyer's default under this Agreement or the failure of a condition precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or (2) if a material breach of any representation or warranty (made by Seller) has occurred because of Seller's actual fraud or intentional misrepresentation; provided, however, that no default will be deemed to have occurred unless and until Buyer has given Seller written notice of the default, describing its nature, and Seller has failed to cure such default within 5 days after receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

10.4 Remedies for Seller's Default. If Seller defaults in its obligations under this Agreement to sell the Property to Buyer on the Closing Date through no fault of Buyer, then Buyer at its option may have the right to specific performance of this Agreement or the right to recover the Deposit and all of its general and specific damages. If, after the Closing Date, Buyer determines that Seller has breached any representation or warranty set forth in Section 6.1, then Buyer will have the right to bring an action for general and specific damages to Buyer. If this Agreement is terminated before the Closing Date for Seller's default, then, in addition to any remedy Buyer has under this Agreement, Seller will reimburse Buyer for the costs incurred by Seller in conducting its Due Diligence, including without limitation the cost of the Civil Engineer and Appraiser. NOTHING IN THIS AGREEMENT WILL BE DEEMED TO LIMIT SELLER'S LIABILITY TO BUYER FOR DAMAGES OR INJUNCTIVE RELIEF FOR BREACH OF SELLER'S INDEMNITY OBLIGATIONS UNDER SECTION 8.8, OR FOR ATTORNEY FEES AND COSTS AS PROVIDED IN SECTION 11.9.

10.5 ARBITRATION OF DISPUTES. Controversies or claims between Seller and Buyer that arise from (a) this Agreement (including any modifications to this agreement), (b) any document, agreement, or procedure related to or delivered in connection with this Agreement or the Property, (c) any violation of this Agreement, or (d) any claims for damages resulting from any business conducted between Seller and Buyer, including claims for injury to persons, property, or business interests (torts) will be resolved by arbitration in accordance with the rules of the American Arbitration Association, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction. This Section 10.5 will survive termination of this Agreement.

**NOTICE:**

BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "ARBITRATION OF DISPUTES" provision to neutral arbitration.

SELLER'S INITIALS: \_\_\_\_\_

BUYER'S INITIALS: RH by [signature]

**ARTICLE 11 -- GENERAL**

**11.1 Notices.**

11.1.1 Any notice, consent, request, demand, or other communication required or permitted under this Agreement shall be given in English in one or more of the ways described below and shall be deemed effective as provided below:

11.1.1.1 By personal delivery, which shall be effective on personal delivery to the recipient.

11.1.1.2 By first-class mail to the recipient at its address set forth below, which shall be effective 3 mail-delivery days after deposit in a United States Postal Service office or mailbox.

11.1.1.3 By certified mail, return receipt requested, to the recipient at its address set forth below, which shall be effective on delivery, provided that delivery is confirmed by a return receipt.

11.1.1.4 By overnight delivery by Federal Express/United Parcel Service/DHL Worldwide Express or other similar reputable carrier, with charges prepaid or charged to the sender's account, to the recipient at its address set forth below, which shall be effective on delivery, provided that delivery is confirmed by the delivery service.

11.1.1.5 By facsimile transmission to the recipient at the fax number set forth below, which shall be effective on receipt, provided that (a) the sender receives a written confirmation of receipt, and (b) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery. Any notice given by fax shall be deemed received on the next Business Day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

11.1.1.6 By email transmission to the recipient at its e-mail address set forth below, if the recipient confirms receipt of the email, or if the e-mail service provider furnishes unmodifiable proof (a) that the message was sent, (b) that the message was delivered to the recipient's e-mail server, and (c) of the time and date the message was delivered to the recipient, along with a verifiable electronic record of the content of the message. Any notice given by e-mail shall be deemed received on the next Business Day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

11.1.2 Addresses for Notice. The parties' addresses for purpose of giving notice under this Agreement are as follows:

Notice to Buyer must be given to the following:	
Mailing Address:	Town of Discovery Bay CSD 1800 Willow Lake Road Discovery Bay, CA 94505-9376
Physical Address:	Same as mailing
Fax:	
Email:	rhoward@todb.ca.gov
Buyer's Counsel:	James Nuss, Esq. Neumiller & Beardslee 509 W. Weber Avenue P. O. Box 20 Stockton, CA 95201-3020 Fax: 209) 948-4910 Email: dschroeder@neumiller.com and jnuss@neumiller.com

(Notice to Seller must be given to the following:	
Mailing Address:	
Physical Address:	
Fax:	
Email:	

Either party may change that party's addresses for these purposes by giving written notice of the change to the other party in the manner provided in this paragraph. If sent by mail, any notice, delivery, or other communication shall be effective or deemed to have been given three days after it has been deposited in the U.S. mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by email, wire or other form of telegraphic or electronic communication, any notice, delivery, or other communication shall be effective or deemed to have been given eight hours after it has been deposited with the carrier, prepaid and addressed as set forth above (except as provided in Section 11.1.1.6 for deliveries after 5 p.m. or on non-business days).

11.2 Entire Agreement. This Agreement and all exhibits, addenda, and schedules referred to in this Agreement constitute the complete, exclusive, and final statement of the terms of the agreement with respect to the sale of the Property between Buyer and Seller and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement will be construed as a whole in accordance with its fair meaning and without regard to California Civil Code §1654 or similar statutes. Neither party has been induced to enter into this Agreement by, and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

11.3 Amendments and Waivers. No addition to or modification of this Agreement will be effective unless it is made in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such waiver will not be enforceable by another party unless it is made in writing and signed by the waiving party. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.

11.4 Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance is adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, this fact will in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such

provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

11.5 No Merger. This Agreement, each provision of it, and all warranties and representations in this Agreement will survive the Closing and will not merge in any instrument conveying title to Buyer. All representations, warranties, agreements, and obligations of the parties will, despite any investigation made by any party to this Agreement, survive Closing, and the same will inure to the benefit of and be binding on the parties' respective successors and assigns.

11.6 References. Unless otherwise indicated, (a) all article and section references are to the articles and sections of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls on a Saturday, Sunday, or California state holiday, such time for performance will be extended to the next business day. "Business Days" means days other than Saturday, Sunday, and California state holidays. The headings used in this Agreement are provided for convenience only and this Agreement will be interpreted without reference to any headings. The date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.

11.7 Governing Law. This Agreement will be governed by the laws of the State of California applicable to contracts made by residents of the State of California and to be performed in California.

11.8 Time. Time is of the essence in the performance of the parties' respective obligations under this Agreement.

11.9 Attorney Fees. In the event of any action or proceeding to enforce a term or condition of this Agreement, any alleged disputes, breaches, defaults, or misrepresentations in connection with any provision of this Agreement or any action or proceeding in any way arising from this Agreement, including any interpleader of the Deposit by the Escrow Holder, the prevailing party in such action, or the nondismissing party when the dismissal occurs other than by a settlement, will be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorney fees and costs of defense paid or incurred in good faith. The "prevailing party," for purposes of this Agreement, will be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.

11.10 Assignment. This Agreement will inure to the benefit of and be binding on the parties to this Agreement and their respective successors and assigns. Buyer will have the right to assign all or any portion of its interest in this Agreement, provided that Buyer gives written notice of such assignment to Seller before the Closing Date.

11.11 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party to this Agreement or give any third person any right of subrogation or action over against any party to this Agreement.

11.12 Remedies Cumulative. The remedies set forth in this Agreement are cumulative and not exclusive to any other legal or equitable remedy available to a party.

11.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

11.14 Tax-Deferred Exchange. Seller may use the proceeds from the sale of the Property to effect one (or more) tax-deferred exchange(s) under Internal Revenue Code §1031. Buyer agrees to accommodate Seller in effecting such tax-deferred exchange. Seller will have the right, expressly reserved here, to elect such tax-deferred exchange at any time before the Closing Date. Seller and Buyer agree, however, that consummation of the purchase and sale of Property under this Agreement is not conditioned on such exchange. If Seller elects to make a tax-deferred exchange, Buyer agrees to execute such additional escrow instructions, deeds, documents, agreements, or instruments to effect this exchange, provided that Buyer must incur no additional costs, expenses, or liabilities in this transaction as a result of or in connection with this exchange. Seller agrees to hold Buyer harmless of any liability, damages, or costs, including reasonable attorney fees, that may arise from Buyer's participation in such exchange.

11.15 Interpretation. Throughout this Agreement, (a) the plural and singular numbers will each be considered to include the other; (b) the masculine, feminine, and neuter genders will each be considered to include the others; (c) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (d) "may" is permissive; (e) "or" is not exclusive; and (f) "includes" and "including" are not limiting.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**SELLER:**

Pilati Farms, a California general partnership

By: \_\_\_\_\_  
Name:  
Its General Partner

By: \_\_\_\_\_  
Name:  
Its General Partner

By: \_\_\_\_\_  
Name:  
Its General Partner

(Signatures Continue on the Following Page)

**BUYER:**

Town of Discovery Bay, a community services district

By: Rick Howard by a  
Rick Howard  
Its: General Manager

**CONSENT OF ESCROW HOLDER**

Old Republic Title Insurance Company ("Escrow Holder") accepts the foregoing Purchase and Sale Agreement and Joint Escrow Instructions as escrow instructions, agrees to act as escrow holder and agrees to be bound by their provisions applicable to it as Escrow Holder.

Date: Old Republic Title Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**TABLE OF EXHIBITS**

Exhibit A	Description of Property
Exhibit B	Form of Allocation of Purchase Price
Exhibit C	Form of Bill of Sale
Exhibit D	Form of Assignment

EXHIBIT A

Legal Description of "Seller's Real Property"

(NOTICE: AS DESCRIBED IN THE ATTACHED AGREEMENT, ONLY A PORTION OF THIS PROPERTY IS TO BE SOLD TO BUYER)

ORDER NO. : 1211030131-DC

EXHIBIT A

The land referred to is situated in the unincorporated area of the County of Contra Costa, State of California, and is described as follows:

PARCEL ONE:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF LOT 158 OF SAID LINE IS SHOWN ON THE MAP OF SUBDIVISION 4086, FILED IN BOOK 142 OF MAPS, AT PAGE 45, RECORDS OF CONTRA COSTA COUNTY, WITH THE GENERAL WESTERLY LINE OF THE PARCEL OF LAND DESCRIBED AS PARCEL ONE IN THE GRANT DEED TO BYRON UNION SCHOOL DISTRICT, RECORDED AUGUST 19, 1980, IN BOOK 9963, OF OFFICIAL RECORDS, RECORDS OF CONTRA COSTA COUNTY, AT PAGE 235; THENCE SOUTHERLY ALONG LAST SAID LINE SOUTH 22 DEG. 02 MIN. 51 SEC. WEST, 362.73 FEET; THENCE NORTH 89 DEG. 49 MIN. 57 SEC. WEST, 288.40 FEET; THENCE SOUTH 07 DEG. 12 MIN. 14 SEC. WEST, 271.66 FEET; THENCE SOUTH 53 DEG. 51 MIN. 17 SEC. WEST, 53.98 FEET; THENCE SOUTH 11 DEG. 48 IN. 53 SEC. EAST, 145.16 FEET TO THE NORTHERLY LINE OF THE 60 FOOT WIDE WILLOW LAKE ROAD, THE NORTHERLY LINE OF SAID WILLOW LAKE ROAD BEING SHOWN ON THE MAP OF SUBDIVISION 6698, FILED IN BOOK 307 OF MAPS, AT PAGE 77, RECORDS OF CONTRA COSTA COUNTY; THENCE ALONG SAID NORTHERLY LINE OF WILLOW LAKE ROAD NORTH 78 DEG. 45 MIN. 00 SEC. WEST 422.22 FEET TO THE EASTERLY LINE OF DISCOVERY BAY BOULEVARD 84 FEET WIDE, FORMERLY KNOWN AS RIVERLAKE ROAD, AS SAID ROAD IS SHOWN ON THE MAP OF SUBDIVISION 3653 FILED IN BOOK 123 OF MAPS, AT PAGE 18, RECORDS OF CONTRA COSTA COUNTY THENCE ALONG LAST SAID LINE NORTH 00 DEG. 56 MIN. 15 SEC. EAST, 792.41 FEET; THENCE SOUTH 89 DEG. 03 MIN. 45 SEC. EAST, 95.00 FEET; THENCE NORTH 00 DEG. 56 MIN. 15 SEC. EAST, 45.54 FEET; THENCE FROM A TANGENT BEARING SOUTH 11 DEG. 56 MIN. 56 SEC. EAST, ALONG THE ARC OF A 80 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 167 DEG. 06 MIN. 49 SEC., A DISTANCE OF 233.33 FEET; THENCE NORTH 00 DEG. 56 MIN. 15 SEC. EAST, 64.98 FEET TO THE SOUTHERLY BOUNDARY LINE OF THE AFORESAID SUBDIVISION 4086; THENCE ALONG THE LAST SAID LINE FROM A TANGENT BEARING SOUTH 76 DG. 46 MIN. 00 SEC. EAST, ALONG THE ARC OF A 4,012 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 7 DEG. 37 IN. 00 SEC., A DISTANCE OF 533.34 FEET TO THE POINT OF A COMPOUND CURVE; THENCE FROM A TANGENT BEARING SOUTH 69 DEG.09 MIN. 00 SEC. EAST, ALONG THE ARC OF A 382.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 19 DEG. 02 MIN. 30 SEC., A DISTANCE OF 126.95 FEET TO THE POINT OF BEGINNING.

a. EXCEPTING THEREFROM:

THAT PORTION DESCRIBED IN THE GRANT DEED TO THE BYRON FIRE PROTECTION DISTRICT RECORDED JULY 18, 1990, INSTRUMENT NO. 90-145283, CONTRA COSTA COUNTY RECORDS.

b. ALSO EXCEPTING THEREFROM THE FOLLOWING:

1) THE UNDIVIDED 1/2 INTEREST "IN AND TO ALL OIL, GAS, HYDROCARBONS AND OTHER

Page 1 of 4

MINERALS OF EVERY KIND AND NATURE", GRANTED IN THE DEED TO FRANK A. WEST, ET AL." RECORDED DECEMBER 21, 1962, BOOK 4268, OFFICIAL RECORDS, PAGE 334, NOT EXCEPTING, HOWEVER, THE INTEREST IN THAT PORTION THEREOF "LYING WITHIN 500 FEET OF THE SURFACE" GRANTED IN THE DEED TO BIXLAND CORPORATION, RECORDED JANUARY 22, 1969, BOOK 5796, OFFICIAL RECORDS, PAGE 446. 2) THE UNDIVIDED 1/4 INTEREST "AND TO ALL OIL, GAS, HYDROCARBONS AND OTHER MINERALS", RESERVED IN THE DEED FROM FRED PEZZI, ET AL., RECORDED NOVEMBER 2, 1965, BOOK 4985, OFFICIAL RECORDS, PAGE 351, NOT EXCEPTING, HOWEVER, THE INTEREST IN THAT PORTION THEREOF "LYING WITHIN 500 FEET OF THE SURFACE" GRANTED IN THE DEED TO BIXLAND CORPORATION, RECORDED JANUARY 22, 1969, BOOK 5796, OFFICIAL RECORDS, PAGE 446.

c. ALSO EXCEPTING THEREFROM, THE FOLLOWING DESCRIBED LAND:

COMMENCING AT THE MOST EASTERLY CORNER OF LOT 157 AS SHOWN ON THAT SUBDIVISION MAP TITLED "AMENDED MAP SUBDIVISION NO. 4085 DISCOVERY BAY-UNIT FOUR", RECORDED IN BOOK 171 OF MAPS, PAGE 36, CONTRA COSTA COUNTY; THENCE ALONG THE SOUTHWESTERLY BOUNDARY OF SAID SUBDIVISION ALONG A CURVE CONCAVE TO THE SOUTHWEST WITH A RADIUS OF 1432.00 FEET AND A CENTRAL ANGLE OF 0 DEG. 51 MIN. 26 SEC. A RADIAL BEARING OF NORTH 40 DEG. 44 MIN. 56 SEC. EAST, AND LENGTH OF 21.42 FEET TO THE POINT OF BEGINNING; THENCE ALONG THE BOUNDARY OF THAT PROPERTY DESCRIBED IN THAT DOCUMENT RECORDED IN BOOK 14583, PAGE 0118 OF OFFICIAL RECORDS, CONTRA COSTA COUNTY THE FOLLOWING COURSES:

SOUTH 22 DEG. 02 MIN. 51 SEC. WEST 362.73 FEET; THENCE NORTH 89 DEG. 49 MIN. 57 SEC. WEST 288.40 FEET; THENCE SOUTH 07 DEG. 12 MIN. 14 SEC. WEST 271.66 FEET; THENCE SOUTH 53 DEG. 51 MIN. 17 SEC. WEST 53.98 FEET; THENCE SOUTH 11 DEG. 48 MIN. 53 SEC. EAST 18,27 FEET; THENCE LEAVING SAID BOUNDARY LINE SOUTH 83 DEG. 53 MIN. 00 SEC. WEST 4166 FEET; THENCE ALONG A NON-TANGENTIAL CURVE CONCAVE EASTERLY WITH A RADIUS OF 11.97 FEET AND RADIAL BEARING OF SOUTH 32 DEG. 31 MIN. 50 SEC. EAST A CENTRAL ANGLE OF 197 DEG, 29 MIN. 29 SEC. AND LENGTH 41.26 FEET; THENCE NORTH 73 DEG. 18 MIN. 25 SEC. EAST 49.65 FEET; THENCE NORTH 54 DEG. 37 MIN. 11 SEC. EAST 11.48 FEET; THENCE NORTH 17 DEG. 57 MIN. 42 SEC. EAST 38.29 FEET; THENCE NORTH 12 DEG. 52 MIN. 33 SEC. EAST 49.64 FEET; THENCE NORTH 5 DEG. 56 MIN. 36 SEC. EAST 49.99 FEET; THENCE NORTH 4 DEG. 06 MIN. 23 SEC. EAST 57.60 FEET; THENCE NORTH 17 DEG. 14 MIN. 10 SEC. EAST 33.37 FEET; THENCE NORTH 0 DEG. 48 MIN. 17 SEC. EAST 5347 FEET; THENCE ALONG A NON-TANGENTIAL CURVE CONCAVE EASTERLY WITH A RADIUS OF 60.57 FEET AND RADIAL BEARING OF SOUTH 56 DEG. 52 MIN. 16 SEC. WEST, A CENTRAL ANGLE OF 44 DEG. 05 MIN. 03 SEC. AND LENGTH OF 46.60 FEET; THENCE NORTH 22 DEG. 56 MIN. 17 SEC. EAST 26.26 FEET; THENCE NORTH 40 DEG. 33 MIN. 33 SEC. EAST, 19.33 FEET; THENCE NORTH 64 DEG. 50 MIN, 31 SEC. EAST 43.60 FEET; THENCE NORTH 58 DEG. 11 MIN. 36 SEC. EAST 33.47 FEET; THENCE NORTH 9 DEG. 04 MIN. 03 SEC. EAST 14.87 FEET; THENCE NORTH 19 DEG. 05 MIN. 40 SEC. EAST 34.99 FEET; THENCE NORTH 10 DEG. 23 MIN. 28 SEC. WEST 57.46 FEET; THENCE NORTH 38 DEG. 58 IN. 09 SEC. EAST 25.10 FEET; THENCE NORTH 66 DEG. 56 MIN. 58 SEC. EAST 45.55 FEET; THENCE NORTH 58 DEG. 16 MIN. 52 SEC. EAST 20.62 FEET; THENCE SOUTH 75 DEG. 28 MIN. 59 SEC. EAST 84.47 FEET; THENCE ALONG A NON-TANGENTIAL CURVE CONCAVE NORTHERLY WITH A RADIUS OF 32.02 FEET AND RADIAL BEARING OF SOUTH 22 DEG. 34 MIN. 02 SEC. WEST A CENTRAL ANGLE OF 67 DEG. 10 MIN. 08 SEC. AND A LENGTH OF 37.54 FEET; THENCE NORTH 41 DEG. 49 MIN. 08 SEC. EAST 62.85 FEET; THENCE NORTH 21 DEG. 55 MIN. 49 SEC. EAST 35.40 FEET; THENCE NORTH 68 DEG. 24 MIN. 36 SEC. WEST 66.34 FEET; THENCE NORTH 76 DEG. 06 MIN. 58 SEC. WEST 27.10

FEET; THENCE NORTH 11 DEG. 05 MIN. 50 SEC. WEST 31.74 FEET; THENCE NORTH 50 DEG. 22 MIN. 07 SEC. EAST 45.04 FEET TO THE SOUTHWESTERLY BOUNDARY OF SAID SUBDIVISION; THENCE ALONG THE SOUTHWESTERLY BOUNDARY OF SAID SUBDIVISION ALONG A NON-TANGENTIAL CURVE CONCAVE SOUTHERLY WITH A RADIUS 4012.00 FEET AND RADIAL BEARING OF NORTH 19 DEG. 49 MIN. 02 SEC. EAST A CENTRAL ANGLE OF 1 DEG. 01 IN. 58 SEC. AND LENGTH OF 72.32 FEET; THENCE CONTINUING ALONG THE SOUTHWESTERLY BOUNDARY LINE OF SAID SUBDIVISION ALONG A TANGENTIAL CURVE TO THE RIGHT WITH A RADIUS OF 382.00 FEET, CENTRAL ANGLE 19 DEG. 02 MIN. 30 SEC. AND LENGTH OF 126.95 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 173, AS SHOWN ON THE AMENDED MAP OF SUBDIVISION NO. 4086, DISCOVERY BAY - UNIT FOUR, WHICH WAS FILED IN THE OFFICE OF THE RECORDER OF CONTRA COSTA COUNTY IN BOOK 142 OF MAPS, AT PAGE 54, SAID POINT OF BEGINNING ALSO BEING ON THE EASTERN LINE OF DISCOVERY BAY BOULEVARD (FORMERLY RIVERLAKE ROAD), AS SHOWN ON THE AMENDED MAP OF SUBDIVISION 3653, DISCOVERY BAY — UNIT ONE, WHICH WAS FILED IN THE OFFICE OF THE RECORDER OF CONTRA COSTA COUNTY, IN BOOK 169 OF MAPS, AT PAGE 42; THENCE FROM SAID POINT OF BEGINNING SOUTHERLY ALONG SAID EASTERN LINE OF DISCOVERY BAY BOULEVARD THE FOLLOWING TWO COURSES:

ALONG THE ARC OF A CURVE TO THE LEFT TANGENT TO A LINE THAT BEARS SOUTH 01 DEG. 19 MIN. 08 SEC. WEST HAVING A RADIUS OF 2403 FEET AND A CENTRAL ANGLE OF 00 DEG. 22 MIN. 53 SEC., AN ARC LENGTH OF 16.00 FEET AND SOUTH 00 DEG. 56 MIN. 15 SEC. WEST, 64.06 FEET TO THE INTERSECTION OF SAID LINE AND NORTHERLY LINE OF THE LAND DESCRIBED IN THE GRANT DEED FROM DISCOVERY BAY CORPORATION TO DISCOVERY BAY YACHT AND COUNTRY CLUB, WHICH WAS FILED IN THE OFFICE OF THE RECORDER OF CONTRA COSTA COUNTY, IN BOOK 7576 OF OFFICIAL RECORDS, AT PAGE 480, THENCE ALONG SAID NORTHERLY LINE SOUTH 89 DEG.. 03 MIN. 45 SEC. EAST 93.00 FEET; THENCE SOUTH 00 DEG. 56 MIN. 15 SEC. WEST 31.62 FEET; THENCE EASTERLY LONG THE ARC OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 80 FEET A CENTRAL ANGLE OF 180 DEG. 00 MIN. 00 SEC., AN ARC LENGTH OF 251.33 FEET; THENCE NORTH 00 DEG. 56 MIN. 15 SEC. EAST 64.98 FEET TO A POINT IN THE SOUTHERN LINE OF SAID SUBDIVISION 4086; THENCE LEAVING SAID LANDS OF DISCOVERY BAY YACHT AND COUNTRY CLUB, ALONG LAST SAID SOUTHERN LINE ALONG THE ARC OF A CURVE TO THE LEFT TANGENT TO A LINE THAT BEARS NORTH 76 DEG. 46 MIN. 00 SEC. WEST HAVING A RADIUS OF 4012 FEET AND A CENTRAL ANGLE OF 03 DEG. 40 MIN. 26 SEC., AN ARC LENGTH OF 257.26 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM:

THAT PARCEL OF LAND DESCRIBED IN THE DEED TO CONTRA COSTA COUNTY SANITARY DISTRICT NO. 19, RECORDED JUNE 30, 1972, BOOK 6678, OFFICIAL RECORDS, PAGE 365.

ALSO EXCEPTING THEREFROM:

1) THE UNDIVIDED 1/2 INTEREST "IN AND TO ALL OIL, GAS, HYDROCARBONS AND OTHER MINERALS OF EVERY KIND AND NATURE", GRANTED IN THE DEED TO FRANK A. WEST, ET AL." RECORDED DECEMBER 21, 1962, BOOK 4268, OFFICIAL RECORDS, PAGE 334, NOT

EXCEPTING, HOWEVER, THE INTEREST IN THAT PORTION THEREOF "LYING WITHIN 500 FEET OF THE SURFACE" GRANTED IN THE DEED TO BIXLAND CORPORATION, RECORDED. JANUARY 22, 1969, BOOK 5796, OFFICIAL RECORDS, PAGE 446. 2) THE UNDIVIDED 1/4 INTEREST "AND TO ALL OIL, GAS, HYDROCARBONS AND OTHER MINERALS", RESERVED IN THE DEED FROM FRED PEZZI, ET AL., RECORDED NOVEMBER 2, 1965, BOOK 4985, OFFICIAL RECORDS, PAGE 351, NOT EXCEPTING, HOWEVER, THE INTEREST IN THAT PORTION THEREOF "LYING WITHIN 500 FEET OF THE SURFACE" GRANTED IN THE DEED TO BIXLAND CORPORATION, RECORDED JANUARY 22, 1969, BOOK 5796, OFFICIAL RECORDS, PAGE 446. 3) THAT PORTION IN THE GRANT DEED TO THE BYRON FIRE PROTECTION DISTRICT RECORDED JULY 18, 1990, INSTRUMENT NO. 90-145283, OFFICIAL RECORDS.

APN: 008-200-011, AS TO PARCEL TWO  
008-200-014, AS PARCEL ONE

EXHIBIT B

Allocation of Purchase Price

The undersigned, Pilati Farms, a California general partnership ("Seller"), and the Town of Discovery Bay, a community services district ("Buyer") entered into that certain Purchase and Sale Agreement dated as of \_\_[date]\_\_ (Agreement) for the purchase and sale of certain Property described in the Agreement. Acting under Section 2.8 of the Agreement, the undersigned agree that the Purchase Price will be allocated as follows:

[List the amount allocated to each of the asset classes specified in IRC §1060 that are included in the transaction, indicating "none" if no assets of that asset class were transferred.]

Land and Appurtenances: \_\_[dollar amount]\_\_;

Improvements: \_\_[dollar amount]\_\_;

Equipment: \_\_[dollar amount]\_\_;

Intangible Personal Property: \_\_[dollar amount]\_\_; and

Goodwill: \_\_[dollar amount]\_\_.

IN WITNESS WHEREOF, the parties have executed this Allocation of Purchase Price as of the date written below.

**SELLER:**

Pilati Farms, a California general partnership

By: \_\_\_\_\_  
Name:  
Its General Partner

By: \_\_\_\_\_  
Name:  
Its General Partner

By: \_\_\_\_\_  
Name:  
Its General Partner

**BUYER:**

Town of Discovery Bay, a community services district

By: \_\_\_\_\_  
Rick Howard  
Its: General Manager

## EXHIBIT C

### Form of Bill of Sale

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged by execution of this document, the undersigned, Pilati Farms, a California general partnership (Owning Entity) does on \_\_[date]\_\_, grant, convey, transfer, assign, bargain, sell, deliver, and set over unto the Town of Discovery Bay, a community services district, its successors and assigns (Acquiror), forever, all of the Owning Entity's right, title, and interest in and to the following personal property located in and upon and used in connection with the operation of all the improvements (Improvements) on the land located in \_\_[city]\_\_, California, generally known as \_\_\_\_\_, as more particularly described on Exhibit A attached to this document (the Land): (a) all appliances, parts, instruments, equipment, personal property, appurtenances, accessories, furnishings, fixtures, and other property owned by Owning Entity and incorporated or installed in or on and used in connection with the operation of the Improvements or attached to the Land and including without limitation any reports, plans, renderings, permits, approvals, and maps related to the Improvements or Land, (collectively, the Personal Property), and (b) all warranties, guaranties and indemnities, whether those warranties, guaranties, and indemnities are express or implied, and all similar rights that Owning Entity may have against any manufacturer, supplier, seller, engineer, contractor, or builder, in respect of the Personal Property, or any portion of the Personal Property (collectively, Warranties).

Owning Entity does represent and warrant to Acquiror that Owning Entity is the lawful owner of the Personal Property and the Warranties and that the Personal Property and the Warranties are free and clear from all liens and encumbrances. Owning Entity shall indemnify, defend, and hold Acquiror harmless from and against any and all claims, demands, costs, liabilities, losses, damages, penalties, or expenses of any kind, including without limitation attorney and expert witness fees that may be brought or made against Acquiror or that Acquiror may incur by reason of any defect in Owning Entity's title to the Personal Property or in the Warranties as represented and warranted in this document, or as a result of a lien or encumbrance on the Personal Property.

Except as set forth in the preceding paragraph, the sale of the Personal Property is on an "as is," "with all faults" basis and without any warranty or representation, express or implied, of any nature or sort, including, without limitation, any warranty of merchantability, fitness of use for a particular purpose, or otherwise.

(Text Continues on the Following Page)

This Bill of Sale shall in all respects be governed by, and construed in accordance with the laws of the State of California, including all matters of construction, validity, and performance.

IN WITNESS WHEREOF, Owing Entity has caused this Bill of Sale to be duly executed and delivered on the day and year specified above.

Owing Entity :

Pilati Farms, a California general partnership

By: \_\_\_\_\_  
Name:  
Its General Partner

By: \_\_\_\_\_  
Name:  
Its General Partner

By: \_\_\_\_\_  
Name:  
Its General Partner

Acquiror:

Town of Discovery Bay, a community services district

By: \_\_\_\_\_  
Rick Howard  
Its: General Manager

EXHIBIT D

Form of Assignment

RECORDING REQUESTED BY:

Title Company

WHEN RECORDED, RETURN TO:

Town of Discovery Bay CSD  
1800 Willow Lake Road  
Discovery Bay, CA 94505-9376

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ASSIGNMENT OF INTANGIBLES

THIS ASSIGNMENT OF INTANGIBLES (the Intangible Property Assignment) is entered into as of \_\_[date]\_\_ by and between Pilati Farms, a California general partnership (Assignor), and Town of Discovery Bay, a Community Services District (Assignee).

RECITALS

The parties enter into this Intangible Property Assignment on the basis of the following facts, understandings, and intentions:

A. Assignor, as the owner of the land and improvements located at \_\_[address]\_\_, California, as more particularly described in attached Exhibit A (Property), is party to, holder of, or owner of those certain contracts, agreements, guarantees, warranties, licenses, permits, consents, approvals, and other documents of every kind and nature relating to, utilized in connection with, necessary to, or appropriate for the operation of the Property, including without limitation all of the following: (1) all equipment leases, rental agreements, and similar financing agreements concerning any item of Personal Property described on attached Exhibit B (collectively, the Equipment Leases); (2) all contracts or agreements for the service, maintenance, and operation of the Property, including without limitation supply contracts, utility service agreements, trash disposal contracts, maintenance and repair contracts, janitorial service contracts, landscaping maintenance agreements, and license and concession agreements and every other contract described on attached Exhibit C (collectively, the Service Contracts); (3) all licenses, franchises, registrations, certificates, approvals, and permits, issued by governmental authorities or quasi-governmental authorities and required for the occupancy, maintenance, or operation of the Property or any part of the Property, including building pads, certificates of occupancy, and business licenses described on attached Exhibit D (collectively, the Permits) (all of the items described in clauses (1) through (3) of this Recital A shall collectively be referred to as the Contracts); (4) names commonly used in the operation of the Property, together with the goodwill appurtenant

to those names (collectively, the Names); (5) all contract rights, trademarks, logos, copyrights, and other items of tangible or intangible personal property relating to the ownership or operation of the Property (collectively, the Miscellaneous Assets); and (6) any condemnation or insurance award or other awards now pending or made after the close of escrow or Assignee's acquisition of the Property, by any private entity or any municipal, county, state, or federal authority or board with respect to the Property (collectively, Awards).

B. Assignor is contributing to Assignee and Assignee is acquiring from Assignor any and all of Assignor's right, title, and interest in and to the Property. With the execution of this Assignment, Assignor is assigning to Assignee all Assignor's right, title, and interest in the Contracts, Names, Miscellaneous Assets, and Awards (collectively, the Intangible Property). In connection with the acquisition and contribution of Assignor's interest in the Property, Assignor desires to assign to Assignee and Assignee desires to accept the assignment of all of Assignor's right, title, and interest in and to the Intangible Property, and Assignee desires to assume all of Assignor's obligations, all on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and conditions contained in them, the parties agree as follows:

1. Assignment. Effective as of the date of this Intangible Property Assignment, Assignor assigns, transfers, and conveys to Assignee all of Assignor's right, title, and interest in and to the Intangible Property.

2. Acceptance. Assignee accepts the foregoing assignment and assumes all obligations under the Service Contracts and Equipment Leases to the extent these obligations relate to the period on or after the date of this Intangible Property Assignment.

3. Indemnity. Assignor shall indemnify, protect, and defend Assignee against and hold Assignee harmless from any and all losses, costs, damages, liabilities and expenses, including attorney fees, incurred by Assignee as a result of any claim of any third party arising with respect to an event or alleged default, action, omission, or negligence of Assignor or its employees, agents, guests, or invitees, occurring on or before the date of this Assignment in connection with any of the Intangible Property. Assignee shall indemnify, protect, and defend Assignor against and hold Assignor harmless from any and all losses, costs, damages, liabilities, and expenses, including attorney fees, incurred by Assignor as a result of any claim of any third party arising with respect to an event or alleged default, action, omission, or negligence of Assignee or its employees, agents, guests, or invitees, occurring after the date of this Intangible Property Assignment in connection with any of the Intangible Property.

4. Severability. If any term of this Intangible Property Assignment or its application to a person or circumstance shall to any extent be declared invalid or unenforceable, the remainder of this Intangible Property Assignment or the application of the term to

persons or circumstances other than those to which it is invalid or unenforceable shall not be affected, and each term of this Intangible Property Assignment shall remain valid and enforceable to the fullest extent permitted by law.

5. Partnership. None of the terms and conditions of this Intangible Property Assignment shall create a partnership between the parties and their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. This Intangible Property Assignment is not intended, nor shall it be construed, to create any third-party beneficiary rights in any person who is not a party to it, including other parties to the Contracts.

6. Attorney Fees. If a dispute arises concerning the performance of obligations under this Intangible Property Assignment or the meaning or interpretation of any provision of it, the party not prevailing in the dispute shall pay any and all costs and expenses incurred by the other party in establishing its rights under this Intangible Property Assignment, including costs and reasonable attorney and expert witness fees.

7. Successors and Assigns. This Intangible Property Assignment shall be binding on and inure to the benefit of the parties and their successors and assigns.

8. Governing Law. This Intangible Property Assignment shall be governed by and construed in accordance with the laws of the State of California.

9. Joint and Several. The respective representations, warranties, covenants, and obligations of Assignor and Assignee shall be joint and several as to each party comprising Assignor.

10. Exhibits. Exhibits A, B, C, and D attached to this Intangible Property Assignment are incorporated in this document by this reference.

(Text Continues on Following Page)

11. Counterparts. This Intangible Property Assignment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. The signature page of this Intangible Property Assignment may be detached from and added to any counterpart of this Intangible Property Assignment identical in form.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Intangible Property Assignment as of the date specified above.

Assignor:

Pilati Farms, a California general partnership

By: \_\_\_\_\_

Name:  
Its General Partner

By: \_\_\_\_\_

Name:  
Its General Partner

By: \_\_\_\_\_

Name:  
Its General Partner

Assignee:

Town of Discovery Bay, a community services district

By: \_\_\_\_\_

Rick Howard  
Its: General Manager

## COUNTER OFFER NO. TWO

This is Counter Offer No. Two ("Counter Offer No. Two") to the Purchase and Sale Agreement and Joint Escrow Instructions dated September 6, 2012 (the "Offer"), between the Town of Discovery Bay, a community services district ("Buyer") and Pilati Farms, a California partnership ("Seller") and regarding property located in the County of Contra Costa, California, designated as APN 008200011 and APN 008200014.

Seller previously proposed Counter Offer No. One dated September 10, 2012 ("Counter Offer No. One") to the Offer. Buyer accepted Counter Offer No. One, subject to the terms and conditions of this Counter Offer No. Two, and this Counter Offer No. Two completely replaces and supersedes all the terms and conditions of Counter Offer No. One.

Upon execution by Seller and Buyer the Offer and this Counter Offer No. Two will constitute the entire agreement of the parties.

### Terms and Conditions:

1. The term "Effective Date" in the Offer is redefined to be the date that the Offer or a counter-offer is accepted. The term "Contingency Date" in Section 3.2 is redefined to be the date that is sixty (60) days after the Effective Date.
2. Replace Section 2.3 of the Offer with the following:  
Combined Price. For purposes of determining the Purchase Price, Seller and Buyer agree that the combined purchase price of the Property and the Remainder Land shall be \$1,200,000 (the "Combined Final Price").
3. Replace the term "Combined Price" with the term "Combined Final Price" throughout the Offer.
4. Buyer to provide Seller with proof of cash to close within 15 days of the Effective Date. Acceptable proof of cash is an account statement showing funds in Buyer's Money Market Mutual Fund of at least \$1,000,000. All information except the amount of the account balance and the name of the account holder will be redacted.
5. Replace Section 2.4 of the Offer with the following:  
Agreement of Buyer and Church. Buyer's obligation to purchase the Property is conditioned on the Buyer and the Church agreeing in writing, on or before the Contingency Date, on the share of the Combined Final Price that each will pay. The share agreed to by the Buyer will be the Purchase Price. If the Buyer and the Church do not so agree, then Buyer may terminate this Agreement pursuant to Section 3.10. Buyer and Seller understand and acknowledge that it is a Seller's contingency in Section 4.1 that Seller enter into a purchase and sale agreement for the sale of the Remainder Land on terms and conditions satisfactory to Seller and that close of escrow for such sale occur concurrently with the Closing under this Agreement.
6. Replace Section 3.4 of the Offer with the following:  
Adjustment of Parcel Lines. Buyer's obligation to purchase the Property is expressly conditioned on Buyer's satisfaction, on or before the Contingency Date, with the exact location, boundaries and configuration of the Land. Such location, boundaries and configuration must be in compliance with the Subdivision Map Act and the Subdivided Lands Act. Compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.
7. Delete Sections 4.1.1, 4.1.2 and 4.1.3 from the Offer.
8. All Buyer's and Seller's contingencies set out in Articles 3 and 4 must be removed by the Contingency Date, or the date by which the Church must complete all contingencies to its purchase of the Remainder Land, whichever date is later, or this Agreement may be terminated pursuant to Section 3.10 (Buyer) or Section 4.2 (Seller).

9. Seller will deliver the Preliminary Documents to Buyer as required by Section 3.1. The Contingency Date will be extended for each day beyond the initial 15 days that Seller takes to deliver the Preliminary Documents to Buyer, up to a total of 30 days from the Effective Date, unless the Seller and Buyer otherwise agree in writing.
10. The Closing Date will be a date mutually agreeable to Buyer and Seller that is no later than 90 days from the Effective Date. Buyer and Seller must agree in writing to any further extensions of the Closing Date.
11. Replace Sections 1.3.1 and 1.3.2 of the Offer with the following:
  - 1.3.1. Within 5 days of the Effective Date Buyer will engage Kier & Wright Civil Engineers & Surveyors, Inc. (the "Civil Engineers") to (i) conduct a ALTA Survey of the Seller's Real Property meeting the requirements of the most current edition of the ALTA/ACSM Minimum Survey Standards (the "Survey") and showing Items selected in the discretion of Buyer from Table A of the ALTA/ACSM Minimum Survey Standards; (ii) consult with Seller, Buyer and Church to determine the exact location, boundaries and configuration of the Land and the Remainder Land; and (iii) to apply for such permits and take all action necessary to obtain the approval of the County of Contra Costa and any other applicable governmental entity so that the lot lines of the Seller's Real Property are adjusted to conform with Buyer's requirements for this sales transaction. Such location, boundaries and configuration must be in compliance with the Subdivision Map Act and the Subdivided Lands Act. Compliance with the Subdivision Map Act and the Subdivided Lands Act is required by law and cannot be waived.
  - 1.3.2 Buyer and Church shall meet and confer with the Civil Engineers and in good faith negotiate for the adjustment of the Seller's Real Property lot lines to result in agreeably sized and located portions of Seller's Real Property for Buyer's and Church's acquisition.

**SELLER:**

Accepted September 21, 2012

Pilati Farms, a California general partnership

By: \_\_\_\_\_

Name:  
Its General Partner

By: \_\_\_\_\_

Name:  
Its General Partner

By: \_\_\_\_\_

Name:  
Its General Partner

**BUYER:**

Accepted September \_\_, 2012

Town of Discovery Bay, a community services district

By: \_\_\_\_\_

Richard J. Howard  
Its: General Manager



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**COUNTER OFFER No. ONE**  
For use by Seller or Buyer. May be used for Multiple Counter Offer.  
(C.A.R. Form CO, Revised 11/10)

This is a counter offer to the:  California Residential Purchase Agreement,  Counter Offer, or  Other Purchase agreement ("Offer"),  
dated September 6, 2012, on property known as APH 008200011/008200014 D.B. BLVD ("Property"),  
between TOWN OF DISCOVERY BAY, A COMMUNITY SERVICES DISTRICT ("Buyer") and  
PILATI FARMS, A CALIFORNIA PARTNERSHIP ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
  - A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
  - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
  - C. 1. PURCHASE PRICE TO BE 1,200,000.00  
2. BUYER TO PROVIDE PROOF OF CASH TO CLOSE WITHIN 15 DAYS OF ACCEPTANCE  
3. CLOSE OF ESCROW TO BE 90 DAYS FROM ACCEPTANCE  
4. ALL CONTINGENCIES REGARDING LOT LINE, CHURCH, APPRAISALS, BOARD AND COUNTY APPROVALS, INSPECTIONS, SELLER DISCLOSURES, ETC. TO BE REMOVED 45 DAYS FROM ACCEPTANCE  
5. SELLER TO PROVIDE ALL DISCLOSURES, AND LIST OF ITEMS/GOODS ASSOCIATED WITH PURCHASE WITHIN 30 DAYS OF ACCEPTANCE 6. PROPERTY TO BE SOLD "AS IS"
  - D. The following attached addenda are incorporated into this Counter Offer:  Addendum No. \_\_\_\_\_
2. RIGHT TO ACCEPT OTHER OFFERS: If this is a Seller Counter Offer, (i) Seller has the right to continue to offer the Property for sale or for another transaction, and to accept any other offer at any time prior to Acceptance, as described in paragraph 3 and (ii) Seller's acceptance of another offer prior to Buyer's Acceptance of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or by \_\_\_\_\_, who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by  \_\_\_\_\_ (date), at  AM  PM. This Counter Offer may be executed in counterparts.

4.  (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by \_\_\_\_\_, who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by  \_\_\_\_\_ (date), at  AM  PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property. **NOTE TO SELLER: Sign and date in paragraph 5 to make this Counter Offer.**

5. OFFER: I, \_\_\_\_\_, SELLER MAKE THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.  
Date 09/10/2012  
Date 09/10/2012

6. ACCEPTANCE: I/we accept the above Counter Offer (if checked  SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.  
Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM  
Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer.  
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)  
Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM  
Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM

8. \_\_\_\_\_ / \_\_\_\_\_ (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) \_\_\_\_\_ at \_\_\_\_\_  AM  PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Acceptance has occurred.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**FINAL**

TownOfDiscoveryBay CSD  
Received

OCT 03 2012



**CONTRA COSTA COUNTY  
AVIATION ADVISORY COMMITTEE  
MINUTES OF MEETING  
July 12, 2012**

**MEETING CALLED:** The meeting was called to order by Chair Mike Bruno at 10:05 a.m. at the Director of Airport's Office.

**PRESENT:** **Mike Bruno, Chair**, CCC Airports Business Association  
**Keith McMahon**, City of Concord  
**Derek Mims**, City of Pleasant Hill  
**Rich Spatz**, At Large 2  
**Ronald Reagan**, District III  
**Russell Roe**, District II  
**Ed Young**, At-Large 1

**ABSENT:** **Janet Kaiser**, Diablo Valley College  
**Tom Weber, Vice Chair**, District IV  
**David Pfeiffer, Secretary**, District V  
**Rudi Raab**, District I

**STAFF:** Keith Freitas, Director of Airports  
Beth Lee, Assistant Airports Director

**OPENING COMMENTS  
BY CHAIR:** Mike Bruno asked members to sign a photograph of Buchanan Field Airport as a thank you to Geoff Logan for his service on the AAC.

**PUBLIC COMMENT  
PERIOD:** None.

**APPROVAL OF  
MINUTES:** Moved by Ronald Reagan; seconded by Rich Spatz. Approved unanimously.

**APPROVAL OF  
CONSENT ITEMS:** Moved by Rich Spatz; seconded by Derek Mims. Approved unanimously.

**PRESENTATION/SPECIAL REPORTS:** None

## DISCUSSION/ACTION ITEMS:

a. Items Pulled from Consent

N/A

b. Mariposa Community Benefit Fund

The packet included a letter that was sent to Byron Airport stakeholders to elicit feedback on Airport staffs' suggested use of the Fund. Keith Freitas gave a brief background on the creation of the Mariposa Community Benefit Fund (Fund) and the proposed project list. This issue will go back to the Airport Committee and then to the full Board of Supervisors for review and approval of the proposed project list. Comments on the project list:

- Desire to support projects that leverage other funds and will best facilitate new development/investment
- Timing is critical to make airport development ready
- There was a large group at the Byron Jet Center opening; demonstrates there is interest in the airport
- Asked if Vasco Road connection was included in any of the projects; Vasco Road connector was discussed when airport was built
- Question about the ARFF truck project on the list; a suggestion was made to contact the Fire District to see if they have a fire truck that may not be in use due to recent station closures
- Security improvements are important and the ARFF truck is less critical

**Motion by Rich Spatz to accept the report, approve the proposed projects as listed and for staff to continue seeking other public funds for project implementation to best leverage the Fund. Seconded by Keith McMahan. Unanimously approved.**

c. Southwest Ramp and Hangar Reuse

Beth Lee gave a brief overview of the history of developing the site and need to relocate tenants from the area. Work is being performed on the clubhouse to put it back in service; it will be available for all aviation clubs/tenants to schedule for use and serve as a second public meeting space. The executive hangars are being used for staging of the runway rehabilitation project which will be complete in late August. Staff is discussing the reuse potential of these hangars including relocation policies when this area is to be developed in the future.

d. Tenant Recognition Award

The AAC received two nominees; one for the EAA Young Eagles program and the other for Bay Area Skydiving for the Santa Skydive annual event.

**Motion by Rich Spatz to approve an award for the EAA Young Eagles program. Seconded by Derek Mims. Unanimously approved.**

**Motion by Ronald Reagan to approve an award for Bay Area Skydiving. Seconded by Ed Young. Unanimously approved.**

The award for Bay Area Skydiving will be made at the AAC's September meeting and the award for the EAA will be made at the October meeting.

e. **CCR Runway Project**

Keith Freitas stated that the project was completed on time and the runway was reopened on Wednesday, July 11 at 7:00 a.m.; notices were sent to tenants. No runway incursions were noted during the project. The intersection work that was done will prevent closing both main runways in the future when Runway 14L/32R is rehabilitated.

Steve Callahan and Mark Grosenheider were the two lead Operations staff for the project; Mark was introduced to the committee. KC Coyle, retired Airport Operations Manager, was brought back on contract to assist.

Runway needs 30 days to cure and then the contractor will be back out to perform the grooving and repainting. The work is anticipated to start around August 16<sup>th</sup> and will take 10 to 14 days).

Mike Bruno thanked staff for all their hard work in keeping the tenants updated/informed throughout the project.

f. **Byron Airport Inspections**

Airport staff will be inspecting all of the Byron hangars on September 13th, 20th and 27th. Notices were sent to all tenants along with a letter that explained about the inspections, provided the parameters for storage, and giving instructions as to how to schedule their inspection. Tenants have not been responsive in scheduling inspections and staff will be contacting them. These inspections are similar to those conducted at Buchanan Field two years ago.

## UPDATES/ANNOUNCEMENTS

a. **Airport Committee Update**

The Airport Committee met on June 25<sup>th</sup> and discussed the Mariposa Community Benefit Fund, Minimum Standards and related elements document, the emergency landing at Buchanan Field Airport, and the crosswalk by the skydiving building (note: improvements were completed this week).

b. **What is happening at Buchanan Field & Byron Airports/Other Airports**

- Runway project work is primarily completed
- Tree trimming on the golf course is underway and should be complete by end of August

c. **Update from Airport Business Association**

Mike Bruno stated that there has been a slight downturn in business this month but it may be related to the closure of the runway for rehabilitation.

d. **AAC Announcements**

OCT 02 2012

## CONTRA COSTA SPECIAL DISTRICTS ASSOCIATION July 16, 2012

### MINUTES

The quarterly meeting of the Contra Costa Special Districts Association was held on Monday, July 16, 2012, at Central Contra Costa Sanitary District, Martinez. In the absence of Chairperson Bette Boatman, Mark Cornelius served as Acting Chair and led the meeting with 25 members in attendance, representing 17 special districts. Also present were a number of Public Employees Union, Local One Representatives.

### Call to Order

Acting Chairperson Cornelius called the meeting to order at 10:10 a.m. and upon request, allowed Public Employees Union, Local One's Representative Scott Brown to address the audience. Mr. Brown described the negotiations process between the Union and the West County Wastewater District. He stated that negotiations are at a standstill and that the suggestion of mediation has been denied by the District. He noted that the Union will make this matter public until such time as the two entities meet to negotiate the labor contracts.

Acting Chair Cornelius excused Mr. Brown and the Union representatives. The meeting continued with introductions and comments from District members present, with each representative giving an update on their respective agencies.

### Adoption of Agenda

There were no changes to the agenda.

### Approval of Minutes

The minutes of the April 16, 2012 meeting were approved.

### Guest Speaker

Acting Chair Cornelius introduced the meeting's Guest Speaker Fire Chief Randall Bradley of the Moraga-Orinda Fire Protection District. Chief Bradley made a presentation entitled: "*Fire District Consolidations...The Grand Jury Report*".

He described the efforts in considering consolidation of the Contra Costa County Fire Agency. He explained the need for consolidation, which is basically due to revenues being severely depleted by lower property taxes. He further noted that each community values their fire services differently, with some valuing their fire service as the highest priority, while others valuing it less than police and schools. He concluded by stating that Contra Costa County should re-evaluate current service models to identify options that are sustainable and that maintain service levels. Consolidations may be part of the solution, but community values, equity, local control and service level maintenance must be considered prior to arbitrarily pursuing any consolidation model.

Upon completing his report, he answered questions from the floor.

**Approval of Chapter's Affiliation Agreement with Statewide CSDA**

A vote on the Affiliation Agreement with California Special Districts Association, previously e-mailed to the Chapter's members was taken and was unanimously approved.

**COMMITTEE UPDATES**

**LAFCO Representative Report**

Dwight Meadows, Contra Costa Resource Conservation District, presented a summary of the items being considered by LAFCO. He noted the changes of the LAFCO Board due to the death of Supervisor Gayle Uilkema and that LAFCO is currently working on MSRs for library services and the dissolution of the Mt. Diablo Health Care District and the Rollingwood Park and Recreation District.

**Legislative Committee Report**

Stan Caldwell, Mt. View Sanitary, introduced Eric Pfoehler from East Bay Regional Park District to describe a number of legislative bills being introduced. California Special Districts Association is working on different items such pension reform. He especially noted California Forward's Prop 31, the reorganization of how special districts budget, which includes a community wide strategic action plan that will allow County Supervisors to call together vested agencies in a county to essentially exempt themselves from state law.

**East Bay Regional Park District- Park Advisory Committee Report**

In the absence of E.J. Shalaby, West County Wastewater District, the minutes of the April 23, 2012 East Bay Regional Park District Advisory Committee meeting were distributed.

**Finance Committee**

Acting Chair/Treasurer Mark Cornelius presented the CCSDA Revenue and Expense Summary Report for the period of April through June 2012. The Bank account balances as of June 30, 2012 were:

Savings Account -	\$8,262.35
Checking Account	\$ 582.62
Total Balance	\$8,844.97

**California Special Districts Association Activities Update**

Sherry Sterrett, Pleasant Hill Recreation & Park District, described the agenda items being presented at the upcoming CSDA Board Meeting. She invited everyone to attend the CSDA Annual Conference September 24-27.

Stan Caldwell, Mt. View Sanitary, noted that as the CSDA Contra Costa Special Districts Association Newsletter editor, he asked for a volunteer to review and edit the newsletter.

**Other Business**

The next CCSDA meeting will be held Monday, October 15, 2012, at 10:00 a.m. at the Central Contra Costa Sanitary District, Multipurpose Room, Martinez.

**Adjournment**

There being no further business, Acting Chair Cornelius adjourned the meeting at the hour of 11:31 a.m.

Respectfully submitted,

---

Maria L. Sena



TownOfDiscoveryBay CSD  
Received  
SEP 28 2012

## EAST CONTRA COSTA FIRE PROTECTION DISTRICT

Meeting Minutes  
Board of Directors Regular Meeting

**Monday September 10, 2012 – 6:30 P.M.**  
Meeting Location: 3231 Main Street, Oakley

BOARD OF DIRECTORS		
Pat Anderson	Kevin Romick - President	Robert Kenny
Steve Barr	Joel R. Bryant- Vice President	Cheryl Morgan
Robert A. Brockman	Jim Frazier	Erick Stonebarger

**CALL TO ORDER - (6:30 P.M.)**

**PLEDGE OF ALLEGIANCE - (6:30 P.M.)**

**ROLL CALL - (6:31 P.M.)** Directors Present: Anderson, Barr, Bryant, Frazier  
Kenny, Morgan, Romick, Stonebarger  
Directors Absent: Brockman,

**PUBLIC COMMENTS - (6:31P.M.)**

*There was one Public Speaker – Ben Whitner*

**CONSENT CALENDAR- (6:32P.M.)**

**C.1** Approve minutes from August 6, 2012 Regular Board of Directors Meeting.

**Motion by:** Director Anderson to approve Consent Calendar Items C.1

**Second by:** Director Kenny

**Abstained:** Stonebarger

**Vote:** Motion carried 7:0:1

**C.2** Approve minutes from August 29, 2012 Special Board of Directors Meeting

**C.3** Approve Cal Fire Amador Contract for Fiscal Year 2012-13.

**C.4** Approve Surplus Property of Fire Apparatus and Authorized Apparatus to be sent to Auction

**Motion by:** Director Anderson to approve Consent Calendar Items C.2, C.3 & C.4

**Second by:** Director Kenny

**Vote:** Motion carried 8:0

*There was one Public Speaker for consent item C-3 – Ben Whitener - (6:56P.M.-7:00P.M)*

**PUBLIC HEARINGS - (6:33P.M.)**

**PH.1** Adopt Fiscal Year 2012-13 budgets for Operating, Development Fee, and Other Funds.

**Motion by: Director Kenny to Adopt Fiscal Year 2012-13 budgets for Operating, Development Fee, and other funds.**

**Second by: Morgan**

**Vote Motion carried 8:0.**

*There was one Public Speaker – Vince Wells*

**DISCUSSION ITEMS:**

(7:00P.M.)

**D.1** Accept Regional Radio Grant from FEMA and Authorize Purchase of Equipment for the East Bay Regional Communications System Authority

**Motion by: Director Anderson to Accept Regional Radio Grant from FEMA and Authorize Purchase of Equipment for the East Bay Regional Communications System Authority**

**Second by: Director Barr**

**Vote Motion carried 8:0**

*There were no Public Speakers*

(7:05P.M.)

**D.2** Receive and Discuss Staff Follow up Report to Workshop on August 6, 2012 on "Future District Financial and Operational Models"

*There were no Public Speakers*

(7:10P.M.)

**D.3** Receive Update on Applications for Volunteer Firefighters.

*There were no Public Speakers*

(7:12P.M.)

**D.4** Receive Operational Update August 2012

*There were no Public Speakers*

**INFORMATIONAL STAFF REPORTS**

**NONE**

**DIRECTORS' COMMENTS - (7:20P.M.)**

Director Frazier requested that Engineer James Mathers receive a commendation for the assistance with the FEMA Safer Grant.

**INFORMATIONAL REPORTS AND REQUESTS FOR FUTURE AGENDA ITEMS FROM  
BOARD MEMBERS- (7:22P.M.)**

The Board directed Staff to place Director Kenny's request discussions of 1) Stipends for Directors and 2) Bethel Island fire hydrants and bridge pump on the October 1, 2012 agenda, but not to undertake any background research on the issues pending further direction from the Board.

**ADJOURN TO THE NEXT REGULAR BOARD MEETING SCHEDULED: October 1, 2012  
(7:25 P.M)**

**Motion by: Director Bryant to adjourn to the next Board meeting, October 1,, 2012  
Second by: Director Romick  
Vote Motion carried 8:0**



# TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT

President - Chris Steele • Vice-President - Kevin Graves • Director - Jim Mattison • Director - Mark Simon • Director - Ray Tetreault

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October 9, 2012

D'Andre Wells  
Contra Costa County Department of Conservation and Development  
Community Development Division  
30 Muir Road  
Martinez, CA 94553

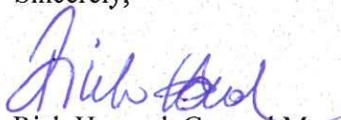
**RE: County File Number LP12-2106 (Lopez 251 Tahoe Court, Discovery Bay - Home Occupation Use Permit Application for Approval of a Graphic Design business, which would include the printing of T-Shirts)**

Dear D'Andre Wells:

The Town of Discovery Bay Community Services District Board of Directors heard testimony and took under consideration the above referenced matter at their regular meeting of October 3, 2012.

The Board stated that they have concerns with the noise and traffic level from the business, along with the delivery of hazardous materials. The Board has requested conditions of approval that address these concerns be incorporated into the Home Occupation Use Permit No. LP12-2106.

Sincerely,

  
Rick Howard, General Manager  
Town of Discovery Bay CSD

RH/cmc  
Cc: Board of Directors