

# RESOLUTION NO. 83-028

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF


April 5, 1983

RAMONA HOTEL DEVELOPMENT

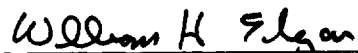
BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO:

Section 1. The Executive Director is authorized to execute an Owner Participation Agreement with Ramona Hotel Investors, a copy of which is attached hereto as Exhibit "B".

Section 2. The Executive Director is authorized to enter into an agreement with Ramona Hotel Investors regarding the sharing of the costs of public improvements around the Ramona Hotel based upon reports and estimates of the Spink Corporation and the City Engineer.

  
CHAIRMAN

ATTEST:

  
SECRETARY

RESOLUTION No. 83-028

APR 5 1983

EXHIBIT "B"

RAMONA HOTEL  
OWNER PARTICIPATION AGREEMENT

AGREEMENT, made \_\_\_\_\_, 1983, between the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO (hereinafter called "Agency"), and RAMONA HOTEL INVESTORS, a limited partnership (hereinafter called "Owner").

WITNESSETH:

WHEREAS, the Owner is the owner of that certain real property hereinafter called the "Property", as described in the attached description marked Exhibit "A" and by reference made a part hereof; and

WHEREAS, said Property is situated within the boundaries of the Capitol Mall Extension, Project No. 3, hereinafter referred to as the "Project Area" and is subject to redevelopment in accordance with the provisions of the Redevelopment Plan, adopted by the Agency on April 11, 1960, and adopted by the City Council of the City of Sacramento on June 16, 1960, as Ordinance No. 2208, Fourth Series; and

WHEREAS, said Redevelopment Plan contains provisions for the participation by certain owners of property lying within the Project Area upon terms and conditions to be prescribed by the Agency; and

WHEREAS, Owner desires to participate in the redevelopment of the Property in accordance with the Redevelopment Plan; and

WHEREAS, the value of the Owner's Property will be substantially increased by the carrying out of said Redevelopment Plan by Agency; and

WHEREAS, the successful culmination of redevelopment within the Project Area is, in part, dependent upon creating certain land use restrictions and other controls upon property within the Project Area; and

WHEREAS, Agency entered into an Owner Participation Agreement with LAWRENCE T. BENNETT and FORREST G. BENNETT, dated

RESOLUTION No. 83-028

APR 5 1983

July 31, 1961, providing for the participation by Owners in the redevelopment and rehabilitation of the Property known as the "Ramona Hotel" located in the block bounded by J, K, 6th and 7th Streets; and

WHEREAS, Agency and FORREST G. BENNETT entered into an Amendment to the aforementioned Agreement on February 27, 1968, amending certain provisions of the aforementioned Agreement; and

WHEREAS, Owner is the successor in interest to the aforementioned LAWRENCE T. BENNETT and FORREST G. BENNETT; and

WHEREAS, since the time of the aforesaid Agreement certain changes have occurred in the Redevelopment Plan for the Property; and

WHEREAS, the structure is vacant and is creating a serious adverse impact on the redevelopment and economic well-being of the downtown Sacramento area; and

WHEREAS, the parties hereto desire to reach immediate agreement on the fundamental requirements for redevelopment of the Property in order to facilitate immediate financing for the redevelopment of the Property; and

WHEREAS, the parties hereto have agreed to defer agreement regarding certain issues relating to the redevelopment of the Property.

NOW, THEREFORE, it is agreed by and between the parties that:

1. This Agreement shall have no force or effect unless and until the City of Sacramento, within ninety (90) days after the execution of this Agreement, enters into a Contract of Sale for the Industrial Development Revenue Bonds to finance the redevelopment of the Property or Owner, within ninety (90) days after execution of this Agreement obtains a firm commitment, in a form acceptable to Agency, from an institutional lender for the purpose of financing the redevelopment of the project, which is in addition to any commitment or funds which the Owner has at the time this Agreement is executed. Upon occurrence of the conditions precedent described above the effective date of this Agreement shall be the date of execution of the Contract of Sale for the Industrial Development Revenue Bonds or the date Owner submits evidence, in a form acceptable to the Agency, of the firm commitment of financing from an institutional lender. For the purpose of this Agreement, the term "institutional lender" shall mean any bank, savings and loan, insurance company authorized to do business in California, or other similar institution chartered

to do business by a state or the United States Federal Government. Pending the effective date of this Agreement, the parties hereto will continue to be bound by the Owner Participation Agreement dated July 31, 1961.

2. Agency shall forbear on any enforcement action regarding defaults which may have occurred or will occur under the Owner Participation Agreement dated July 31, 1961, pending the effective date of this Agreement, upon the occurrence of the conditions precedent described in Paragraph 1 herein.

3. The Agency's right to acquire title to the Property pursuant to Paragraph 14 herein shall be subordinate to and limited by the rights of any institutional lender under any lien, mortgage, deed of trust or other encumbrance incurred in connection with financing or refinancing of the redevelopment of the Property including the removal of encumbrances existing on the Property at the effective date of this Agreement, or any rights or interests for the protection of any institutional lender who is the beneficiary of any such mortgage, deed of trust or encumbrance.

4. Agency will cause the Redevelopment Plan, adopted by the City Council of the City of Sacramento on June 16, 1960, as Ordinance No. 2208, Fourth Series, together with any amendment or amendments thereto hereafter adopted in the manner required by law, for the Project Area to be carried out in the manner provided for therein; provided, however, that no amendment to or of the Redevelopment Plan will be made increasing the duties or obligations of the Owner in connection therewith without the prior written consent of the Owner.

5. Owner agrees to devote the Property to the uses specified in the Redevelopment Plan and to comply with all other provisions and conditions of said Redevelopment Plan for the period of time such Plan is in force and effect; provided, however, that the physical standards and requirements shall be as set forth in this Agreement.

6. Owner shall make the alterations, improvements, modernizations, and rehabilitation of and to the Property and the present building situated thereon as set forth in this Agreement, such work to be performed within the time and in the manner hereinafter set forth.

7. Within one hundred twenty (120) days after the date of this Agreement, Owner shall commence the alteration, improvement, modernization, and rehabilitation of the Property in accordance with the Plans and Specifications dated September 14, 1981, and approved by Agency on October 13, 1981. Owner shall pursue such work with due diligence and shall complete such work

within eighteen (18) months after the commencement thereof. All such alteration, improvement, modernization, and rehabilitation of the Property shall be made at Owner's sole cost and expense. The term "Plans and Specifications" as used herein shall mean those plans and specifications approved by the Agency as set forth above and shall include any subsequent changes or modifications approved by the Agency.

8. Owner shall within ninety (90) days after receipt of written notice from the Agency join with the Agency in executing covenants, conditions and restrictions which shall take the form of a Declaration of Restrictions to be recorded in the office of the County Recorder of Sacramento County. Such Declaration of Restrictions shall be in substantially the form attached hereto as Exhibit "B", and by reference made a part hereof in which the Property is described as Parcel "A". In connection with the physical standards and requirements contained in said Declaration of Restrictions and applicable to the property described therein other than the Property, the parties hereto agree that the Owner shall, with respect to said Parcel "A", perform the following requirements:

(a) Without the prior written consent of the Agency, the size of the building located on the Property shall not be increased in any way beyond the size shown on the Plans and Specifications. More specifically, the development shall be limited to a five (5) story building of approximately sixty thousand (60,000) square feet, including basement.

(b) No setback lines shall be required for the structure situated on the Property.

9. Agency agrees to construct improvements on the public right-of-way surrounding the Property, including the roadway and sidewalk area. Costs to be shared as follows:

(a) Agency will fund the cost of construction and improvements, including engineering and design cost, in an amount required to bring the improvements to City standards; and

(b) Owner will fund the cost and reimburse the Agency for improvements in excess of City standards.

The exact cost of construction of improvements to be paid to Agency by Owner will be agreed upon by Agency and Owner within thirty (30) days after the execution of this Agreement on the basis of reports from the Spink Corporation and the Sacramento City Engineer. After a bidder has been selected to construct the improvements and prior to the commencement of construction, Owner shall pay Agency the Owner's share of the amount which it was agreed would be paid by Owner.

RESOLUTION No. 83-078

10. Owner agrees to join the Agency, upon written request therefor, in any and all proceedings that may be necessary for the abandonment of streets, alleys, or other public ways within the Project Area, and to grant easements for utilities, as may be necessary from time to time in order to effectuate the Redevelopment Plan, but without cost to Owner.

11. The parties hereto acknowledge that as of the date of execution of this Agreement the exact plans for the location of easements for utilities and the status of the rights-of-way adjoining the Property cannot be ascertained. In this connection, Agency agrees that it shall not approve any plans or take any action with respect to the relocation of rights-of-way or other easements or utilities that would impose an undue economic burden on Owner.

12. Owner agrees that all obligations and agreements of Owner contained herein shall be performed and carried out by Owner at its own cost or expense, and no liability shall accrue to Agency except as specifically set forth herein.

13. In the event of the demolition or destruction of the improvements presently situated on the Property at any time during the term covered by the Declaration of Restrictions hereinabove referred to, then, upon any such demolition or destruction, the provisions of this Agreement shall forthwith terminate, and Owner shall then join in the execution of a Declaration of Restrictions covering the Property similar to that set forth as Exhibit "B"; and thereafter Owner shall be entitled to redevelop the Property and in doing so comply with all of the then applicable provisions of the Redevelopment Plan as a Redeveloper.

14. (a) In the event Owner fails to complete performance of any of its obligations under Paragraphs 6, 7 or 8 herein, within the time limits specified in those paragraphs or if Owner suspends or abandons work on the Property for a period of sixty (60) days, Owner shall, upon written notice of default from Agency, proceed immediately to cure or remedy such default within one hundred twenty (120) days after receipt of such notice. In the event Owner does not cure the default within the one hundred twenty (120) day period, the Agency shall have the right to commence an action to enter the Property and take possession and cause title to vest in the Agency.

(b) Upon vesting in the Agency of title to the Property, as provided in subdivision (a) of this paragraph, the Agency shall use its best efforts to re-sell the Property (subject to liens, mortgages, deeds of trust, and other encumbrances), as soon and in such reasonable manner as the Agency shall find feasible and consistent with the objectives of the Redevelopment Plan to a qualified and responsible party or parties (as determined

by the Agency) who will assume the obligations of Owner under this Agreement. Upon such resale of the Property, the proceeds thereof shall be applied first to reimburse the Agency for all costs and expenses incurred by the Agency in connection with the recapture, management, and resale of the Property, including payments to lienholders, and to reimburse the Agency for all expenditures made pursuant to Paragraph 9 herein.

(c) The provisions of this section shall be inoperative and of no further force and effect upon completion of the rehabilitation of the building on the Property as evidenced by a notice of completion executed and recorded by Owner after final inspection and approval of the rehabilitation in accordance with the Plans and Specifications, by the Building Inspection Department of the City of Sacramento, California. Thereupon the Agency will execute and record a quitclaim deed to the Property.

15. Time is of the essence hereof; provided, however, that any time limitation set forth herein may be extended by Agency, in its sole discretion, upon the receipt of written request therefor from Owner. The parties hereto recognize that Owner has expended a substantial amount of money in preparing for the rehabilitation of the building on the Property. In connection with approvals to be given by the Agency, the Agency recognizes that approvals of the same subject matter may be required by other governmental entities and agrees to act reasonably and expeditiously in granting or withholding such approvals.

16. The employees and agents of Agency shall, at all reasonable times, have access to the Property for the purpose of making such inspections, surveys, and examinations of the same as may be reasonable and necessary in the performance of its obligations to carry out redevelopment in accordance with the Redevelopment Plan.

17. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their legal representatives, successors and assigns. This Agreement shall likewise be binding upon and obligate the Property and the successors in interest, owner or owners thereof, and all of the tenants, lessees, sublessees, and occupants of such Property.

18. The acquisition of the Property by any governmental entity other than the Agency shall forthwith terminate this Agreement and all obligations and duties of the parties hereunder.

19. Upon the effective date of this Agreement, pursuant to Paragraph 1 herein, the Owner Participation Agreement dated July 31, 1961, and subsequent amendments, is revoked and shall be of no force or effect.





EXHIBIT "A"

Property description of Ramona  
Hotel as "Parcel A"

EXHIBIT "B"

Declaration of Restrictions

RESOLUTION No. 83-025

APR 5 1963

(30)

SCHEDULE OF PERFORMANCE

1. Construction on the renovation of the Ramona Hotel must be started within one hundred twenty (120) days of the execution of the Agreement.
2. All improvements required under the Agreement must be completed within eighteen (18) months of the execution of the Agreement.

**RESOLUTION No. 83-025**

APR 5 1983