



Greater Vallejo Recreation District

GVRD promotes wellness and healthy lifestyles
by providing safe parks and innovative and fun
recreation programs for all residents.

BOARD OF DIRECTORS

Rita Fryar
Thomas Judt
Nicole Person
Olivia Ruiz
Ward Stewart

INTERIM GENERAL MANAGER

Pamela Sloan

In accordance with California Government Code Section 54957.5, materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District's Administrative Office, 401 Amador Street, Vallejo, CA during normal business hours or electronically on our [website](#).

In compliance with the Americans with Disabilities Act, Special assistance for participating in this meeting can be obtained by contacting the District Office at 707-648-4604. A 48-hour notification would enable the District to make reasonable accommodations to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II).

Board of Directors Meeting Agenda

Thursday, June 11, 2026

Administrative Office-Board Room, 401 Amador Street, Vallejo, CA 94590

6:30 p.m. – Regular Session

Public Comment on Items on the Agenda

If you wish to speak on an item under discussion by the Board of Directors which appears on this Agenda, you may do so upon receiving recognition from the Chairperson of the Board. Please state your name and whether you are speaking as an individual, or are speaking for an organization, in which case, please state the name of the organization. Each individual speaker may speak for up to three minutes, and an individual representing an organization may speak up to five minutes.

1. Call to Order:
2. Pledge of Allegiance:
3. Roll Call:
4. Approval of Agenda:
5. Public Comment:

(Note: For matters not otherwise listed on this agenda. The Board of Directors welcomes your comments under this section but is prohibited by State Law from discussing items not listed on the agenda. Your item will be taken under consideration and may be referred to Board of Directors Committee(s) and/or Staff.) To provide an opportunity for all members of the public who wish to address the Board, a time allocation of 3 minutes for each individual speaker and 5 minutes for an individual representing an organization



6. Chairperson Opening Comments:

7. Committee Updates:

The Chairperson for Standing Committees will provide any updates to the Board of Directors.

8. Consent Calendar:

Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that item will be removed from the consent calendar and will be considered separately.

8.1 Approve Board Minutes – May 28, 2026

8.2 Accept Policies and Personnel Committee Minutes-May 26, 2026

8.3 Accept Payment of Bills 5/1/2026-5/31/2026

8.4 Approve 2nd Amendment with Municipal Resource Group (MRG) for Finance On-Demand Consulting Services for an Additional 85 hours of Service (\$22,100) Revised Project Total \$94,900.

9. Action Items:

9.1 Fee Waiver Request from 707 Week for Use of Foley Cultural Center on July 12, 2026 for the Soul Food Stroll Event-\$3514 (Ryans)

9.2 Discussion-Repayment of Loan to Sereno Village (Sloan)
(Sloan)

9.3 Approve 2nd Amendment to Agreement with City of Vallejo for Maintenance Services of Crescent Park. (Sloan)

9.4 Discussion- GVRD and City of Vallejo Collaboration Meetings (Judt)

10. Financials:

10.1 2025-26 Year End Projections-Informational Item (Parkhurst)

10.2 Public Input on Fiscal Year 2026-2027 Budget Priorities (Parkhurst)

10.3 Study Session and Approval of Fiscal Year 2026-27 Preliminary Budget (Parkhurst)

11. Announcements and Comments from Board Members:



12. Executive Session:

Conference with Labor Negotiators; pursuant to Government Code Section 54957.6

Agency Designated Representatives: Pamela Sloan, Interim General Manager; Andrew Shen, Legal Counsel; Luke Jensen, Director of Labor Relations, and Samantha Smithies, Analyst, Renne Public Law Group

Employee Organizations: International Brotherhood of Electrical Workers Local Union 1245 (IBEW); Service Employees International Union Local 1021 (SEIU)

13. Meeting Adjourn:



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**INTERIM
GENERAL MANAGER**
Pamela Sloan

Greater Vallejo Recreation District Board of Directors Minutes

Thursday, May 28, 2026- 401 Amador Street, Vallejo, CA 94590
6:30 p.m. – Regular Session

1. Call to Order:

Chairperson Judt called a regular meeting of the Board of Directors of the Greater Vallejo Recreation District to order at 6:30 p.m., May 28, 2026, in the Board Room of the Greater Vallejo Recreation District Office, 401 Amador Street, Vallejo, California.

2. Pledge of Allegiance:

Chairperson Judt led the pledge of allegiance.

3. Roll Call:

Present: Chairperson Thomas Judt; Vice-Chairperson Ward Stewart, Secretary Nicole Person

Staff: Interim General Manager, Pam Sloan; Legal Counsel, Andrew Shen; Finance Director, Noel Parkhurst; Human Resources Director, Seanzell Lewis; Board Clerk, Kimberly Pierson

Absent: Director Olivia Ruiz, Director Rita Fryar

4. Approval of Agenda:

Director Judt offered the motion, seconded by Director Person to approve the agenda Motion passed. Directors Ruiz and Fryar were absent for the vote.

5. Public Comment: Chairperson Judt allowed two community members who arrived late to provide public comment later in the meeting. Jennifer Davis, Vallejo Little League; Adjoa McDonald, Vallejo Project

(Note: For matters not otherwise listed on this agenda. The Board of Directors welcomes your comments under this section but is prohibited by State Law from discussing items not listed on the agenda. Your item will be taken under consideration and may be referred to Board of Directors Committee(s) and/or Staff.) To provide an opportunity for all members of the public who wish to address the Board, a time allocation of 3 minutes for each individual speaker and 5 minutes for an individual representing an organization

6. Chairperson Opening Comments:

Chairperson Judt provided a brief overview of the items on the agenda.



7. Presentations:

Bay Area Ridge Trail-GVRD Partnership (Kyvan Elep)

8. Committee Updates: None

The Chairperson for Standing Committees will provide any updates to the Board of Directors.

Director Stewart provided updates from the recent Policies and Personnel Committee Meeting held on May 26th.

9. Consent Calendar:

Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that item will be removed from the consent calendar and will be considered separately.

- 9.1 Approve Board Minutes – May 14, 2026
- 9.2 Accept Payment of Bills 4/1/2026-4/30/2026
- 9.3 Accept Financial Statement 4/1/2026 Through 4/30/2026
- 9.4 Appoint Interim General Manager Pamela Sloan and Chairperson Thomas Judt as District Representatives for Impact Fee Discussions with City of Vallejo.

Director Stewart offered the motion, seconded by Director Person to approve the consent calendar. Motion passed. Directors Ruiz and Fryar were absent for the vote.

11. Staff Updates:

11.1 Finance Director

- Provided highlights from items included in report.

11.2 Human Resources Director

- Provided highlights from items included in report.

11.3 Parks and Facilities Director-absent, no additional report.

11.4 Recreation Services Director-absent, no additional report.



11.5 Interim General Manager

- Provided highlights from items included in report.
- Announced some awards received during the CARPD Annual Conference this week: Gabe was awarded Outstanding General Manager, and the District was awarded the Safety Award for Scoring 92% on the recent site safety visit.

12. Announcements and Comments from Board Members:

Director Stewart announced that a Girls in Robotics camp is being held at Solano College from June 22-26.

14. Meeting Adjourn: 7:33pm

Nicole Person, Board Secretary



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INTERIM GENERAL MANAGER

Pamela Sloan

Policies and Personnel Committee Minutes

Tuesday, May 26, 2026

4:00 p.m.

Administrative Office-Board Room

401 Amador Street

In Attendance: Director Ruiz, Director Stewart, Human Resources Director, Seanzell Lewis, and Interim General Manager, Pamela Sloan

Meeting Began: 4:01 pm

1. Public Comment: N/A

2. Discussion Items

2.1 Policy 3014, Cost Recovery and Fee Adjustment

Board Members Ruiz and Stewart requested:

- Annual calendar planning to review and evaluate this policy following adoption of the upcoming fiscal year's budget and prior to the commencement of the new fiscal year, ensuring any necessary adjustments are considered in a timely manner.

HR Director Seanzell Lewis will compile relevant supporting materials related to Policy 3014, Cost Recovery and Fee Adjustments, for Board review at the next regularly scheduled Board meeting. Additionally, to support proactive planning and policy development, future Policy and Personnel Committee reports will include a section identifying anticipated agenda items, including proposed new policies, policy revisions, and scheduled policy reviews. This will provide the Committee and Board with greater visibility into upcoming work and facilitate timely discussion and preparation.

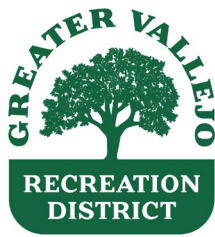
3. Meeting Adjourned: 4:25 pm

Check Register Report
Greater Vallejo Recreation District
For May 2026

<u>Check Number</u>	<u>Date</u>	<u>Payee Name</u>	<u>Amount</u>	<u>Description</u>
76083	05/18/2026	US Bank Corporate Payment System	\$22,885.54	CalCard Master Statement Payment
76105	05/21/2026	Construction West	\$11,744.85	BRS Gazebo, Pad, & Walkway
76059	05/15/2026	P G & E	\$7,935.84	801 Heartwood
76065	05/15/2026	Folger Graphics	\$7,806.27	Summer 2026 Activity Guide Printing
76100	05/21/2026	American Eagle Enterprises	\$6,833.39	Franklin Bleachers w/Rails & Steps
76053	05/11/2026	Sportsfield Specialties, Inc	\$6,753.21	DF Backstop Padding
76034	05/06/2026	Ameritas Life Ins. Group	\$5,478.00	Dental Insurance Provider
76075	05/15/2026	Security Enforcement Alliance	\$5,221.35	Park Lock Ups & Event Security
76009	05/04/2026	NetXperts, LLC	\$5,124.25	IT & Network Support Provider - April
76110	05/21/2026	NetXperts, LLC	\$5,124.25	IT & Network Support Provider - May
76004	05/04/2026	Commercial Energy Of Montana	\$4,925.28	Energy Service - Cunningham Pool
76006	05/04/2026	Kay Cady-Johnson	\$4,856.60	Leisure Service Contract Instructor
76103	05/21/2026	Chemical Procurement Services, LLC	\$4,767.08	Pool Chemical Supplies
76084	05/19/2026	Pace Supply Co.	\$4,745.33	CP Pump Replacement
76052	05/11/2026	Security Enforcement Alliance	\$4,556.25	Park Lock Ups & Event Security
76082	05/15/2026	Verdin	\$4,294.00	Marketing Consultant
76014	05/04/2026	Security Enforcement Alliance	\$4,155.01	Park Lock Ups & Event Security
76077	05/15/2026	SiteOne Landscape Supply	\$4,089.28	Irrigation & Plumbing Supplies
76079	05/15/2026	Tecogen	\$3,296.15	Energy Service - Cunningham Pool
76054	05/11/2026	Turf Star, Inc.	\$3,072.44	Toro Mower- B ECO harness replacement
76067	05/15/2026	GreatAmerica Financial Services	\$2,955.87	Lease: District Copiers/ Printers
76049	05/11/2026	FASTSIGNS-American Canyon	\$2,475.95	DF Digital Graphics
76074	05/15/2026	Lee Rose	\$2,000.00	4 Week Teen Tennis Program
76008	05/04/2026	MIT Academy	\$1,940.00	FCC Cleaning & Damage/Cleaning Fee Refund
76055	05/11/2026	Uline Shipping Supplies	\$1,905.66	Janitorial Supplies
76043	05/07/2026	Victor Wallace	\$1,680.00	Leisure Service Contract Instructor
76097	05/21/2026	Express Shirt Printing	\$1,644.93	Recreation Department Uniforms
76081	05/15/2026	Uline Shipping Supplies	\$1,563.80	Janitorial Supplies
76106	05/21/2026	Les Schwab Tires	\$1,559.41	Vehicle Maint-Leaf Spring X 2
76080	05/15/2026	Turf Star, Inc.	\$1,546.28	Vehicle Maint-Injector System
76046	05/11/2026	Grainger	\$1,536.36	Wilson-Bathroom Sinks X 2
76045	05/11/2026	Express Shirt Printing	\$1,469.80	VCC & FCC Uniforms
76056	05/11/2026	Verizon Wireless	\$1,343.05	Cell Phone Provider
76042	05/07/2026	Frankie Valentine-Flores	\$1,249.50	Leisure Service Contract Instructor
76039	05/07/2026	National Academy Of Athletics, Napa Valley	\$1,147.48	Leisure Service Contract Instructor
76102	05/21/2026	C-DAT	\$889.00	Finger Print Services
76073	05/15/2026	Ring Central Inc.	\$862.26	District Phone System
76092	05/20/2026	Platt Electric Supply	\$851.08	

76025	05/06/2026	Steven Logoteta	\$782.00	Leisure Service Contract Instructor
76050	05/11/2026	NuCO2	\$775.37	gas to help distribute Chlorine
76064	05/15/2026	Vanita Finney	\$750.00	
76066	05/15/2026	Jesus Garcia	\$750.00	
76020	05/06/2026	Tahir Dossett	\$735.00	
76095	05/21/2026	Candis Samayoa	\$685.46	Void-Wrong customer
76096	05/21/2026	Mario Samayoa	\$685.46	
76069	05/15/2026	Stephanie Jordan	\$685.00	
76091	05/20/2026	Angelito Or Loana Claudio	\$644.00	Leisure Service Contract Instructor
76035	05/06/2026	Mutual Of Omaha	\$559.54	Vol. Life Insur. Premium
76104	05/21/2026	Cintas Corporation	\$547.32	
76016	05/04/2026	Sherwin-Williams	\$502.33	
76011	05/04/2026	Point Richmond Landscape Supplies, Inc	\$499.64	
76019	05/06/2026	Cynthia Combs	\$478.20	
76023	05/06/2026	Karen Houston	\$478.10	
76027	05/06/2026	Virlynda Luciano	\$476.00	Leisure Service Contract Instructor
76109	05/21/2026	The Monitoring Center	\$467.63	Alarm System and Monitoring (Non 401 Amador)
76093	05/20/2026	Santa Barbara Control Systems	\$453.36	
76078	05/15/2026	VIP Fiber	\$444.00	Internet Provider: Multiple Locations
76032	05/06/2026	Frank Silveira	\$409.50	Leisure Service Contract Instructor
76076	05/15/2026	Sherwin-Williams	\$383.68	
76021	05/06/2026	Chondra Renee Harris	\$375.20	
76048	05/11/2026	Big Creek Lumber & Building Materials	\$356.75	
76111	05/21/2026	Pape Machinery, Inc	\$351.83	
76028	05/06/2026	Lorna Mandap	\$350.70	Leisure Service Contract Instructor
76068	05/15/2026	Green Valley Aloha Saw & Mower	\$349.14	
76101	05/21/2026	Big Creek Lumber & Building Materials	\$333.80	
76007	05/04/2026	Jolly Ice Cream	\$321.00	
76047	05/11/2026	State Of California	\$320.00	Garnishments
76051	05/11/2026	PROforma	\$314.28	Uniform Supplier
76005	05/04/2026	Audrey Hernandez	\$305.00	
76002	05/04/2026	Mayra Boyle	\$300.00	
76099	05/21/2026	CITY OF VALLEJO	\$265.00	False Alarm Fees
76010	05/04/2026	Platt Electric Supply	\$230.94	
76033	05/06/2026	Vallejo Choral Society	\$202.80	Leisure Service Contract Instructor
76098	05/21/2026	Pitney Bowes	\$201.25	
76094	05/20/2026	Zyzaque Scholten	\$190.00	
76036	05/06/2026	Play-Well TEKologies	\$180.60	
76060	05/15/2026	AT&T	\$180.48	Phone Lines: Alarm Multiple Locations
76107	05/21/2026	M & M Sanitary LLC	\$158.41	Portable Toilet Services - McIntyre Ranch
76013	05/04/2026	William Rooney	\$150.00	
76015	05/04/2026	Jessica Shackelford	\$150.00	
76037	05/07/2026	Allie Hoffman	\$150.00	
76038	05/07/2026	Kirstin Kaiser	\$150.00	
76040	05/07/2026	Genevieve Rubianes	\$150.00	
76041	05/07/2026	Kelly Sanchez	\$150.00	
76044	05/07/2026	Lyndsey Watkins	\$150.00	
76086	05/19/2026	Justin Davis	\$150.00	
76087	05/19/2026	Luz Garcia	\$150.00	

76088	05/19/2026	Bernadette Hill-Comeau	\$150.00	
76089	05/19/2026	Sawara Liaqat	\$150.00	
76018	05/06/2026	Break It Down Soul Line Dance	\$142.80	Leisure Service Contract Instructor
76071	05/15/2026	Lincoln Aquatics	\$139.35	Chemical Supplies for Pools
76112	05/21/2026	Sherwin-Williams	\$131.76	
76030	05/06/2026	Theodore Rocha	\$130.20	
76058	05/15/2026	California Glass Of Vallejo	\$125.00	
76029	05/06/2026	Calvin McCullough Jr.	\$122.50	Leisure Service Contract Instructor
76012	05/04/2026	Primo Brands	\$109.38	
76024	05/06/2026	Kababayan Kids LLC	\$98.40	
76022	05/06/2026	Olga Hernandez	\$92.50	
76001	05/04/2026	AT&T	\$84.89	Phone Lines: Alarm Multiple Locations
76062	05/15/2026	Cintas Corporation	\$84.30	
76031	05/06/2026	Karen Silas	\$81.00	Leisure Service Contract Instructor
76090	05/20/2026	Big Creek Lumber & Building Materials	\$64.00	
76026	05/06/2026	Desiree Lou Lozada	\$60.00	
76063	05/15/2026	Complete Welders Supply	\$46.32	
76057	05/12/2026	Seanzell Lewis	\$45.00	Reimbursement-Fingerprint Fee
76070	05/15/2026	Les Schwab Tires	\$38.16	
76003	05/04/2026	AT&T	\$33.65	Phone Lines: Alarm Multiple Locations
76017	05/04/2026	Pam Sloan	\$30.00	Interim G. M. - Reimbursement of Onboarding Costs
76072	05/15/2026	McMaster-Carr Supply Co.	\$29.32	
76108	05/21/2026	McMaster-Carr Supply Co.	\$29.31	
76061	05/15/2026	Big Creek Lumber & Building Materials	\$13.75	
76085	05/19/2026	Big Creek Lumber & Building Materials	\$10.57	



Agenda 8.4

BOARD COMMUNICATION

Date: June 11, 2026

TO: Board Chairperson and Directors

FROM: Pam Sloan, Interim General Manager

SUBJECT: Approve 2nd Amendment with Municipal Resources Group (MRG) for Finance Assistance Consulting Services for FY 2025-26.

BACKGROUND AND DISCUSSION

1. Amendment to Finance On-Demand Consulting Services

The original scope for Finance On-Demand services was up to \$52,000 through June 30, 2026. Due to increased needs for budget preparation and audit support, a second amendment is requested to add 85 additional service hours for the current fiscal year bringing the revised project total to \$94,900.

COMMITTEE REVIEW

None

DOCUMENTS AVAILABLE FOR REVIEW

Finance On-Demand Consulting Services, 2nd Amendment



May 28, 2026

Pamela Sloan, Interim General Manager
Greater Vallejo Recreation District
395 Amador Street
Vallejo, CA 94590

Re: Finance On-Demand Consulting Services, 2nd Amendment

Dear Ms. Sloan,

Thank you for engaging Municipal Resource Group LLC (MRG) to provide Finance On-Demand Consulting Services to Greater Vallejo Recreation District (GVRD).

MRG originally proposed the scope of services for Finance On-Demand up to \$52,000 through June 30, 2026. We request a 2nd amendment to the budget to add an additional 85 hours of services at a cost of \$22,100, bringing the revised project total to \$94,900. The scope of services remains the same.

To authorize and approve the services, please sign and return a copy of the signed engagement letter to dbirchell@solutions-mrg.com for our records.

We look forward to collaborating with you!

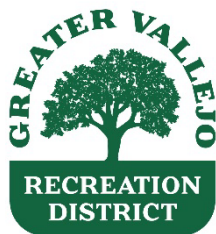
Sincerely,

Jess Deakyne, COO
MRG, LLC
949-278-3412
jdeakyne@solutions-mrg.com

I have read and understand this engagement letter. I hereby confirm the engagement of MRG to provide professional consulting services in accordance with its terms.

Pamela Sloan
Interim General Manager

Date



Agenda 9.1

BOARD COMMUNICATION

Date: June 11, 2026

TO: Board Chairperson and Directors

FROM: Antony Ryans, Recreation Services Director

SUBJECT: Request for Facility Fee Waiver – 707 Week Soul Food Stroll at Dan Foley Cultural Center/Dan Foley Parking Fees

BACKGROUND AND DISCUSSION

The Greater Vallejo Recreation District (GVRD) has received a request from the 707 Committee, in partnership with House of Acts, for a waiver of eligible facility rental fees associated with the 707 Week Soul Food Stroll, scheduled for July 12, 2026, at the Dan Foley Cultural Center.

The Soul Food Stroll is a community-centered cultural event celebrating the rich history, traditions, food, music, and community connections that make Vallejo unique. The event is designed to provide an inclusive and welcoming experience for residents and visitors while promoting cultural awareness, community engagement, and local economic activity.

According to the applicant, the event aligns with GVRD's mission by providing opportunities for community gathering, cultural enrichment, and recreational engagement. The organizers anticipate attendance ranging from 250 to 500 participants and have requested District support through the waiver of Board-eligible facility fees to help maintain affordability and accessibility for attendees.

The applicant has submitted a formal fee waiver request, event budget information, marketing materials, and supporting documentation outlining the anticipated community benefits. In exchange for District support, the organizers have committed to recognizing GVRD as a community partner and providing post-event participation and impact information.

Staff reviewed the request in accordance with District facility rental policies and determined that the following fees are eligible for Board consideration for waiver. Security staffing and damage deposits are not included in the requested waiver amount and remain the responsibility of the renter.

RECOMMENDATION

Board review the request and approve the facility and parking fee waiver for the 707

Week Soul Food Stroll event scheduled for July 12, 2026, at the Foley Cultural Center.

FISCAL IMPACT

Description	Amount
Lake Room (9 Hours)	\$1,206.00
Kitchen (9 Hours)	\$603.00
Refreshment Center (9 Hours)	\$405.00
Parking Waiver (Up to 200 Vehicles)	\$1,200.00
Audio & Visual / PA System	\$100.00
Total Requested Waiver	\$3,514.00

Description	Amount
Security Guards (5 Guards / 7 Hours)	\$1,400.00
Cleaning & Damage Deposit	\$750.00

Approval of the requested waiver would result in a reduction of facility rental revenue totaling **\$3,514.00**. Staff believes the request presents a significant community benefit through cultural programming, community engagement, and increased access to recreational and social opportunities for Vallejo residents.

ALTERNATIVES CONSIDERED

1. Approve as Requested (Recommended)

Approve the full waiver of eligible facility rental fees totaling \$3,514.00. This option provides maximum support for the community event and enhances accessibility for attendees while promoting cultural engagement and community participation.

2. Approve with Modifications

Approve a partial fee waiver by reducing or eliminating select facility fees while requiring payment of remaining rental costs. This option provides support while maintaining partial cost recovery for the District.

3. Approve Facility Fee Waiver but Exclude Parking

Approve the waiver of facility rental fees while requiring attendees or organizers to pay parking fees. This option reduces the District's financial impact while still supporting the event.

4. Deny the Request

Require the applicant to pay all applicable facility rental fees in accordance with the District's adopted fee schedule. This option preserves full cost recovery but may impact the affordability and accessibility of the event.

ENVIRONMENTAL REVIEW

This action is not considered a project under the California Environmental Quality Act (CEQA) and is therefore exempt from environmental review.

PROPOSED ACTION

Discussion and possible action to approve a facility fee waiver totaling **\$3,514.00** for the 707 Week Soul Food Stroll event to be held on July 12, 2026, at the Foley Cultural Center.

DOCUMENTS AVAILABLE FOR REVIEW

Exhibit A: Fee Waiver Request Memorandum from the 707 Committee dated May 5, 2026

Exhibit B: Event Budget and Cost Recovery Summary

Exhibit C: Event Flyer and Promotional Materials

Exhibit D: Event Presentation Materials Submitted by Applicant



(Fiscal Sponsor: House of Acts)

707 COMMITTEE

627 Grant Street
Vallejo, Calif. 94590

- (707) 440-0776
- 707day@vallejo.city
- Solano707Day.com
- 707Week.com

02 June 2026

To: GVRD Board of Directors, Interim General Manager, and Recreation Services Staff

From: 707 Committee, producers of 707 Week™

Re: Board review of in-kind facility/parking support sponsorship request for the 707 Soul Food Stroll

Request

The 707 Committee, organizers of the 707 Soul Food Stroll, respectfully requests waiver or absorption of all Board eligible facility fees and related costs to the fullest extent permitted for our **Sunday, July 12, 2026 event at Dan Foley Cultural Center from 9AM-6PM**. We also request Friday access to unload and parking access support through parking passes, fee waiver, prepaid parking arrangement, or another GVRD-approved solution that keeps parking from becoming a barrier to participation.

Final admission and registration details will be determined after GVRD confirms facility support, parking approach, security requirements, and layout capacity.

Current Quote for Dan Foley Cultural Center

Quoted Item	Amount	Request
Lake Room	\$1,206	9 hrs. In-kind sponsorship.
Kitchen	\$603	9 hrs. In-kind sponsorship.
Security (Quoted Level)	\$1,400	5 guards at 7 hrs. In-kind sponsorship. Reassessment based on final attendance, no alcohol, and volunteer support
Refreshment Center	\$405	9 hrs. In-kind sponsorship.
Audio/Visual	\$100	In-kind sponsorship.
Damage Deposit	\$750	Waiver, reduction, or refund-based handling as permitted
Current Quoted Subtotal	\$4,464	Excludes parking

Parking Estimate & Parking Waiver Request

Attendance Scenario	Estimated Vehicles*	Parking Cost at \$6/vehicle
250 attendees	100 vehicles	\$600
300 attendees	120 vehicles	\$720
400 attendees	160 vehicles	\$960
500 maximum capacity scenario	200 vehicles	\$1200

*Vehicle estimates assume approximately 2.5 attendees per vehicle and will be refined with GVRD staff once registration and final capacity are confirmed.

We respectfully request parking access support valued at approximately \$900-\$1,200, or another GVRD-approved equivalent, to support 150-200 vehicles and reduce cost barriers for attendees. If full parking support is not available, we request authorization to prepay or bundle parking in a way that allows attendees to experience the event as low-barrier and welcoming.

Community Benefit Rationale

The event is community-serving, culturally grounded, and aligned with GVRD's mission around wellness, safe public spaces, and inclusive recreation. The event is designed for public benefit and reasonable cost recovery, not private profit. Facility and parking relief protects community access and reduces the need to pass site-related costs through to attendees. GVRD will receive recognition, participation data, post-event photos/stories, and inclusion in the 2026 707 Week Community Impact Report.

Documents Submitted

- **Attachment B:** Event Budget and Cost-Recovery Summary
- **Attachment C:** In-Kind Sponsorship Proposal and Event Overview
- **Attachment D:** Draft Promotional Flyer
- **Attachment E:** PowerPoint Presentation
- **Attachment F:** Run of Show
- **Attachment G:** Volunteer Plan
- **Attachment H:** Security Plan and Request for Right-Sized Security Assessment
- **On File (May 11, 2026):** Dan Foley Cultural Center Application for 707 Soul Food Stroll (Community Event / Cultural Dining)
- **On File (May 11, 2026):** Fiscal sponsor determination letter for House of Acts, a Vallejo nonprofit 501(c)(3) organization.



707 Week™ x GVRD

Attachment B: Event Budget / Cost-Recovery Summary

707 Soul Food Stroll at Dan Foley Cultural Center | Sunday, July 12, 2026

Purpose

This summary provides a Board-facing budget view for the 707 Soul Food Stroll. It reflects a premium buffet-style brunch experience for approximately 300-400 attendees, plus direct guest experience, food service, event production, and impact reporting costs. The summary is intentionally structured around expense planning, sponsorship, and cost-recovery strategy. Final admission and registration details will be determined after GVRD confirms facility support, parking approach, security requirements, and layout capacity.

Requested GVRD In-Kind Sponsorship Value

Support Category	Estimated Value	Budget Impact
Quoted Facility Package (Dan Foley Cultural Center)	\$4,464	Includes Lake Room, kitchen, refreshment center, security, PA audio, and damage deposit. Request full in-kind sponsorship / Board-eligible waiver to the fullest extent permitted.
Estimated Parking Access Support	\$900 - \$1,200	Based on 150-200 vehicles at the published \$6 per-vehicle weekend parking rate. Requested as parking pass support, parking waiver, or another access solution.
Initial Estimate of Requested GVRD In-Kind Support	\$5,364 - \$5,664	Reduces facility, parking, and site-access pressure on the event budget and protects community access. Revised quote on June 2.

Estimated Expense Summary

Expense Category	Estimated Cost	Notes
GVRD Quoted Facility Package	\$4,464*	Requested as full in-kind sponsorship / Board-eligible waiver or adjusted support. *Informed on June 4 that deposit (\$750) and security (\$1400) could not be waived.
Estimated Parking Access Support	\$900 - \$1,200	Requested as GVRD parking access support to reduce attendee/site-access barriers.
Premium Buffet-Style Brunch Food Service**	\$25,000 - \$28,000	Direct food service, staffing/vendor costs, service supplies, and guest experience of full brunch buffet for approximately 300- 400 attendees.
Mocktail Service / Hun-Tea	\$1,500 - \$2,700	Estimated non-alcoholic beverage service for 300-400 attendees; final cost subject to drink count..
DJ / Music	\$800	DJ music support, including event time and basic set-up.
Event Materials, Signage, Print	\$500 - \$800	Directional signage, check-in materials, sponsor recognition, wayfinding, and table information.
Decor / Banquet Supplies	\$500 - \$800	Tabletop presentation, room feel, cultural presentation support, and guest experience supplies not covered by caterer.
Photography / Storytelling / Impact Report	\$400 - \$750	Photo documentation, content capture, and post-event reporting.
Volunteer Support / Refreshments	\$150 - \$250	Volunteer water/snacks, check-in supplies, and basic support materials.
Contingency	\$500 - \$750	Small buffer for final operational requirements.
Estimate of 707 Week Cost	\$34,714 - \$40,514	Estimated full-cost range before GVRD in-kind sponsorship

****Premium Buffet-Style Brunch Food Service:** This is not a light tasting. Reflects a full brunch experience for 300–400 attendees, with menu items estimated to include sweet potato waffles, griddled pancakes, bacon, sausage, fried chicken, chicken fried steak, salmon croquettes, frittatas, mac and cheese, candied yams, greens, biscuits with blackberry compote, creamy grits, seasonal fruit, variety of desserts, coffee, tea, juice, and mocktails.

Estimated Cost Range

Budget View	Estimated Range
Estimated Full-Cost Range before GVRD In-Kind Sponsorship	\$34,714 - \$40,514
Less Requested GVRD In-Kind Support - <i>keeping deposit (\$750) and security (\$1,400)</i>	(\$3,214 - \$3,514)
Estimated Net Cash Cost after GVRD In-Kind Sponsorship	\$31,500 - \$37,000

Important Note: The estimated net cash cost reflects direct event expenses remaining after GVRD’s requested facility and parking support. Final costs will depend on confirmed attendance, food-service quote, beverage-service quote, final security determination, layout requirements, and sponsor-supported items.

Anticipated Cost-Recovery Strategy

The 707 Soul Food Stroll is being structured as a community-benefit, cost-recovery event. The goal is to cover direct food, service, production, access, and reporting costs while keeping the event community-centered and accessible. Final admission and registration pricing will be determined only after the facility, parking, security, sponsorship, and final service model are confirmed.

Affordability Rationale

GVRD’s in-kind sponsorship is a key affordability lever. It does not fully fund the event. It helps protect community access by reducing facility, parking, and site-access pressure before those costs are passed into the event’s overall cost-recovery model.

Without GVRD support, more of the facility and parking burden would need to be absorbed through sponsorship, registration revenue, or program reductions. With GVRD support, more of the remaining budget can focus on the guest experience, food service, safe operations, and impact reporting.

Budget Position for Board Consideration

This budget supports the request that GVRD serve as a full in-kind Community Benefit Site Sponsor for the 707 Soul Food Stroll. The requested support directly protects public access, reduces cost pressure, and helps make Dan Foley Cultural Center a visible, mission-aligned 707 Week gathering site.

707 WEEK PRESENTS

VIBE & DINE

SOUL FOOD STROLL

GOOD FOOD. GOOD VIBES. GOOD COMMUNITY.



**SUNDAY,
JULY 12, 2026**

12PM-4PM



**Dan Foley
Cultural Center
Vallejo, CA**



**TENTATIVE PRICE:
\$65 • 2 FOR \$120**



Mocktails
by Huntea



Music
by DJ Shaadie

Sponsors: Supervisor Cassandra James • GVRD • Blackberry Soul
House of Acts • Watch Me Grow • Huntea



707 SOUL FOOD STROLL

GVRD Board Partnership Request

Dan Foley Cultural Center
Sunday, July 12, 2026
Public event: 12PM-4PM

Request: Approve GVRD as an in-kind Community Benefit Site Sponsor

Facility + Parking Support | Staff Coordination | Right-Sized Security
Assessment | Community Investment Value: \$3,214 - \$3,514



707 WEEK PRESENTS

— VIBE & DINE —

SOUL FOOD STROLL

GOOD FOOD. GOOD VIBES. GOOD COMMUNITY.

SUNDAY, JULY 12, 2026
12PM-4PM

Dan Foley Cultural Center
Vallejo, CA

TENTATIVE PRICE:
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Mocktails by Huntea

Music by DJ Shaadie

Sponsors: Supervisor Cassandra James • GVRD • Blackberry Soul House of Acts • Watch Me Grow • Huntea

707Week.com Thank you for supporting local!

Who Is Bringing This Forward?

707 Committee

Produces 707 Week™, a Solano County community-benefit initiative.

Co-Chairs: Andrea Portillo, Essex Cook, and R. Shay Miles.

Mission: culture, local identity, economic visibility, and community connection.

House of Acts

Vallejo-based 501(c)(3) fiscal sponsor and nonprofit of record.

Provides nonprofit accountability and volunteer support.

Event Partners

Supervisor Cassandra R. James
Greater Vallejo Recreation District*
Blackberry Soul
House of Acts
Watch Me Grow
Huntea
DJ Shaadie

*Pending Partnership



What Is the 707 Soul Food Stroll?

A curated cultural dining experience centered on soul food, community connection, music, and shared storytelling.

Not a food tasting

A premium buffet-style brunch experience with guests dining onsite.

Not an outdoor crawl

The “stroll” reflects moving through a curated food-service environment.

A signature gathering

Soul food brunch, music, mocktails, community fellowship, and local pride.

Community. Culture. Soul Food.



When, Where, and How It Runs

Sunday, July 12, 2026 | Public Event: 12PM-4PM | Requested Site Access: 9AM-6PM

- **Venue:** Dan Foley Cultural Center's Lake Room, kitchen, refreshment center, AV/audio, and approved banquet-style event area.
- **Expected attendance:** target 300-400 seated attendees, subject to GVRD-approved layout and capacity.
- Friday access requested for limited unload, subject to staff approval.
- No alcohol included in the base plan.
- Final registration/admission model set after GVRD confirms facility, parking, security, and layout requirements.



Why This Fits GVRD

Wellness + Belonging

Safe gathering and social connection reduce isolation and strengthen community belonging.

Safe Public Space

A managed facility, clear capacity, controlled check-in, security, and volunteer support.

Innovative Recreation

Expands recreation into culture, food, storytelling, and intergenerational connection.

Diversity + Inclusion

Celebrates Vallejo culture in an accessible, community-centered format.

Reportable Public Win

GVRD receives recognition, attendance data, photos, stories, and an impact snapshot.



The In-Kind Sponsorship Request

Requested GVRD support helps protect community access and reduces site-related cost pressure before those costs move into the event's cost-recovery model.

Facility Package

\$4,464

Lake Room, kitchen, refreshment center, security, PA audio, deposit

Parking Support

\$900-\$1,200

Parking pass support, waiver, prepaid, or GVRD-approved access solution

Total Request

\$3,214-\$3,514

Full in-kind Community Benefit Site Sponsor support to the fullest extent permitted

Also requested:

Friday unload access and security reassessment based on final event conditions.



Operations, Safety, and Controls

- No alcohol included in the base plan.
- Registration-based / controlled check-in to support capacity management.
- House of Acts / 707 volunteers support wayfinding, check-in, seating flow, setup, and clean-up under GVRD direction.
- Security Request: right-size the quoted level after final attendance, layout, no-alcohol plan, and volunteer support are confirmed.
- GVRD recognition will be integrated throughout the event experience, including approved promotional materials, event signage, verbal acknowledgment, 707 Week web/social channels, and public-facing partner recognition as a Community Benefit Site Sponsor.
- Post-Event Report: further recognition in participation snapshot and photos/stories.



Board Action Requested

The 707 Committee respectfully asks the GVRD Board to:

- GVRD's approval as an in-kind Community Benefit Site Sponsor for the 707 Soul Food Stroll.
- Authorize eligible facility, parking, and site support to the fullest extent permitted.
- Authorize staff to finalize logistics, parking, security, facility access, layout, and event requirements.
- Allow the 707 Committee to move forward with timely promotion, registration, and final production planning for July 12.

A visible, safe, inclusive 707 Week gathering site.





CITY OF VALLEJO

COMMUNITY DEVELOPMENT DEPARTMENT
Economic Development Division

555 SANTA CLARA STREET • P.O. BOX 3068 • VALLEJO • CALIFORNIA • 94590-5934 • (707) 648-4444
E-MAIL: econdev@ci.vallejo.ca.us • WEB PAGE: www.ci.vallejo.ca.us/ed.html • FAX (707) 648-4499

August 4, 2003

Francis "Skip" Radziewicz, Interim General Manager
Greater Vallejo Recreation District
395 Amador Street
Vallejo, CA 94590

Subject: Sereno Village Project Agreement between City of Vallejo, Greater Vallejo Recreation District, and Sereno Village Associates

Dear Mr. Radziewicz:

Enclosed, for your records, please find:

- Signed copy of the Amended and Restated Loan Agreement,
- Signed original Deed of Trust naming Sereno Village Associates as Trustor and City of Vallejo and GVRD as Beneficiaries,
- Signed copy Lender's Escrow Instructions
- Signed copy Substitution of Trustee and Deed of Full Reconveyance

An original set of these documents is being forwarded to North American Title Company for recording.

Should you have any questions, please call me at 707/648-4395.

Sincerely,

GUY L. RICCA
Senior Community Development Analyst

Enclosures

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT (this "Agreement") is entered into as of JULY 18, 2003 by and between the CITY OF VALLEJO ("City"), a municipal corporation, the GREATER VALLEJO RECREATION DISTRICT ("GVRD"), and SERENO VILLAGE ASSOCIATES, a California Limited Partnership ("Borrower"), whose Managing General Partner is CITIZENS HOUSING CORPORATION, a California non-profit public benefit corporation, ("Citizens") and Administrative General Partner is AFFORDABLE HOUSING AFFILIATION, a California nonprofit public benefit corporation ("AHA") (Citizens and AHA are collectively referred to herein as the "General Partners"). This Agreement expressly replaces and supersedes the Loan Agreement entered into by City and Borrower on May 15, 2003, and encompasses the Loan Agreement contemplated by GVRD and Borrower.

RECITALS

A. Citizens and the Redevelopment Agency of the City of Vallejo (the "Agency") entered into that certain Participation Agreement, dated November 28, 2000, which Participation Agreement was assigned to and assumed by the Borrower pursuant to that certain Assignment Agreement Re: Property and Financing between Citizens and the Borrower, dated February 11, 2002 (as so assigned, the "PA").

B. Pursuant to the PA, the Borrower acquired that certain real property (the "Site") shown on the Map of the Site attached hereto as Exhibit A and incorporated herein by reference, and described in the Legal Description of the Site attached hereto as Exhibit B and incorporated herein by reference. Pursuant to the PA, the Borrower will construct on the Site a multi-family residential housing project on Sereno Drive (Planned Development #01-0007), consisting of approximately 125 residential units (the "Units"), which shall be rented to qualified very-low income persons and families (the "Sereno Village Project").

C. On June 5, 2001, the Vallejo City Council committed funds for the Sereno Village Project in the amount of \$844,781, and directed that an agreement, including a note and deed of trust, be prepared and executed to ensure the repayment of the Loan. On April 9, 2002, the City Council modified its prior commitment, and approved a loan to the Borrower in the principal amount of \$1,400,000, which funds were to be made available to the Borrower to assist with financing the construction of the Sereno Village Project. On June 13, 2001, the GVRD Board of Directors committed funds for the Sereno Village Project in the amount of \$202,463, which funds were to be made available to the Borrower to assist with financing costs associated with the construction of the Sereno Village Project. The total aggregate amount of the loan committed to by City and GVRD, pursuant to this Agreement is \$1,602,463.

D. The parties desire to enter into this Agreement to set forth the terms and conditions and ensure repayment of the Loan.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. Loan. The City and GVRD agree to loan to Borrower and the Borrower agrees to borrow from City and GVRD an aggregate amount not to exceed One Million Six Hundred and Two Thousand Four Hundred and Sixty-Three Dollars (\$1,602,463) (the "Loan"), subject to the terms and conditions set forth in this Agreement. Of the total Loan amount (\$1,602,463), One Million Four Hundred Thousand Dollars (\$1,400,000) shall be funded from, and when repaid shall be credited toward, City Account No. 001 (General Fund), on behalf of the City (sometimes referred to herein as the "City Loan"), and the remaining Two Hundred Two Thousand Four Hundred Sixty Three Dollars (\$202,463) shall be funded by the City from, and when repaid shall be credited toward, City Account No. 137, on behalf of GVRD (sometimes referred to herein as the "GVRD Loan"). The GVRD Loan shall be administered by the City on behalf of GVRD. The Loan shall be evidenced by and repayable in accordance with a promissory note (the "Note") executed by the Borrower in substantially the form attached hereto and incorporated herein as Exhibit C. The Note shall bear simple interest at the rate of three percent (3%) per annum. Payments shall be made under the Note from a pro-rata share of Net Surplus Cash from the Project (as defined in the Note), with the entire amount of unpaid principal and interest due in full fifteen (15) years following the date of the Note, all as more fully set forth in the Note. The Note shall be secured by a deed of trust (the "Deed of Trust") to be recorded against the Site, which Deed of Trust shall be executed by the Borrower, in recordable form, in substantially the form attached hereto and incorporated herein as Exhibit D. The Deed of Trust shall be and remain a lien upon the Site, subordinate only to those certain regulatory agreements and deeds of trust previously recorded in favor of Borrower's lenders and authorized under the PA (the "Approved Senior Liens").

The Note is one of four (4) promissory notes to be executed and delivered by the Borrower for the Sereno Village Project, all of which notes require repayment from the Net Surplus Cash from the Sereno Village Project, including: (1) the Note; (2) a promissory note executed by the Borrower in favor of the Vallejo Sanitation and Flood Control District ("VSFCD"), in the initial principal amount of \$351,635.20 (the "VSFCD Note"); entered into pursuant to a Loan Agreement between Maker and VSFCD dated November 19, 2002; (3) a promissory note executed by the Borrower in favor of the Agency, in the initial principal amount of \$600,000 (the "Agency Acquisition Loan Note"), entered into pursuant to Section 302 of the PA; and (4) a promissory note executed by the Borrower in favor of the Agency, in the initial principal amount of \$1,900,000 (the "Agency Permanent Financing Loan Note"), entered into pursuant to Section 303 of the PA. The Agency, pursuant to its consent and agreement attached hereto and incorporated herein by reference, has agreed to defer repayment of amounts owed to the Agency by the Borrower under the Agency Acquisition Loan Note and Agency Permanent Financing Loan Note until such time as all amounts owed to the City and to GVRD under the Note and to VSFCD under the VSFCD Note, have been repaid in full. Further, it is the intent of the City and GVRD (and VSFCD pursuant to its separate loan agreement and note referenced above) that the entire amount of Net Surplus Cash (as defined in the Note) from the Sereno Village Project be divided on a pro-rata basis and paid to the City, GVRD and VSFCD to repay amounts owing by the

Borrower under the Note and the VSFCD Note, respectively, all as more fully set forth in the Note.

2. Conditions to Disbursement of Loan Proceeds. The City, on behalf of itself and GVRD, shall not be obligated to make any disbursement of any portion of the Loan proceeds or take any other action under this Agreement unless all of the following conditions precedent are satisfied or waived in City's and GVRD's reasonable discretion:

a. The Borrower shall deliver evidence satisfactory to the City and GVRD that Borrower has obtained, or caused to be obtained, all approvals necessary to undertake and complete the construction of the Sereno Village Project, including without limitation, binding commitments for any financing required, in addition to the Loan provided for hereunder, for the construction of the Sereno Village Project; approval of all construction plans, drawings and related documents; and approvals and issuance of all required permits, including a building permit; and that Borrower will commence construction within thirty (30) business days after the date of the Note and disbursement of the Loan proceeds;

b. The Borrower shall execute and deliver to the City the Note and Deed of Trust (in recordable form) evidencing the Loan, pursuant to Section 1, above;

c. All of the representations and warranties made by the Borrower in this Agreement and in the PA and any other loan documents executed by the Borrower with respect to the Sereno Village Project, as referenced in the PA, shall be true and correct as of the date of the proposed disbursement; and

d. The Borrower shall deliver to the City a binding commitment by a title insurance company acceptable to the City and GVRD to issue a CLTA lender's policy of title insurance ("Title Policy"), with any endorsement the City or GVRD may reasonably require, showing fee simple title to the Site in the name of the Borrower, of the validity and the priority of the Note and Deed of Trust as a lien upon the Site, subject only to matters of record approved by the City and GVRD in writing, and subordinate only to the Approved Senior Liens authorized under Section 1, above;

e. The Borrower has delivered evidence of insurance required by Section 7 of this Agreement.

If the Borrower fails to satisfactorily complete all of the conditions precedent set forth above, then the City (for itself or on behalf of GVRD), in its sole discretion, may terminate this Agreement by delivering written notice of such termination to the Borrower. Following such termination, no party shall have any further rights, duties or obligations hereunder, and the City (for itself or on behalf of GVRD) shall have no obligation to fund any portion of the Loan provided for hereunder.

3. Loan Closing. The City shall deliver the proceeds of the Loan to the Borrower upon satisfaction of all of the conditions set forth in Section 2, above. Concurrently with delivery of the proceeds of the Loan to the Borrower, the City shall record, or cause the recordation of, the Deed of Trust in the Official Records of the

County of Solano. The Borrower shall pay all fees, charges and costs related to the Loan, including without limitation all closing costs and fees and the premium for the Lender's Title Policy required under Section 2.d., above.

4. Restrictions on Use of Loan Proceeds. The Borrower covenants that it shall use the proceeds of the Loan solely to pay costs associated with the construction of the Sereno Village Project. The Borrower shall not use the Loan proceeds, or permit them to be used, for any purpose other than as set forth in this Section 4. The City and GVRD shall not be responsible for any costs or charges incurred in the construction of the Sereno Village Project, except for the Loan provided for hereunder.

5. Schedule of Performance of Construction Obligations. The Borrower shall commence and diligently proceed to take all actions necessary to undertake and complete the construction of the Sereno Village Project, in accordance with the schedule of performance provided for under the PA.

6. Subordination. The City and GVRD agree to subordinate the lien of their Deed of Trust to any other Deeds of Trust or other security instruments for the Approved Senior Liens authorized under Section 1, above, and execute such subordinating and non-disturbance Agreements with Borrower's senior lenders and tenants of all or any portion of the Site, all in recordable form.

7. Insurance.

A. Workers' Compensation. The Borrower, at its own cost and expense, shall carry and maintain full Workers' Compensation Insurance and Employer's Liability with limits as required by California law with an insurance carrier satisfactory to the City and GVRD. The policy shall provide that no cancellation, major change or expiration shall become effective or occur until at least ten (10) days after receipt of written notice by the City and GVRD.

B. Liability and Property Damage.

1. The Borrower, at its own cost and expense, shall maintain a commercial general liability policy written on an occurrence basis with a combined single limit of TWO MILLION DOLLARS (\$2,000,000). The City and GVRD, and their officers and employees, shall be named as additional insured. The policy shall cover the Site.

2. All insurance shall be with insurers and under forms of policies satisfactory in all respect to the City and GVRD and shall provide that notice must be given to the City at least thirty (30) days prior to cancellation or material change. The policies shall stipulate that this insurance will operate as primary insurance and that no other insurance effected by the City or GVRD will be called upon to contribute to a loss suffered by the Borrower hereunder.

3. The Borrower agrees to furnish any certificates of insurance evidencing the above-described policies as requested by the City or GVRD. Such certificates must be returned to City and GVRD and approved by the City and GVRD,

respectively, before any disbursement will be made under this Agreement. Upon notification of receipt by the City and GVRD of a notice of cancellation or major change in coverage, the Borrower shall file with the City and GVRD a certified copy of the required new or renewal policy and certificates for such policy.

8. Indemnification. The Borrower shall defend, assume all responsibility for and hold the City and GVRD, and their respective officers and employees, harmless from all demands, claims, actions and damages to any person or property arising out of or caused by any of Borrower's activities under this Agreement, whether such activities or performance thereof be by the Borrower or anyone directly or indirectly employed or contracted with by the Borrower and whether such damage shall accrue or be discovered before or after completion of the Sereno Village Project, except to the extent any such demands, claims, actions and damages are due to the gross negligence or willful misconduct of the City or GVRD or their respective officers and employees.

9. Defaults. The occurrence of any of the following shall constitute an event of default under this Agreement: (1) Borrower fails to pay any amount due hereunder or under the Note or Deed of Trust within fifteen (15) days of its due date after notice to Borrower; or (2) any other material default by Borrower hereunder or under the Note or Deed of Trust which is not cured within 30 days after notice to Borrower, or within such other applicable cure period provided for under this Agreement; (3) any sale or transfer of the Sereno Village Project or any portion thereof in violation of this Agreement or the PA unless consented to by the City (for itself and on behalf of GVRD) in its reasonable discretion; (4) the filing by or against the Borrower of a petition for relief under the Bankruptcy Reform Act of 1978 or any bankruptcy or debtor relief law; (5) the transfer or assignment of this Loan Agreement, the Note or the Deed of Trust without approval by the City (for itself and on behalf of GVRD); (6) failure of the Borrower to complete the construction of the Sereno Village Project, or any portion thereof, within the times set forth in the PA, subject to any extensions of time mutually agreed to by the parties; or (7) the Borrower fails to use the Loan proceeds for any purpose other the purposes set forth in Section 4 of this Agreement.

Upon the occurrence of a default, the City (for itself and on behalf of GVRD), at its option, may declare this Agreement to be in default and, in such event, the City (for itself and on behalf of GVRD) shall have all of the rights and remedies prescribed in the Note and the Deed of Trust and at law or in equity. Following an event of default, the City (for itself and on behalf of GVRD) shall have no further obligation to disburse all or any portion of the Loan.

10. Borrower agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by the City and GVRD or adjudged by a Court: (1) reasonable costs of collection, costs, and expenses, and reasonable attorneys' fees paid or incurred in connection with the collection, enforcement, or foreclosure sale of any security for this Agreement, or of any covenant of this Agreement or such security, whether or not suit is filed; (2) costs of suit and such sums the Court may adjudge as attorneys' fees in any action to enforce payment of all amounts due under this Agreement or any part of it; and (3) costs of suit and such sums as the Court may adjudge as reasonable attorneys' fees in any other litigation or controversy connected with the enforcement of this Agreement

11. No Liability of City or GVRD Officials. No councilmember, director, official or employee of the City or GVRD shall be personally liable to the Borrower, or any successor in interest, in the event of any default or breach by the City or GVRD under this Agreement or for any amount which may become due to the Borrower or any successor or on any obligations under the terms of this Agreement.

12. Miscellaneous Provisions.

a. Transfer or Assignment. As long as any balance of the Note is remaining to be paid, the Borrower shall not transfer or assign this Loan Agreement, the Note, the Deed of Trust, or the ownership of the Site without prior written approval by the City and GVRD. Approval of any such transfer or assignment shall be at the sole discretion of the City and GVRD.

b. Interest of Officials of the City or GVRD. No member of the governing body of the City or GVRD and no other officer, employee or agent of the City or GVRD who exercises any functions or responsibilities in connection with the carrying out of the City's or GVRD's work shall have any personal interest, direct or indirect, in this Agreement.

c. Compliance with Government Regulations. The Borrower shall, at its sole cost and expense, comply with all applicable municipal, county, state and federal laws, rules, regulations and ordinances now in force, or which may hereafter be in force, pertaining to any and all activities contemplated under this Agreement, including, but not limited to, issuance of building and use permits and compliance with all federal and state labor laws.

d. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, to the jurisdiction of which the parties hereto submit.

e. Time of the Essence. Time is of the essence of each and every provision of this Agreement.

f. Notices. Notices or other communications given under this Agreement shall be in writing and shall be served personally or transmitted by first class mail, postage prepaid. Notices shall be deemed received either at the time of actual receipt or, if mailed in accordance herewith, on the third (3rd) business day after mailing, whichever occurs first. Notices shall be directed to the parties at the following addresses or at such other addresses as the parties may indicate by notice:

City: Housing Authority
City of Vallejo
PO Box 1432
Vallejo, CA 94590
Attention: Gary Truelsen, Housing Manager

GVRD: Greater Vallejo Recreation District
395 Amador Street
Vallejo, CA 94590
Attn: General Manager

Borrower: Sereno Village Associates
26 O'Farrell Street, Suite 600
San Francisco, CA 94108
Attention: James Buckley, President

With a copy to:
Alliant Tax Credit Fund SV, Ltd. And
Alliant Tax Credit SV, Inc.
C/o Alliant Asset Management Company, LLC
21550 Oxnard Street, Suite 1020
Woodland Hills, CA 91367
Attn: Shawn Horwitz

g. Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

h. Headings. The titles and headings of the various sections of this Agreement are intended solely for reference and are not intended to explain, modify or place any interpretation upon any provision of this Agreement.

i. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such or the remaining provisions of this Agreement.

j. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executing in writing by the party making the waiver.

k. Number and Gender. As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall each include the others whenever the context so indicates or requires.

l. Further Assurances. The parties shall execute, acknowledge, file or record such other instruments and statements and shall take such additional action as may be necessary to carry out the purpose and intent of this Agreement.

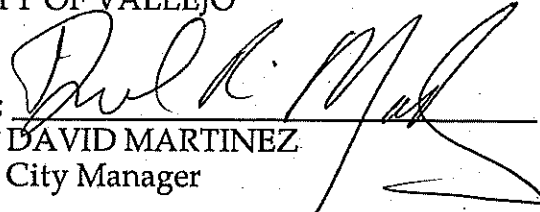
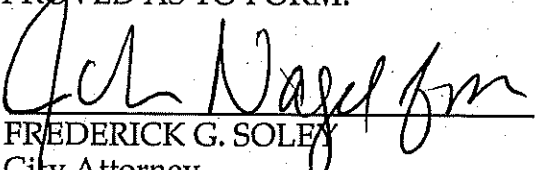
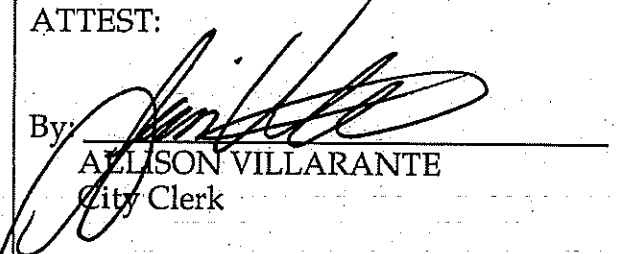
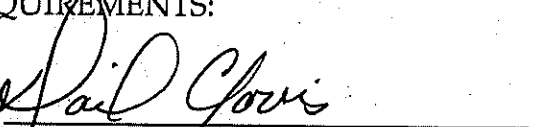
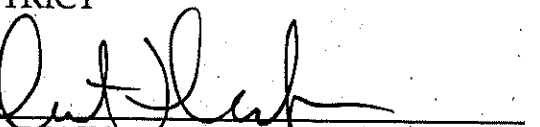
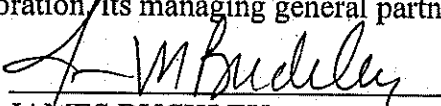

m. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives, successors and assigns.

n. Entire Agreement. This Agreement and Exhibits A, B, C and D, which are incorporated herein, together constitute the entire agreement between the parties and supersede all prior or contemporaneous agreements, representations, warranties and understandings of the parties concerning the subject matter contained herein, written or oral. No change, modification, addendum or amendment to any provision of this Agreement shall be valid unless executed in writing by each party hereto.

o. Attorneys' Fees. In the event of any litigation arising out of this Agreement, the prevailing party in such action, or the nondismissing party where the dismissal occurs other than by reason of a settlement, shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs paid or incurred in good faith. The "prevailing party," for purposes of this Agreement, shall be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal or judgement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

<p>CITY:</p> <p>CITY OF VALLEJO</p> <p>By:  DAVID MARTINEZ City Manager</p> <p>APPROVED AS TO FORM:</p> <p>By:  FREDERICK G. SOLEY City Attorney</p> <p>ATTEST:</p> <p>By:  ALLISON VILLARANTE City Clerk</p> <p>APPROVED AS TO INSURANCE REQUIREMENTS:</p> <p>By:  DAVID CLOVIS Risk Manager</p> <p>GVRD:</p> <p>GREATER VALLEJO RECREATION DISTRICT</p> <p>By:  LIAT METZENHEIMER Chairperson</p>	<p>BORROWER:</p> <p>SERENO VILLAGE ASSOCIATES, a California Limited Partnership</p> <p>By: Citizens Housing Corporation, a California nonprofit public benefit corporation, its managing general partner</p> <p>By:  JAMES BUCKLEY President</p> <p>By: Affordable Housing Affiliation, a California nonprofit public benefit corporation, its administrative general partner</p> <p>By:  BILL MCCUNE Executive Director</p>
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of CALIFORNIA

County of SOLANO

On AUGUST 1, 2003 before me, JENNIFER ARTATES, NOTARY PUBLIC

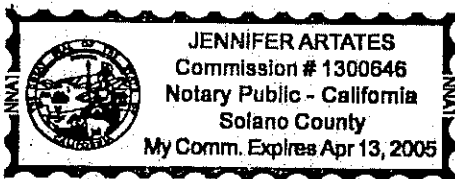
DATE

NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared DAVID R. MARTINEZ

NAME(S) OF SIGNER(S)

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



WITNESS my hand and official seal.

Jennifer Artates
SIGNATURE OF NOTARY

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

- PARTNER(S)
- LIMITED
- GENERAL

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

State of California
County of San Francisco

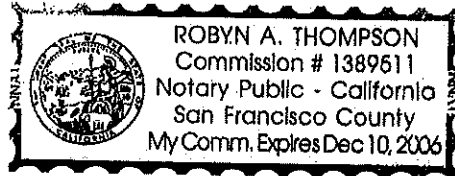
On July 15, 2003 before me, Robyn A. Thompson, Notary Public,
personally appeared:

James M. Buckley

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

WITNESS my hand and official seal.

Robyn A. Thompson

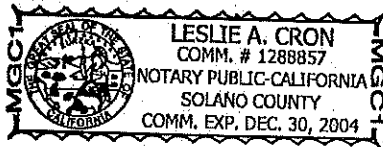


STATE OF CALIFORNIA
COUNTY OF

Solano

On July 16, 2003, before me, Leslie A. Cron
personally appeared Bill McInerney

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



WITNESS my hand and official seal.

Leslie A. Cron

(This area for official notarial seal)

DESCRIPTION OF ATTACHED DOCUMENT

Loan Agreement

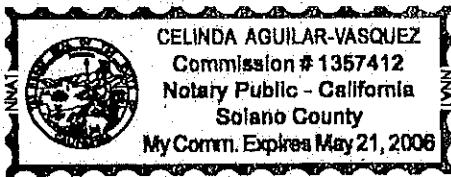
DESCRIPTION OF DOCUMENT (OPTIONAL)

STATE OF CALIFORNIA
COUNTY OF

Solano

On July 22, 2003, before me, Celinda Aguilar-Vasquez, Notary Public
personally appeared Liat Meitzenheimer

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



WITNESS my hand and official seal.

Celinda Aguilar-Vasquez

(This area for official notarial seal)

DESCRIPTION OF ATTACHED DOCUMENT

Loan Agreement

DESCRIPTION OF DOCUMENT (OPTIONAL)

**CONSENT AND AGREEMENT OF
REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO**

In furtherance of the (a) Participation Agreement, dated November 28, 2000, Between the Agency and Citizens Housing Corporation ("Citizens"), which Participation Agreement was assigned to and assumed by the Sereno Village Associates, a California Limited Partnership (the "Borrower"), pursuant to that certain Assignment Agreement Re: Property and Financing between Citizens and the Borrower, dated February 1, 2002 (the "Assignment") (as so assigned, the "PA"); (b) the Agency Acquisition Loan Note executed by Citizens in favor of the Agency pursuant to Section 302 of the PA, which Note was assigned to the Borrower pursuant to the Assignment; (c) the Agency Permanent Financing Loan Note executed by the Borrower in favor of the Agency pursuant to Section 303 of the PA; and (d) the development of the Project, pursuant to and as defined in the PA, the Redevelopment Agency of the City of Vallejo hereby consents to the terms of the Loan Agreement by and between the City of Vallejo (the "City"), the Greater Vallejo Recreation District ("GVRD"), and the Borrower, dated as of July 28, 2003, and does hereby agree, for itself and its officers, departments, boards and agencies:

1. To undertake, in a timely and good faith manner, subject to applicable legal requirements, all of the obligations of the Agency under the PA; and

2. So long as Borrower is not in default under the PA, the Agency Acquisition Loan Note or the Agency Permanent Financing Loan Note, any payments of Surplus Cash from the Project which may be due and payable under the Agency Acquisition Loan Note and the Agency Permanent Financing Loan Note shall not be due and payable until such time as all amounts due and owing the City, GVRD and VSFCD under their respective notes are paid in full, as provided for under Section 3 of those respective notes.

REDEVELOPMENT AGENCY OF THE CITY
OF VALLEJO

Dated: July 28, 2003

By: 

DAVID MARTINEZ
Executive Director

EXHIBIT A

MAP OF THE SITE

[To Be Inserted by Title Company.]



EXHIBIT B

LEGAL DESCRIPTION OF THE SITE

[To Be Inserted by Title Company.]



EXHIBIT C

SLB
~~FORM OF~~ PROMISSORY NOTE

\$1,602,463

July 28, 2003
Vallejo, California

FOR VALUE RECEIVED, SERENO VILLAGE ASSOCIATES, a California limited partnership (the "Maker"), having an address of 26 O'Farrell Street, Suite 506, San Francisco, California 94108, promises to pay to the order of CITY OF VALLEJO ("Holder" or "City"), for and on behalf of itself and the GREATER VALLEJO RECREATION DISTRICT ("GVRD"), the initial principal sum of ONE MILLION SIX HUNDRED AND TWO THOUSAND FOUR HUNDRED AND SIXTY-THREE DOLLARS (\$1,602,463), with simple interest at the rate of three percent (3%) per annum. The Managing General Partner of Maker is Citizens Housing Corporation, a California nonprofit public benefit corporation ("Citizens"); and the Administrative General Partner of Maker is Affordable Housing Affiliation, a California nonprofit public benefit corporation ("AHA") (Citizens and AHA are collectively referred to herein as the "General Partners").

1. This Note is made pursuant to that certain Loan Agreement between Maker and Holder and GVRD, dated July 28, 2003 (the "Loan Agreement"). Prior to the Loan Agreement, Citizens and the Redevelopment Agency of the City of Vallejo (the "Agency") entered into that certain Participation Agreement, dated November 28, 2000, which Participation Agreement was assigned to and assumed by Maker pursuant to that certain Assignment Agreement Re: Property and Financing between Citizens and Maker, dated February 1, 2002 (as so assigned, the "PA"). Pursuant to the PA, Maker has acquired that certain real property defined in the PA as the "Site", and shall construct on the Site a multi-family residential housing project consisting of approximately 125 residential units which shall be rented to qualified very-low income persons and families (the "Project"), all as described in the PA. Pursuant to the Loan Agreement, the City and Greater Vallejo Recreation District ("GVRD") have agreed to provide a loan (the "Loan") to Maker to assist Maker in financing costs associated with the construction of the Project. Of the total Loan amount (\$1,602,463), One Million Four Hundred Thousand Dollars (\$1,400,000) has been loaned by, and when repaid shall be credited toward, the City (sometimes referred to herein as the "City Loan"), and the remaining Two Hundred Two Thousand Four Hundred Sixty Three Dollars (\$202,463) has been loaned by, and when repaid shall be credited toward, GVRD (sometimes referred to herein as the "GVRD Loan"). The GVRD Loan shall be administered by the City on behalf of GVRD. This is a promissory note for the repayment to Holder, on behalf of itself and GVRD, of funds advanced to or on behalf of Maker pursuant to the Loan Agreement. All capitalized terms not defined in this Note shall have the meaning set forth in the Loan Agreement.

2. Payment of this Note is secured by a deed of trust, assignment of rents, security agreement and fixture filing (the "Deed of Trust") from Maker to Holder upon the Site, or applicable portion thereof covered by this Note.

3. Payments of interest and principal shall be made to the Holder from "Net Surplus Cash" which is hereinafter defined. To the extent there is Net Surplus Cash available from the Project, Net Surplus Cash shall be disbursed and credited as follows:

a. This promissory note is one of four (4) promissory notes set forth in more detail below to be executed and delivered by Maker for the Project, all of which notes require repayment from the Net Surplus Cash. Said notes are:

(1) this Note; (2) a promissory note executed by Maker in favor of the Vallejo Sanitation and Flood Control District ("VSFCD"), in the initial principal amount of \$351,635.20 (the "VSFCD Note"), entered into pursuant to a Loan Agreement between Maker and VSFCD dated November 19, 2002;

(3) a promissory note executed by Maker in favor of the Agency, in the initial principal amount of \$600,000 (the "Agency Acquisition Loan Note"), entered into pursuant to Section 302 of the PA; and

(4) a promissory note executed by Maker in favor of the Agency, in the initial principal amount of \$1,900,000 (the "Agency Permanent Financing Loan Note"), entered into pursuant to Section 303 of the PA.

The Agency, pursuant to its consent and agreement attached to and incorporated into the Loan Agreement, has agreed to defer repayment of amounts owed to the Agency by Maker under the Agency Acquisition Loan Note and Agency Permanent Financing Loan Note until such time as all amounts owed to Holder (and GVRD) under this Note and to VSFCD under the VSFCD Note have been repaid in full. It is the intent of Holder and GVRD (and of VSFCD pursuant to its separate note referenced above) that the entire amount of Net Surplus Cash (as defined below) from the Project be divided on a pro-rata basis and paid to Holder and VSFCD to repay amounts owing by Maker under this Note and the VSFCD Note.

b. Unless otherwise approved by Holder, so long as any amounts are due and owing under this Note, the entire amount of Net Surplus Cash shall be disbursed by Maker and credited as follows:

(1) EIGHTY TWO PERCENT (82%) of the Net Surplus Cash shall be paid to Holder as repayment of amounts due and owing hereunder (SEVENTY ONE AND SIX-TENTHS PERCENT (71.6%) of the Net Surplus Cash shall be credited to City Account No. 001 (General Fund), on behalf of the City, for repayment of the City Loan; and TEN AND FOUR-TENTHS PERCENT (10.4%) of the Net Surplus Cash shall be credited to City Account No. 137, on behalf of GVRD for repayment of the GVRD Loan);

(2) The entire remaining EIGHTEEN PERCENT (18%) of Net Surplus Cash shall be paid to VSFCDC as repayment of amounts due and owing under the VSFCDC Note.

Notwithstanding the foregoing, the entire unpaid principal, together with all accrued and unpaid interest, due under this Note shall be due and payable in full fifteen (15) years from the date hereof.

All payments made hereunder shall be credited first to any interest due and owing and then to principal. Interest not paid current shall accrue and shall not be compounded.

Maker may, if it has sufficient Net Surplus Cash available, prepay all or any part of this Note, without penalty, at any time during the term of this Note. Any unauthorized prepayments, as determined by HUD, shall be the responsibility of the Maker to return to the Project.

4. "Surplus Cash" for purposes of this Note shall mean the sum of money computed as follows:

a. All rents, revenues, consideration or income (of any form) derived by Maker in connection with or relating to the ownership or operation of the Project, including any net revenue derived from any refinancing of the Project and any revenue from contributions, loans or grants which is not required to meet future project obligations, less all of the following: all customary and reasonable costs and expenses in connection with the construction, operation and maintenance of the Project (including without limitation the organizational expenses of Borrower); property management fees and asset management fees (previously approved by Holder); any tax credit shortfall payments due to the limited partner of Borrower pursuant to Borrower's partnership agreement; principal and interest paid by Maker on account of any loan(s) or other obligations associated with the Approved Senior Liens authorized under Section 1 of the Loan Agreement or otherwise approved by Holder; amounts (previously approved by Holder) expended to restore the Project after a casualty loss or condemnation; reasonable and customary cost for accounting and auditing the books and records of the Project; taxes (including without limitation preparation costs); any amounts (previously approved by Holder) reserved by Maker as an operating contingency reserve account and a replacement reserve account (and deposited in an account approved by Holder) for the Project; and any other reserves required by an approved lender or investor.

b. Notwithstanding the generality of the foregoing, the following items are not expenses or deductible in computing Surplus Cash:

(i) Payment of any fees or expenses or of any portion of the Surplus Cash to Maker or any affiliate of Maker, other than a reasonable property management fee, an asset management fee not to exceed \$5,000, and a supervisory management fee not to exceed \$20,000 for the following: reviewing the monthly operating budget; overseeing the performance of the property

manager; meetings, coordination and conflict resolution with the adjacent property owner; review and approval of the annual operating budget; prepare, review and approval of annual partnership reports; review and approval of tax returns; coordination with the investor limited partner; and resolution of miscellaneous issues normally associated with the ownership and operation of multi-family housing;

(ii) Income taxes imposed upon Maker's income;

(iii) Payment of interest on any indebtedness of Maker to any affiliate of Maker (individual or entity) or to any other third-party lender or partner not otherwise approved by Holder; and

(iv) Depreciation, cost recovery, amortization and similar items which do not involve the expenditure of cash.

c. This promissory note is one of several notes executed and delivered by Maker relating to the Project. Although the language of paragraph 4(a) appears in each note, Maker may deduct the items identified in paragraph 4(a) only once to determine the Surplus Cash from the Project.

d. Notwithstanding the foregoing, if and so long as the Secretary of Housing and Urban Development or his/her successors or assigns, are the insurers or holders of the first or any senior mortgage on the Project, payments due under this Note shall be payable only from a portion of the Surplus Cash of the Project, as the term Surplus Cash is defined in the Regulatory Agreement between HUD and Maker. Any restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the Maker to pay the indebtedness evidenced by this Note.

5. "Net Surplus Cash" for purposes of this Note shall mean the sum of money determined as follows:

a. If all or any portion of the Developer Fee for the Project (as defined and approved by the Agency pursuant to the PA) is deferred and not paid to or retained by the General Partners from the proceeds of the permanent financing to be obtained for the Project, then the Surplus Cash from the Project shall be disbursed and credited as follows:

(1) FIFTY PERCENT (50%) of the Surplus Cash from the Project may be paid to or retained by the General Partners, until such time as the entire deferred Developer Fee is paid to the General Partners; provided, the total amount paid to the General Partners pursuant to this subsection 5.a.(1) shall not exceed the amount of Net Surplus Cash paid collectively to Holder and VSFCD pursuant to subsection 3.b., above; and provided, further, that the total aggregate amount paid to the General Partners pursuant to this subsection 5.a.(1) shall not exceed the amount of the deferred Developer Fee.

(2) The entire remaining amount of Surplus Cash from the Project (including the remaining Fifty Percent (50%) of the Surplus Cash from the Project, plus all Surplus Cash remaining after payment in full of the Developer Fee) shall be deemed "Net Surplus Cash" for purposes of this Note and shall be used to repay amounts due and owing hereunder pursuant to subsection 3, above.

b. Following payment to the General Partners of the maximum amount set forth in subsection 5.a.(1), above, and thereafter, ONE HUNDRED PERCENT (100%) of the Surplus Cash from the Project shall be deemed "Net Surplus Cash" for purposes of this Note and shall be used to repay amounts due and owing hereunder pursuant to subsection 3, above.

6. Maker shall deliver monthly balance sheets showing all revenues and expenses of the Project. An audited financial statement shall be delivered within one hundred twenty (120) days of the end of each calendar year along with payment of the Net Surplus Cash (if any). Holder shall have the right to inspect and audit Maker's books and records concerning the calculation of Net Surplus Cash and to object within ninety (90) days from receipt of Maker's statement. Failure to timely object shall be deemed acceptance. If Holder does object, Holder shall specify the reasons for disapproval. Maker shall have thirty (30) days to reconcile any disapproved item. If Maker and Holder cannot agree on the amount of the Net Surplus Cash, an independent auditor mutually selected by Maker and Holder shall resolve any disputed items. The cost of the auditor shall be shared equally by Maker and Holder.

7. Maker shall prepare and submit to Holder a copy of the proposed annual operating budget for the management and operation of the Project no later than October 1 of each year until this Note is paid in full. The proposed budget shall include a line item showing the projected Net Surplus Cash from the Project for the year. Holder will review the proposed budget and, if acceptable, approve it, which approval shall not be unreasonably withheld. If the budget is not acceptable, Holder shall specify the reasons for disapproval. The intent of this paragraph is to provide Holder an opportunity to disapprove any unreasonable expenses which would diminish the Net Surplus Cash from the Project. Once approved, any changes to the budget which exceed ten percent (10%) of the total budget shall require Holder's prior written consent, which consent shall not be unreasonably withheld.

8. Notwithstanding anything to the contrary provided herein, in the event that the Project is in default under the terms of the Loan Agreement, the PA, any loan documents provided for under the PA, including without limitation the Acquisition Note, Permanent Financing Note, Affordable Housing Covenant or the Tax Credit Financing (as defined in the PA) provisions such that the affordability restrictions are no longer in effect, or if there shall have been an event of default under this Note or the Deed of Trust securing this Note, then the entire unpaid principal of this Note and accrued interest thereon may be immediately due and payable, at the option of Holder.

9. Payment shall be made in lawful money of the United States to Holder c/o The City of Vallejo, 555 Santa Clara Street, Vallejo, California 94590. The place of

payment may be changed from time to time as the Holder may from time to time designate in writing. Upon receipt, Holder shall credit all payments received hereunder to the appropriate City and GVRD accounts, pursuant to the respective pro rata shares, as described in subsection 3.b.(1).

10. Maker hereby covenants and agrees that it shall maintain, or cause to be maintained, the Site in a manner consistent with the provisions set forth therefor in the Vallejo Municipal Code, and shall keep the entire Site reasonably free from any accumulation of debris or waste materials prior to and after construction.

If, at any time, Maker fails to maintain the Site, and has either failed to commence to cure such condition or to diligently prosecute to completion the condition or the condition is not corrected after expiration of thirty (30) days from the date of written notice from Holder to Maker, Holder may perform the necessary corrective maintenance, and Maker shall pay such costs as are reasonably incurred for such maintenance. The Holder shall have the right to place a lien on the property should Maker not reimburse Holder for such costs within sixty (60) days following Holder's written demand to Maker for reimbursement of such costs. Maker, on behalf of itself its heirs, successors and assigns, hereby grants to Holder and its officers, employees and agents, an irrevocable license to enter upon the Site to perform such maintenance during normal business hours after receipt of written notice from Holder as hereinabove described and Maker's failure to cure or remedy such failure within thirty (30) days of such notice. Any such entry shall be made only after reasonable notice to Maker, and Holder shall indemnify and hold Maker harmless from any claims or liabilities pertaining to any such entry by Holder.

Failure by Maker to maintain the Site in the condition provided in this Section 10 may, in Holder's sole discretion, constitute a default under this Note and the related Deed of Trust.

The foregoing covenants shall remain in effect for the Site until all amounts due Holder hereunder are paid in full.

11. The occurrence of any of the following shall constitute an event of default under this Note: (i) Maker fails to pay any amount due under the Loan Agreement, this Note or the Deed of Trust within fifteen (15) days of its due date after notice to Maker; or (2) any other material default by Maker under the Loan Agreement, this Note or the Deed of Trust which is not cured within 30 days after notice to Maker, or within such other applicable cure period provided for under the Loan Agreement or the Rider thereto; (3) any sale or transfer of the Sereno Village Project or any portion thereof in violation of the Loan Agreement or the PA, unless consented to by the Holder in its reasonable discretion; (4) the filing by or against Maker of a petition for relief under the Bankruptcy Reform Act of 1978 or any bankruptcy or debtor relief law; (5) the transfer or assignment of the Loan Agreement, this Note or the Deed of Trust without approval by Holder; (6) failure of Maker to complete the construction of the Sereno Village Project, or any portion thereof, within the times set forth in the PA, subject to any extensions of time mutually agreed to by the parties; or (7) Maker fails to use the Loan

proceeds for any purpose other the purposes set forth in Section 4 of the Loan Agreement.

Upon the occurrence of any event of default, or at any time thereafter, at the option of the Holder hereof and without notice, the entire unpaid principal and interest owing on this Note may become immediately due and payable; provided, however, that notice of any such default shall be sent to each of the General Partners and Limited Partners, who shall have (i) with respect to a default by Maker to make any payment due hereunder, fifteen (15) days after the date of such notice of default to pay any amount due; and (ii) with respect to any other default by Maker, the same cure period applicable to Maker, beginning after the date of such notice of default, to cure any such default. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof. Holder agrees that in the event any such default is cured by a General Partner or Limited Partner within the times set forth herein, it shall accept such cure as a cure of the default under this Note.

12. At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of the highest rate then allowed by law or two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

13. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

14. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the Loan Agreement or under any loan document referred to herein Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the Loan Agreement or other loan document, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting

the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

15. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto or the interest of the Holder under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site.

16. Payment of this Note is secured solely by the Deed of Trust recorded against the Site and all improvements thereon, without recourse of any kind against Maker or its general or limited partners.

17. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the address stated in this Note or at such address as either party may designate by written notice.


18. This Note shall be binding upon Maker, its successors and assigns.

19. This Note shall be construed in accordance with and be governed by the laws of the State of California.

20. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SERENO VILLAGE ASSOCIATES,
a California limited partnership

By: CITIZENS HOUSING CORPORATION, a
California nonprofit public benefit corporation,
its Managing General Partner

By: 
JAMES BUCKLEY
President

By: AFFORDABLE HOUSING AFFILIATION, a
California nonprofit public benefit corporation,
its Administrative General Partner

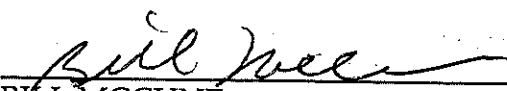
By: 
BILL MCCUNE
Executive Director

EXHIBIT D

Title Company's standard short or long form deed of trust may be used with the following addendum attached:

ADDENDUM TO DEED OF TRUST

This Addendum to Deed of Trust is part of the Deed of Trust dated JULY 28, 2003, to which it is attached between SERENO VILLAGE ASSOCIATES, a California Limited Partnership (as "Trustor"), whose Managing General Partner is CITIZENS HOUSING CORPORATION, a California non-profit public benefit corporation, ("Citizens") and Administrative General Partner is Affordable Housing Affiliation, a California nonprofit public benefit corporation ("AHA") (Citizens and AHA are collectively referred to herein as the "General Partners"), and the CITY OF VALLEJO ("City"), a public body, corporate and politic, and the GREATER VALLEJO RECREATION DISTRICT ("GVRD") (City and GVRD are collectively referred to herein as "Beneficiary"). The following provisions are made a part of the Deed of Trust:

1. This Deed of Trust, and the Note secured hereby, are entered into in implementation of that certain Loan Agreement (the "Loan Agreement") between Trustor (as the Borrower) and Beneficiary (as the City and the GVRD), dated JULY 28, 2003. Prior to entering into the Loan Agreement, Citizens and the Redevelopment Agency of the City of Vallejo (the "Agency") entered into that certain Participation Agreement, dated November 28, 2000, which Participation Agreement was assigned to and assumed by the Borrower pursuant to that certain Assignment Agreement Re: Property and Financing between Citizens and the Borrower, dated December 11, 2001 (as so assigned, the "PA"). The Loan Agreement provides for a Loan in the total amount of \$1,602,463 from Beneficiary to Trustor. Of the total loan amount, \$1,400,000 has been funded on behalf of the City to pay certain costs associated with the construction of the Sereno Village Project, to be constructed by Trustor pursuant to the PA and \$202,463 has been funded on behalf of GVRD to assist with financing costs associated with the construction of the Sereno Village Project.
2. No Discrimination. The Trustor covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual preference, age, marital status, physical handicap, medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Trustor itself or any person claiming



under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.

3. Default. Notwithstanding any other provisions in the Deed of Trust, the occurrence of any of the following shall constitute an event of default under the Note and the Deed of Trust, and a default may be declared under the Deed of Trust solely upon the occurrence of any of the following: (i) Trustor fails to pay any amount due under the Loan Agreement, the Note or the Deed of Trust within fifteen (15) days of its due date after notice to Trustor; or (2) any other material default by Trustor under the Loan Agreement, the Note or the Deed of Trust which is not cured within 30 days after notice to Trustor, or within such other applicable cure period provided for under the Loan Agreement or the Rider thereto; (3) any sale or transfer of the Sereno Village Project or any portion thereof in violation of the Loan Agreement or the PA unless consented to by Beneficiary in its reasonable discretion; (4) the filing by or against Trustor of a petition for relief under the Bankruptcy Reform Act of 1978 or any bankruptcy or debtor relief law; (5) the transfer or assignment of the Loan Agreement, the Note or the Deed of Trust without approval by Beneficiary; (6) failure of Trustor to complete the construction of the Sereno Village Project, or any portion thereof, within the times set forth in the PA, subject to any extensions of time mutually agreed to by the parties; or (7) Trustor fails to use the Loan proceeds for any purpose other than the purposes set forth in Section 4 of the Loan Agreement.
4. Subordination. Beneficiary hereby agrees that the lien of this Deed of Trust shall be subject and subordinate to any other Deeds of Trust or other security instruments for the Tax Credit Financing or other alternative financing, as referenced in the PA, obtained by the Trustor for acquisition and construction of the Sereno Village Project, and the Acquisition Note and Permanent Finance note provided for under the PA. Upon request by Trustor or Trustor's lender, Beneficiary shall execute in recordable form a subordination agreement on such lender's standard form evidencing Trustor's agreement as set forth herein and such other terms as may be customarily and reasonably required by lenders in connection with similar projects.
5. Hazardous Substances.
 - (a) As used in this Section 5, the following terms shall have the following meanings:
 - (i) "Environmental Laws" means all statutes, ordinances, orders, rules, regulations, plans, policies or decrees and the like now or hereafter in effect relating to (A) Hazardous Substance Activity or Hazardous Substances; (B) the generation, use, storage, transportation or disposal of Hazardous Substances, or solid waste; or (C) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health, safety or welfare, including, without limitation, the Comprehensive

Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CRELA"); the Hazardous Material Transportation Act (49 U.S.C. Section 180 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Section 136 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); the Clean Air Act (42 U.S.C. Section 740 et seq.); the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.); the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.); the Porter-Cologne Water Quality Control Act (California Water Code Section 13020 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health & Safety Code Section 25249.5 et seq.); the Hazardous Substance Account Act (California Health & Safety Code Section 25300 et seq.); the Hazardous Waste Control Act (California Health & Safety Code Section 25100 et seq.); The California Environmental Quality Act (California Public Resources Code Section 2100 et seq.); and the rules, regulations and ordinances of the City or County of San Francisco or any applicable federal, state and local agencies or bureaus, as amended from time to time.

- (ii) "Foreclosure Transfer" means the transfer of title to all or any part of the Property or the Trust Estate at a foreclosure sale under the Deed of Trust, either pursuant to judicial decree or the power of sale contained in the Deed of Trust, or by deed in lieu of such foreclosure.
- (iii) "Hazardous Substances" means (A) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "infectious waste," "biohazardous waste," "toxic substance," "pollutant," "toxic pollutant," "contaminant" as well as any other formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP toxicity" or "TCLP toxicity"; (B) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (C) "hazardous substance" as defined in Section 2782.6(d) of the California Civil Code; (D) "waste" as defined in Section 13050(d) of the California Water Code; (E) asbestos in any form; (F) urea formaldehyde foam insulation; (G) polychlorinated biphenyls (PCBs); (H) radon; and (I) any other chemical, material,

or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment.

- (iv) "Hazardous Substance Activity" means any actual, proposed, or threatened use, storage, holding, existence, location, release (including, without limitation, any spilling, leaking, leaching, pumping, pouring, emitting, emptying, dumping, disposing into the environment, and the continuing migration into or through soil, surface water, groundwater or any body of water or the air), discharge, deposit, placement, generation, processing, construction, treatment, abatement, removal, disposal, disposition, handling, or transportation of any Hazardous Substance from, under, in, into, or on the Property, including without limitation, the movement or migration of any Hazardous Substances from surrounding property, surface water, groundwater or any body of water, or the air under, in, into or onto the Property and any residual Hazardous Substances contamination in, on, or under the Property.
- (v) "Losses" means all charges, losses, liabilities, damages (whether actual, consequential, punitive, or otherwise denominated), costs, fees, demands, claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, causes of action, assessments, fines, penalties, costs, and expenses of any kind or character, foreseeable and unforeseeable, liquidated and contingent, proximate and remote, including, without limitation, the following: (A) the reasonable fees and expenses of outside legal counsel; (B) the reasonable fees and expenses of accountants, third-party consultants, and other independent contractors retained by an Beneficiary; (C) costs, including capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of site conditions or any clean-up, remedial, removal or restoration work required or performed by any federal, state or local governmental agency or political subdivision or performed by any non-governmental entity or person that is required by Environmental Laws or administrative ruling or directive because of the presence, suspected presence, release or suspected release of Hazardous Substances in violation of Environmental Laws in the air, soil, surface water or groundwater at the Property; (D) any and all diminution in value of the Property, loss of use or damage to the Property, or loss of profits or loss of business opportunity; and (E) reasonable costs and expenses of enforcing this Section 6.09.
- (vi) "Environmental Losses" means Losses rising out of or as a result of: (A) the occurrence of any Hazardous Substance Activity; (B) any

violation of any applicable Environmental laws relating to the Property or to the ownership, use, occupancy or operation thereof; (C) any investigation, inquiry, order, hearing, action, or other proceeding by or before any governmental agency in connection with any Hazardous Substance Activity; or (D) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which directly or indirectly relates to, arises from or is based on any of the matters described in clauses (A), (B), or (C), or any allegation of any such matters.

- (b) Trustor represents and warrants to Beneficiary that Trustor has conducted as appropriate inquiry and investigation which was satisfied by the Phase I, and, to the best of Trustor's knowledge, based on such inquiry and investigation which was satisfied by the Phase I, no portion of the Property is being used or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Substances, nor have any Hazardous Substances migrated onto or from the Property. Neither the Property nor Trustor is in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law. Trustor's prior and intended use of the Property will not result in the disposal or release of any Hazardous Substances on, under, about or to the Property or the migration of any Hazardous Substances from the Property. The foregoing representations and warranties shall be continuing and shall be true and correct for the period from the date hereof to the release of this Deed of Trust (whether by payment of the indebtedness secured hereby or foreclosure or action in lieu thereof), and these representations and warranties shall survive such release.
- (c) Trustor represents and warrants to Beneficiary that Trustor has complied with all recommendations by any engineers retained by Trustor and all requirements of any applicable department of environmental resources, environmental protection agency or similar governmental agency, and there are no recommendations by said engineers or requirements ordered by said agency or any other governmental body for environmental investigation or cleanup with respect to the Property.
- (d) On and after the date hereof, Trustor shall not (a) allow any Hazardous Substances to be installed, used, introduced, stored, treated, disposed of, generated, manufactured, discharged, dumped, transported or brought in, upon or over the Property in violation of applicable law; (b) allow any soil or ground water contamination or pollution with any Hazardous Substances on the Property in violation of applicable law; (c) allow any Hazardous Substances to migrate from the Property in violation of applicable law; (d) allow any Hazardous Substances to migrate onto the Property from any adjacent properties in violation of applicable law; or (e) allow or cause the Property to be in violation of, or to trigger a duly initiated and prosecuted investigation of the Property by any

governmental authority under applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules or timetables contained in any local, state and/or federal laws, regulations, codes, ordinances, plans, administrative or judicial orders, decrees, judgments, notices or demand letters issued, entered, promulgated or approved thereunder relating to the environment, land use, water and air quality and Hazardous Substances ("Environmental Requirements").

- (e) If the presence of any Hazardous Substances on the Property caused or permitted by Trustor results in any contamination of the Property, Trustor shall promptly take all actions, at its sole expense, as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Substances to the Property; provided that Beneficiary's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Property.
- (f) At any time after the occurrence and during the continuance of any default under this Section 5, Beneficiary shall have the following rights and remedies, in addition to any other rights and remedies Beneficiary has under this Deed of Trust:
 - (i) As provided in California Code of Civil Procedure Section 564, Beneficiary or its employees, acting by themselves or through a court appointed receiver may do any of the following: (i) enter upon, possess, manage, operate, dispose of, and contract to dispose of the Property or any part thereof; (ii) take custody of all accounts; (iii) negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; (iv) take any action necessary to enforce compliance with environmental provisions, including spending Rent Payments to abate any environmental problem; (v) make, terminate, enforce or modify leases of part or all of the Property; (vi) contract for goods and services, hire agents, employees, and counsel, make repairs, alterations, and improvements to the Property necessary in Beneficiary's judgment to protect or enhance the security hereof; and/or (vii) take any and all other actions which may be necessary or desirable to comply with Trustor's obligations hereunder and under the Loan Documents. All sums realized by the receiver or Beneficiary under this subparagraph, less all costs and expenses incurred by either of them under this subparagraph, including attorneys' fees, and less such sums as Beneficiary or the receiver deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness, nor any other action taken by Beneficiary or the receiver under this subparagraph shall

cure or waive any default or notice of default hereunder, or nullify the effect of any such notice of default. Beneficiary, or any employee or agent of Beneficiary, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to the adequacy of the security for the indebtedness secured hereunder, the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or the filing of a notice of default.

- (ii) With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor or in connection with any such default, Beneficiary or its agents, acting by themselves or through a court-appointed receiver, may enter upon the Property or any part thereof and perform such acts and things as Beneficiary deems necessary or desirable to inspect, investigate, assess, and protect the security hereof, including of any of Beneficiary's other rights: (i) to obtain a court order to enforce Beneficiary's right to enter and inspect the Property under California Civil Code Section 2929.5 (in respect of which the decision of Beneficiary as to whether there exists a release or threatened release of hazardous substance, as defined therein, onto the Property shall be deemed reasonable and conclusive as between the parties hereto); and (ii) to have a receiver appointed under California Code of Civil Procedure Section 564 to enforce Beneficiary's right to enter and inspect the Property for hazardous substances as defined therein. All costs and expenses incurred by Beneficiary with respect to the audits, tests, inspections, and examinations which Beneficiary or its agents or employees may conduct, including the fees of engineers, laboratories, contractors, consultants, and attorneys, shall be paid by Trustor. All costs and expenses incurred by Trustee and Beneficiary pursuant to this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Note Rate, from the date they are incurred until said sums have been paid.
- (iii) Beneficiary may seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters set forth above in this Section 5, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Code of Civil Procedure Section 736, whether commenced prior to foreclosure of the Property or after foreclosure of the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other out-of-pocket costs or expenses actually incurred by Beneficiary or advanced by Beneficiary (collectively, the "Environmental Costs") relating to the cleanup, remediation or other response action required by applicable law or which

Beneficiary believes necessary to protect the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation, or other response action respecting the Property were made by Beneficiary in good faith. All Environmental Costs incurred by Beneficiary under this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Note Rate, from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at any sale of the Property held hereunder, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

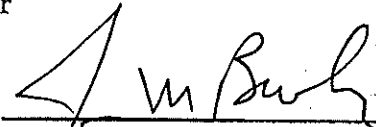
- (iv) As provided in California Code of Civil Procedure Section 726.5, Beneficiary may waive its lien against the Property or any portion thereof, to the extent such property is found to be environmentally impaired as defined therein, and to exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including seeking an attachment order under California Code of Civil Procedure Section 483.010. Beneficiary and Trustor each represents and warrants for itself that it has no actual knowledge of any release of any Hazardous Substance (as defined in Section 726.5) on, to or under the Property. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure Section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) did not cause or contribute to, and was not in any way negligent in permitting, any release or threatened release of the Hazardous Substance.
- (v) Trustor acknowledges and agrees that notwithstanding any term or provision contained herein or in the Loan Documents, the Environmental Costs and all judgments and awards entered against Trustor pursuant to Section 5(f)(iv) above shall be exceptions to any nonrecourse or exculpatory provision of the Loan Documents, and Trustor shall be fully and personally liable for the Environmental Costs and such judgments and awards and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust, and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance, or any other transfer of the Property or this Deed of Trust.
- (g) Trustor hereby agrees to indemnify, defend and hold harmless Beneficiary from and against any and all Environmental Losses, except those caused

by Beneficiary's gross negligence or willful misconduct, or those occurring following a foreclosure transfer.

TRUSTOR:

**SERENO VILLAGE ASSOCIATES,
a California Limited Partnership**

By: Citizens Housing Corporation,
a California nonprofit public benefit
corporation, its managing general
partner

By: 

JAMES BUCKLEY
President

By: Affordable Housing Affiliation,,
a California nonprofit public benefit
corporation, its administrative general
partner

By: 

BILL MCCUNE
Executive Director

Recording Requested By
North American Title Company
Order No. 56101-18821853
Escrow No. 56101-18821853-LAV

AND WHEN RECORDED MAIL TO:

Name City of Vallejo
Street 555 Santa Clara Street
Address
City Vallejo, CA 94590
State

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

A.P.N. 0052-180-110 & 120

This Deed of Trust, made this 14th day of July, 2003, between Sereno Village Associates, a California Limited Partnership, herein called **Trustor**,

whose address is 26 O'Farrell Street, Suite 600 San Francisco, CA 94108,
(number and street) (city) (state) (zip)

North American Title Company, a California corporation, herein called **Trustee**, and the City of Vallejo and the Greater Vallejo Recreation District herein called **Beneficiary**,
Witneseth: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, That property in the City of Vallejo, County of Solano, California, described as follows:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT " A " AND MADE A PART HEREOF
Addendum to Deed of Trust attached hereto and made a part hereof

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

For the Purpose of Securing:

1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of \$1,602,463.00 executed by Trustor in favor of Beneficiary or order. 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it is so secured.

To Protect the Security of This Deed of Trust, Trustor Agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded in Santa Barbara County and Sonoma County October 18, 1961, and in all other counties October 23, 1961, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of the county, viz.:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	435	684	Kings	792	833	Placer	895	301	Sierra	29	335
Alpine	1	250	Lake	362	39	Plumas	151	5	Siskiyou	468	181
Amador	104	348	Lassen	171	471	Riverside	3005	523	Solano	1105	182
Butte	1145	1	Los Angeles	T2055	899	Sacramento	4331	62	Sonoma	1851	689
Calaveras	145	152	Madera	810	170	San Benito	271	383	Stanislaus	1715	456
Colusa	296	617	Marin	1508	339	San Bernardino	5567	61	Sutter	572	297
Contra Costa	3978	47	Mariposa	77	292	San Francisco	A332	905	Tehama	401	289
Del Norte	78	414	Mendocino	579	530	San Joaquin	2470	311	Trinity	93	366
El Dorado	568	456	Merced	1547	538	San Luis Obispo	1151	12	Tulare	2294	275
Fresno	4626	572	Modoc	184	851	San Mateo	4078	420	Tuolumne	135	47
Glenn	422	184	Mono	52	429	Santa Barbara	1878	860	Ventura	2062	386
Humboldt	657	527	Monterey	2194	538	Santa Clara	5336	341	Yolo	653	245
Imperial	1091	501	Napa	639	86	Santa Cruz	1431	494	Yuba	334	486
Inyo	147	598	Nevada	305	320	Shasta	684	528			
Kern	3427	60	Orange	5889	611	San Diego	Series2 Book 1961, Page 183887				

(which provisions, identical in all counties, are printed on attached herewith) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF CALIFORNIA)
 COUNTY OF San Francisco) SS.

On July 15, 2003 before me,
Robyn A. Thompson, personally appeared
James M. Buckley

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

WITNESS my hand and official seal.
 Signature Robyn A. Thompson

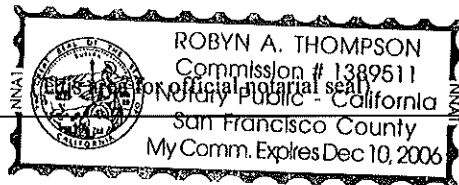
Signature of Trustor
 Sereno Village Associates, a California Limited Partnership

By: Citizens Housing Corporation, a California nonprofit public benefit corporation, its managing general partner

By: James M. Buckley
 James M. Buckley, President

By: Affordable Housing Affiliation, a California nonprofit public benefit corporation, its administrative general partner

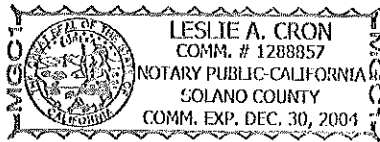
By: Bill McCune
 Bill McCune, Executive Director



STATE OF CALIFORNIA
COUNTY OF Solano

On July 14, 2003, before me, Leslie A. Cron,
personally appeared Bill McCune

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



(This area for official notarial seal)

WITNESS my hand and official seal.

Leslie A. Cron

DESCRIPTION OF ATTACHED DOCUMENT

Deed of Trust
DESCRIPTION OF DOCUMENT (OPTIONAL)

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____,
personally appeared _____

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

WITNESS my hand and official seal.

(This area for official notarial seal)

DESCRIPTION OF ATTACHED DOCUMENT

DESCRIPTION OF DOCUMENT (OPTIONAL)

FOR RECONVEYANCE SEND TO THE NEAREST OFFICE OF NORTH AMERICAN TITLE COMPANY

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid in full.

Dated _____

TO NORTH AMERICAN TITLE COMPANY, Trustee:

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

(By) _____

(By) _____

**Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.
Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

STATE OF CALIFORNIA } SS.
COUNTY OF _____ }

On _____ before me,
_____, personally appeared

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

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

DO NOT RECORD/FOR INFORMATION PURPOSES

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS (INDIVIDUAL)

The following is a copy of provisions (1) to (14), inclusive, of the fictitious deed of trust, recorded in each county in California, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such actions or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, the Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any incumbrance, charge or lien which in the judgement of either appears to be prior to or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

That any award of damages in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him/her/them in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(6) That any award of damages in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him/her them in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, beneficiary does not waive his right either to require prompt payment when due all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of said property, consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy this document (unless directed in such request to retain it).

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to adequacy of any security for the indebtedness hereby secured enter upon and take possession of said property or any part thereof, in his/her/their own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not the repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

Recording Requested By
North American Title Company
Order No. 01604638
Escrow No. 56101-18821853-LAV

AND WHEN RECORDED MAIL TO:
Name Citizens Housing Corporation
Attn: Scott Falcone

Street 26 O'Farrell Street, Ste. 600
Address
City & San Francisco, CA 94108
State

SPACE ABOVE THIS LINE FOR RECORDER'S
USE

SUBSTITUTION OF TRUSTEE AND DEED OF FULL RECONVEYANCE

J.P.N.

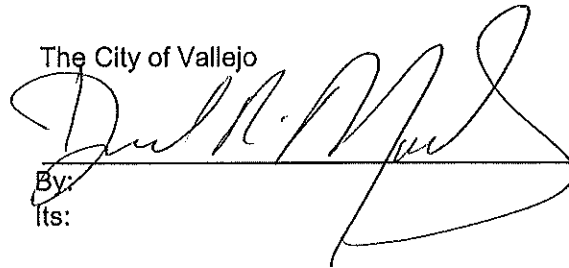
A.P.N. Portions of 0052-180-120 & 110

The undersigned The City of Vallejo Beneficiary, in and under the provisions of that certain Deed of Trust executed by Sereno Village Associates, a California Limited Partnership Trustors, to North American Title Company Trustee, for The City of Vallejo, Beneficiary, dated April 15, 2003 and recorded on May 23, 2003, in the office of Solano County, State of California, as Instrument number 200300083683, of Official Records, do in accordance with the provisions of said Deed of Trust, hereby give notice of the Substitution and Appointment of The City of Vallejo in place and instead of North American Title Company the present Trustee, and do hereby vest in said substituted Trustee, all the rights, title, estate, power, duty and trusts conferred by said Deed of Trust upon the Trustee therein named.

And whereas the indebtedness secured, to be paid by the Deed of Trust above mentioned, has been fully paid and/or satisfied.

NOW, THEREFORE, The City of Vallejo as substituted Trustee, does hereby GRANT AND RECONVEY unto the parties entitled thereto without warranty, all the estate and interest derived to the said Trustee under said Deed of Trust in the lands therein described, situated in the County of Solano, State of California, Reference being hereby made specifically to said Deed of Trust and the record thereof for a particular description of said lands.

Dated July 14, 2003

The City of Vallejo

By: _____
Its: _____

STATE OF CALIFORNIA, SOLANO)SS.
COUNTY OF _____)

On JULY 30, 2003 before
me,

JENNIFER ARTATES, NOTARY PUBLIC, personally

appeared

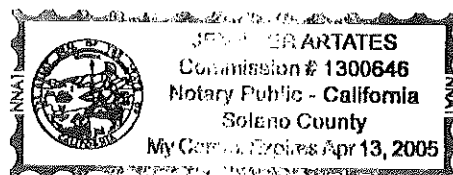
DAVID R. MARTINEZ

By: _____
Its: _____

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

WITNESS my hand and official seal.

Signature _____



(This area for official notarial seal)

NORTH AMERICAN TITLE COMPANY

LENDER'S ESCROW INSTRUCTIONS

TO: North American Title Company
1261 Travis Blvd., Suite 150
Fairfield, CA 94533
(707) 422-1100 Fax No. (707) 422-2390

ORDER NO: 56101-18821853-LAV
DATE: July 14, 2003

We hand you herewith the following:

- A.) A Deed of Trust to record securing a promissory note executed by Sereno Village Associates, a California Limited Partnership, a California Limited Partnership, Borrower(s)/Trustor(s)/Payor(s) in the amount of \$ 1,602,463.00 dated July 14, 2003, and naming the City of Vallejo and the Greater Vallejo Recreation District, as Payee and Beneficiary.
- B.) A Substitution of Trustee and Deed of Full Reconveyance to record concurrent and subsequent to the above described Deed of Trust reconveying the Deed of Trust shown as Item Number 15 of the Preliminary Report issued by North American Title Company dated June 23, 2003.

Escrow Holder is authorized and instructed to insert the Beneficiaries exact vesting on the Deed of Trust over the signatures without further instructions or approval.

It is further expressly understood and agreed by all parties hereto that North American Title Company, Inc., is to be held harmless and relieved of any and all liability regarding the preparation of said promissory note and deed of trust and/or the enforceability of the terms contained therein.

You are authorized to record the above Deed of Trust when you can issue your current form 1990 CLTA Lenders Policy of Title Insurance showing liability of \$ 1,602,463.00 insuring Beneficiary. Covering property described in your Preliminary Report No. 56101-18821853 dated June 23, 2003, which property is described in the City of Vallejo, County of Solano, State of California:

COMMONLY KNOWN AS: 750 Sereno Drive, Vallejo, CA 94589

(Above address not verified by escrow holder)

SHOWING TITLE VESTED IN: Sereno Village Associates, a California Limited Partnership

FREE FROM ENCUMBRANCES EXCEPT:

- A. General and Special County, and City (if any) Taxes for the current fiscal year, not delinquent, and taxes for the ensuing year, if any, a lien not yet payable.
- B. All other bonds and assessments levied or assessed to the date of close of escrow.
- C. Covenants, conditions, restrictions, reservations, rights, rights of way, and easements, and the exception or reservation of water, oil, gas minerals, carbons, hydrocarbons or kindred substances on or under said land, now of record, if any, or in the Deed to file.
- D. Preliminary report dated June 23, 2003 items numbered 1-14 and 16, issued by North American Title Company, a copy of which has been read and approved by the undersigned.
- E. Deed of Trust to record securing a note.

ADDITIONAL INSTRUCTIONS:

None

Signatures on any documents and instructions pertaining to this escrow indicate the signer's unconditional approval thereof. If no demand for cancellation is made, you will proceed to close this escrow when the principals have complied with the escrow instructions.

The foregoing terms, conditions and instructions, including the "General Provisions" attached hereto, (as if fully set forth herein), have been read and are understood by each of the undersigned, who hereby agree to, concur with, approve and accept the same in their entirety.

Any amendments of or supplements to any instructions affecting this escrow must be in writing. I will hand you any funds and instruments required to complete this escrow.

Borrower's Initials



(CONTINUED)

Lender's Initials



Date:

Escrow No.: 56101-18821853-LAV

Page - 2 -: Additional instructions made a part of previous pages as if fully incorporated therein.

NORTH AMERICAN TITLE COMPANY IS LICENSED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE.

LENDER/BENEFICIARY:

City of Vallejo

MAILING ADDRESS:

CITY OF VALLEJO P.O. BOX 1433, VALLEJO CA 94576

By: [Signature]

Day Telephone: 707 6487395

Greater Vallejo Recreation District

Work Telephone: 707 6487395

By: [Signature]

I/We approve the above instructions and agree to execute all papers necessary to comply therewith within the time specified. From said funds when credited to me, you are authorized to deduct your usual Loan Escrow Fees, the Policy of Title Insurance Premium, Recording Fees, Document Preparation Fees, Advances, any and all other fees or charges directly related to this loan, and pay any Encumbrances on said property necessary to issue your Policy of Title Insurance as above provided. I will hand you any funds and instruments required to complete this Escrow. All documents, balances and statements due the undersigned are to be mailed to the addresses shown below.

INSURANCE: Borrower agrees to provide a new hazard insurance acceptable to lender and to pay required premium for coverage through escrow, unless a paid receipt is deposited into escrow. **Please provide your fire insurance information:**

Agent: _____ Company Name: _____

Phone Number: _____ Fax Number: _____

BORROWER/TRUSTOR:

Sereno Village Associates, a California Limited Partnership, a California Limited Partnership

By: Citizens Housing Corporation, a California nonprofit public benefit corporation, its managing general partner

By: [Signature]
James M. Buckley, President

By: Affordable Housing Affiliation, a California nonprofit public benefit corporation, its administrative general partner

By: [Signature]
Bill McCune, Executive Director

MAILING ADDRESS:

26 O'Farrell St., Suite 600, San Francisco, CA 94108

Home Telephone: _____

Work Telephone: 415-421-8605

MAILING ADDRESS:

1400 E. 2nd St., Benecia, CA 94510

Home Telephone: _____

Work Telephone: 707-746-6197

1. DEPOSIT AND DISBURSEMENT OF FUNDS

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account or accounts of North American Title Company, Inc. (hereinafter referred to as "NATC") with any state or national bank or savings and loan, and may be transferred to any other such general escrow account or accounts. Said funds will not earn interest unless specifically instructed. NATC shall have no obligation to account to parties in any manner for the value of, or pay to parties, any benefit received by NATC, directly or indirectly, by reason of the deposit of the escrowed funds or the maintenance of such accounts with that bank. Those benefits may include, without limitation, credits allowed by that bank on loans to NATC and on accounting, reporting and other services and products of that bank and earnings on investments made with the proceeds of such loans. Any such benefits shall be deemed additional compensation earned by NATC for its services as escrow holder. All disbursements shall be made by check of NATC. NATC shall not be responsible for any delay in closing if funds received by escrow are not available for immediate withdrawal. NATC is authorized not to close escrow or disburse until good funds as provided for in California Insurance Code Section 12413.1 ("AB512") have been confirmed in escrow. If any check submitted to escrow is dishonored upon presentment for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment.

2. CLOSE OF ESCROW

The phrase "close of escrow" (or "COE" or "CE") as used in this escrow means the date on which documents are recorded, unless otherwise specified.

3. DELIVERY, RECEIPT AND NOTICES

All written notices, communications, changes of instructions and documents intended for NATC are required to be delivered timely at the office of NATC as set forth herein. Delivery to the parties as used in these instructions is to be by regular mail, and receipt is deemed to be 72 hours after such mailing unless otherwise stated herein. All documents, balances and statements due the undersigned are to be mailed to the respective addresses shown below, unless otherwise directed. Delivery of documents by Escrow to a real estate broker shall be deemed delivery to the principal.

4. PRORATION, ADJUSTMENTS AND DEMANDS

Unless otherwise specified in writing, all prorations or adjustments are to be made as of close of escrow on the basis of a 30-day month. NATC is to use the information contained in the latest available real property tax statement, without regard to any reassessments or subsequent changes. Real property tax bills or statements issued after close of escrow shall be handled directly between the parties outside of escrow. NATC is instructed to assume and shall be fully protected in assuming that all information (for example, association fees, rents, rental deposits, insurance, insurance premiums, beneficiary statements) provided to NATC by the parties or their agent(s) is correct. NATC is authorized to pay all encumbrances necessary to place title in condition called for herein, including but not limited to prepayment penalties, without further approval of the undersigned. Application of payoff funds: Should a check or wire be deemed unacceptable by lenders, creditors, lien holders or beneficiary of a Deed of Trust, you are authorized to act on our behalf in requesting the funds, as well as any balance in an impound account, be applied towards the balance due.

5. SUPPLEMENTAL TAXES

The parties acknowledge that the subject property may be subject to real property supplemental taxes due as a result of change of ownership taking place through this escrow, prior changes in ownership, or improvements of the subject property. Any adjustment due on receipt of a supplemental tax bill will be made by the parties outside of this escrow and NATC is released from all liability in connection with same.

6. UTILITIES, WATER, GARBAGE AND ENVIRONMENTAL ISSUES

Transfer of utilities, water, and garbage service, or any interruptions or cancellations thereof are to be settled by the parties directly and outside of escrow. NATC shall not be responsible for any late payments or nonpayment of any of these services. It is acknowledged that NATC has made no investigation concerning the property as to environmental or hazardous materials issues, and NATC is released of any responsibility or liability in connection with such issues.

7. POSSESSION

Possession of the subject property shall be settled by the parties, and NATC shall not be liable or responsible for such possession.

8. RECORDATION OF INSTRUMENTS

NATC is authorized and instructed to record any documents delivered through this escrow, the recording of which is necessary or proper in the issuance of the requested policy or policies of title insurance.

9. AUTHORIZATION TO FURNISH COPIES

NATC is authorized to furnish copies of preliminary reports, inspection reports, escrow instructions, supplements, amendments or notices of cancellations and closing statements in this escrow to the real estate broker(s) and lender(s) referred to in this escrow. NATC may do so without incurring liability to any party.

10. FIRE, FLOOD AND HAZARD INSURANCE

Other than as may be specifically instructed by lender, NATC is not to be concerned with nor make any inquiry as to any fire, flood, hazard and other liability insurance.

11. PERSONAL PROPERTY TAXES

No examination or assurance as to the existence, amount of payment of personal property taxes is required of NATC unless specifically instructed.

12. ACTION IN INTERPLEADER

The parties expressly agree that NATC, as escrow holder, has the absolute right at its election to file an action in interpleader requiring the parties to answer and litigate their several claims and rights among themselves. NATC is authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the parties jointly and severally agree to pay NATC's cancellation charges and costs, expenses and reasonable attorney's fees which NATC is required to expend in this interpleader action. Upon the filing of the action, NATC shall be fully released from all obligations to further perform any duties otherwise imposed by the terms of this escrow.

13. USURY

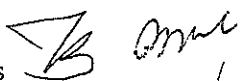
NATC is not to be concerned with any question of usury in the processing of this escrow and NATC is hereby released of any responsibility of liability therefor.

14. CANCELLATION OF ESCROW

Any principal requesting that NATC cancel this escrow shall file notice of demand to cancel in NATC's office in writing. NATC shall within a reasonable time there after mail or otherwise deliver one copy of such notice of demand to cancel to the principals or their respective agents. Unless written objection to such notice of demand to cancel is filed with NATC within fifteen (15) calendar days after the date NATC mailed or delivered the initial notice of demand to cancel, NATC is authorized to cancel this escrow. If NATC cancels this escrow, it is authorized to return the documents to the parties. NATC is, in any event, authorized to hold any money deposited in escrow until it is in receipt of mutual written instructions signed by all parties or the order of a court of competent jurisdiction, concerning the disposition of such money. NATC may return lender's papers and/or funds upon lender's demand. In the event of cancellation of this escrow, the fees and charges due NATC, including expenditures incurred or authorized, shall be borne by the parties or decided by a court of competent jurisdiction.

(CONTINUED)

Borrower's Initials



Lender's Initials



15. CONFLICTING INSTRUCTIONS

Should NATC receive or become aware of any conflicting instructions, demands or claims with respect to this escrow or with respect to any money or property deposited herein or affected, NATC shall have the right to discontinue any or all further acts on its part until in receipt of consistent instructions or until the conflict is resolved to NATC's satisfaction. In the event that any dispute between the parties is submitted to arbitration, NATC is authorized to follow the award or decision of such arbitrator(s), whether or not such arbitration award or decision is "binding" or "final".

16. TERMINATION OF AGENCY OBLIGATIONS

If there is no action taken on this escrow for any six month period, NATC's agency obligation shall terminate at its option and NATC shall be authorized to return all documents, monies or other items to the parties depositing same. This shall not limit NATC's right to withdraw as escrow agent from this transaction at any time. In the event of termination of NATC's agency obligations, the parties shall pay its fees, charges and any expenses incurred.

17. RIGHT OF RESIGNATION

NATC has the right to resign as escrow holder, upon reasonable written notice, and it is acknowledged that five calendar days shall be deemed reasonable under this paragraph. If such right is exercised, NATC is authorized to return all funds and documents to the party who deposited them and NATC shall have no further liability in this escrow.

18. MEMORANDA

NATC is to be concerned only with the directives specifically set forth in the escrow instructions and amendments hereto, and is not to be concerned with or liable for items designated as "memoranda" in the within escrow instructions, nor with any other agreement or contract between the parties.

19. DESTRUCTION OF RECORDS

NATC is authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this escrow at the expiration of five years from the close of escrow or cancellation thereof, without liability and without further notice to parties in the transaction.

20. PRELIMINARY REPORT

The parties acknowledge that they have received, read and approved a copy of the Preliminary Report.

21. CHANGE OF OWNERSHIP

Revenue and Taxation Code Section 480.3 requires that Buyers complete a Preliminary Change of Ownership Report (PCOR) for all deeds and other documents which reflect a change in ownership of real property. If such PCOR is not presented at time of recording, or is incomplete, a fee of \$20 or as required by law will be charged to the appropriate party. NATC is relieved of all liability or responsibility as to the validity, sufficiency or preparation of said PCOR.

22. INTERNAL REVENUE SERVICE REPORTING REQUIREMENTS

The parties acknowledge that NATC may be required to report this real estate transaction, or aspects thereof, to the Internal Revenue Service. The parties authorize NATC to make such reporting as it deems necessary, and agree to hold NATC harmless from such reporting. The parties also agree to provide to NATC all documentation and information requested by NATC to comply with reporting requirements.

23. FOREIGN INVESTOR REAL PROPERTY TAX ACT(S)

Under Section 1445 of the Internal Revenue Code as amended ("Section 1445"), the Foreign Investment in Real Property Tax Act ("FIRPTA"), every Buyer of U.S. real property must, unless an exemption applies, deduct and withhold from Seller's proceeds ten percent (10%) of the gross sales price. NATC is released from and shall have no liability, obligation or responsibility with respect to: (a) withholding of funds pursuant to Section 1445, or (b) advising the parties as to the requirements of such section, (c) determining whether the transferor is a foreign person under such Section, or (d) obtaining a non-foreign affidavit or other basis for an exemption from withholding under such Section, or otherwise making any inquiry concerning compliance with such Section by any party to the transaction.

State Withholding & Reporting for closings after January 1, 2003: Under California Law (Rev & Tax Code 18662) a buyer may be required to withhold and deliver to the Franchise Tax Board (FTB) an amount equal to 3.33% of the sales price in the case of disposition of California real property interest ("Real Property") by either: 1) a seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of seller, or 2) a corporate seller that has no permanent place of business in California. Buyer may be subject to a penalty (equal to the greater of 10% of the amount required to be withheld or \$500) for failing to withhold and transmit the funds to FTB in the time required by law. Buyer is not required to withhold any amount and will not be subject to penalty for failure to withhold if: a) the sale price of the Real Property does not exceed \$100,000; b) the seller executes a written certificate under penalty of perjury certifying that the seller is a corporation with a permanent place of business in California; or c) the seller, who is an individual, executes a written certificate under penalty of perjury certifying one of the following: (i) the Real Property was the seller's principal residence (as defined in IRC 121); (ii) the Real Property is or will be exchanged for property of likekind (as defined in IRC 1031) and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC 1031; (iii) the Real Property has been compulsorily or involuntarily converted (as defined in IRC 1033) and the seller intends to acquire property similar or related in service or use as to be eligible for nonrecognition of gain for California income tax purposes under IRC 1033; or (iv) the Real Property sale will result in loss of California income tax purposes. Seller is subject to penalties for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding laws. FTB may grant reduced withholding and waivers from withholding on a case-by-case basis for corporations or other entities.

For additional information regarding California withholding, contact the Franchise Tax Board at (toll free) 888-792-4900, or by e-mail at urws@ftb.ca.gov or visit their website at www.ftb.ca.gov.

24. DISCLOSURE OF TAXPAYER IDENTIFICATION NUMBERS

Internal Revenue Code Section 6109(h) imposes requirements for furnishing, disclosing and including taxpayer identification numbers in tax returns on the parties to a residential real estate transaction involving seller-provided financing. The parties understand that the disclosure reporting requirements are exclusive obligations between the parties to this transaction and that NATC is not obligated to transmit the taxpayer identification numbers to the Internal Revenue Service or to the parties. NATC is not rendering an opinion concerning the effect of this law on this transaction, and the parties are not relying upon any statements made or omitted by the escrow or closing officer.

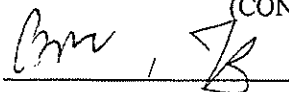
To facilitate compliance with this law, the parties to this escrow hereby authorize NATC to release any party's taxpayer identification number to any requesting party who is a party to this transaction. The requesting party shall deliver a written request to escrow. The parties hereto waive all rights of confidentiality regarding their respective taxpayer identification numbers and agree to defend, indemnify, and hold NATC harmless from and against any fees, costs, or judgements incurred and/or awarded in connection with the release of taxpayer identification numbers.

25. "FAX/ELECTRONIC" TRANSMISSIONS

NATC is authorized to accept and rely upon instructions and amendments thereto as such may be submitted via facsimile machines ("FAX") OR electronic media. The parties hereby agree and instruct Escrow Holder to rely upon such documents bearing original signatures. The parties hereby agree to provide to Escrow Holder the original documents within 72 hours of transmission. The parties further acknowledge and agree that documents necessary for recording by the County Recorder must contain original/notarized signatures, and therefore, non-receipt of the original document (s) to record can delay the close of Escrow.

(CONTINUED)

Borrower's Initials



Lender's Initials



26. AGREEMENT OF CO-OPERATION (Unjust Enrichment)

In the event that any party to this escrow received funds or is credited with funds that they are not entitled to, for whatever reason, they agree upon written demand, to return said funds to the proper party entitled or to the escrow for disbursement. In the event that suit is brought to enforce the return of said funds, the parties agree to reimburse the prevailing party to reasonable Attorney Fees.

27. OFFICIAL BUSINESS HOURS:

North American Title Companies official business hours are 8am through 5pm Monday through Friday, unless otherwise posted

28. MISCELLANEOUS FEES:

The Buyer (s)/Borrower (s) hereby agree to pay an electronic delivery fee in the event lender chooses to send the loan documents electronically. North American Title Company may also charge a fee for special courier services, a per check charge for payment of consumer debt (credit cards and other non-secured loans), a wiring fee for the wiring of funds due the lender to satisfy an existing loan and/or the proceeds due the Seller (s), Buyer (s), Borrower (s), and for drawing any additional documents necessary to close this transaction.

29. CONTINGENCY PERIODS:

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such period.

30. IMPORTANT NOTICE:

Except for wire transfers, funds remitted to the Escrow are subject to availability requirements by Sections 123413.1 of the California Insurance Code. CASHIERS, CERTIFIED OR TELLER'S checks, payable to North American Title Company are generally available for disbursement on the next business day following the date of deposit to North American Title Companies Trust Account.

Other forms of payment may cause extended delays in the closing of your transaction pursuant to the requirements imposed by State Law -- (Wire transfer information available upon request.)

31. ESCROW INSTRUCTIONS, COUNTERPART APPROVAL AND SEVERABILITY

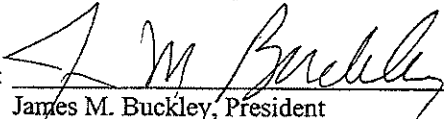
Any escrow instruction, amendment or supplement to these instructions must be in writing. Collectively, these escrow instructions constitute the entire escrow between the escrow holder and the parties. These escrow instructions, amendments and supplements may be executed in one or more counterparts, each of which independently shall have the same effect as if it were the original, regardless of date of execution or delivery, and all of which taken together shall constitute one and the same instructions. In these instructions, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular includes the plural. In the event one or more of these General Provisions is held to be invalid in judicial, administrative or other proceedings, the remaining General Provisions will continue to be operative. Should there be any conflict between these General Provisions and any other agreements of which these General Provisions are a part, all the terms and conditions of these General Provisions shall control as to NATC. Once the parties have performed and/or satisfied all conditions to escrow, NATC is authorized to close escrow without further instruction or authorization.

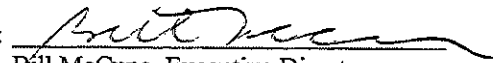
ALL PARTIES ACKNOWLEDGE THAT NORTH AMERICAN TITLE COMPANY HAS NOT GIVEN AND WILL NOT GIVE ANY LEGAL, TAX, REAL ESTATE OR INVESTMENT ADVICE IN THE ESCROW, NOR HAS IT MADE NOR WILL IT MAKE ANY INVESTIGATION, REPRESENTATIONS, OR ASSURANCES AS TO SUCH MATTERS OR AS TO COMPLIANCE OF THIS TRANSACTION WITH ANY TAX, SECURITIES, OR ANY OTHER FEDERAL OR STATE LAWS OR REGULATIONS. NORTH AMERICAN TITLE COMPANY RECOMMENDS THAT THE PARTIES SEEK AND OBTAIN INDEPENDENT LEGAL COUNSEL AND OTHER PROFESSIONAL ADVICE AS TO ALL SUCH MATTERS.

THE ESCROW HOLDER IS NORTH AMERICAN TITLE COMPANY, INC., WHICH IS LICENSED BY THE CALIFORNIA DEPARTMENT OF INSURANCE.

BORROWERS

Sereno Village Associates, a California Limited Partnership, a California Limited Partnership

By: 
James M. Buckley, President

By: 
Bill McCune, Executive Director

CURRENT ADDRESS:

26 O'Farrell St., Suite 600, San Francisco, CA 94108

Home Telephone: _____

Work Telephone: 415-421-8605

CURRENT ADDRESS:

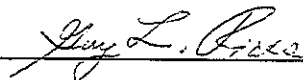
1400 E. 2nd St., Benecia, CA 94510

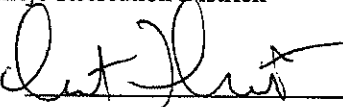
Home Telephone: _____

Work Telephone: 707-746-6197

LENDER/BENEFICIARY:

City of Vallejo and the Greater Vallejo Recreation District

By: 

By: 



Agenda 9.3

BOARD COMMUNICATION

Date: June 11, 2026

TO: Board Chairperson and Directors

FROM: Pam Sloan, Interim General Manager

SUBJECT: Approve 2nd Amendment to Agreement with City of Vallejo for Maintenance Services of Crescent Park

BACKGROUND AND DISCUSSION

On June 15, 2006, the City of Vallejo (City) and Greater Vallejo Recreation District (District) entered into an agreement (20 years) for the operation and maintenance of Mare Island parks. The agreement identified and outlined the parks within Mare Island for which the district agreed to assume responsibility for ongoing maintenance and management.

In 2014, former district General Manager, Shane McAfee sent a letter to the city regarding the installation of a playground at Crescent Park, which the district did not manage. Once the playground was installed, the understanding was the district would also commit to maintaining the playground in perpetuity.

The Playground was constructed by the district in 2017. On June 30, 2017, the city and the district approved the first amendment to the agreement, adding the Crescent Park Playground as an additional Mare Island park for the district to maintain and manage the playground.

The City has since drafted a second amendment to extend the term of the agreement, which is currently set to expire on June 30, 2026. The proposed extension includes an additional two-year term with two optional one-year extensions. This amendment will provide time for the city to negotiate a longer-term agreement with the district regarding future parks that are planned for development on Mare Island.

COMMITTEE REVIEW

None

RECOMMENDATION

Staff recommends the Board approve the Second Amendment to the Agreement with City of Vallejo for Maintenance Services of Crescent Park

ALTERNATIVE ACTIONS

Approve the recommendation, with changes

Reject the recommendation

DOCUMENTS AVAILABLE FOR REVIEW

Exhibit A: 2006 MI Parks O&M Agreement

Exhibit B: 2014 GVRD letter regarding Crescent Park

Exhibit C: 2017 First Amendment to the MI Parks O&M Agreement adding Crescent Park

Exhibit D: Draft 2026 Second Amendment to the MI Parks O&M Agreement extending term two years with two additional one-year options to extend

**AGREEMENT BETWEEN THE
GREATER VALLEJO RECREATION DISTRICT
AND THE
CITY OF VALLEJO
REGARDING THE OPERATION AND MAINTENANCE OF
MARE ISLAND PARKS**

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- Section 8. Budget**
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- Section 10. Nondiscrimination**
- Section 11. Environmental Matters**
- Section 12. Insurance**
- Section 13. Indemnification**
- Section 14. Coordination Meetings Regarding Parks Operations and Maintenance Plan**
- Section 15. Remedies**
- Section 16. General Provisions**

EXHIBITS

- Exhibit A CFD 2005-1A & CFD 2005-1B Park Maintenance Funding**
- Exhibit B Map of Mare Island Parks**
- Exhibit C Parks Operations and Maintenance Plan**

Exhibit D Levels of Maintenance

Exhibit E Use of Parks and Facilities – GVRD Policy 3070

**AGREEMENT BETWEEN THE GREATER VALLEJO RECREATION DISTRICT AND
THE CITY OF VALLEJO REGARDING THE
OPERATION AND MAINTENANCE OF MARE ISLAND PARKS**

This Agreement (the "Agreement") is made on 15 day of June, 2006 by and among the Greater Vallejo Recreation District, a public body, corporate and politic ("District") and the City of Vallejo, a municipal corporation ("City").

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RECITALS

A. Since the closure of the former Mare Island Naval Shipyard ("Mare Island"), the City has worked to implement the Mare Island Reuse Plan and to oversee the development of Mare Island in accordance with the Mare Island Specific Plan, dated as of March 30, 1999. To that end, City selected Lennar Mare Island, LLC; a California limited liability company ("Lennar") as the master developer for Mare Island and entered into an Acquisition Agreement (the "Acquisition Agreement") and a Development Agreement (the "Development Agreement") with Lennar.

B. Pursuant to the Development Agreement and in accordance with the Specific Plan, as it may be amended, certain portions of Mare Island will be developed by Lennar as public parks (the "Mare Island Parks"), in accordance with design plans reviewed by District and approved by City. Once completed, the Parks will be owned by City.

C. Pursuant to a Master Lease between District and City, as amended (the "Master Lease"), District generally has the responsibility for maintaining certain public parks that are owned by the City and the facilities thereon within the City, as well as to sponsor and provide various recreational, cultural, educational and vocational programs for the residents of the City at such parks and facilities.

D. During the period of time that Mare Island was owned by the federal government, neither the City nor the District received any property taxes from Mare Island. However, the proposed transfer of property to private ownership on Mare Island will generate new property taxes for the taxing entities entitled to receive them, including the District and the City.

E. The City has formed Community Facilities Districts 2005-1A and 2005-1B (the "CFDs") on Mare Island that will provide for the imposition of special taxes upon certain property owners on Mare Island. The City anticipates that the CFD may be expanded in the future, or that other community facilities districts will be created on Mare Island in the future. A portion of the special taxes from the CFD, and any subsequent community facilities districts shall be allocated for the maintenance of the Mare Island Parks. The estimated amount to be used for park maintenance is shown in Exhibit A.

F. City is responsible for the planning of the Mare Island Parks, and will solicit the input of the District in such planning. In addition, City shall be responsible for overseeing the construction of the Mare Island Parks by Lennar. Such construction shall include the installation of all facilities, structures, and utilities serving the Mare Island Parks. City and District

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

anticipate that the Mare Island Parks will require a significant allocation of personnel, resources and time to maintain them.

Agreements

Section 1. Maintenance

Subject to the terms and conditions of this Agreement, District agrees to undertake the responsibility for the ongoing maintenance and management of the Mare Island Parks, upon the completion of each by Lennar, and acceptance of each by City and District. The Mare Island Parks are anticipated to be those identified in the "Map of Mare Island Parks," attached hereto as Exhibit B and incorporated herein by reference. As more specifically set forth in the "Parks Operations and Maintenance Plan," attached hereto as Exhibit C and incorporated herein by reference, the District will generally be responsible for the maintenance of the landscaping, grounds, buildings, day use and group facilities, parking and infrastructure associated with the parks operations and recreation programs.. Also as more specifically set forth in Exhibit C, District shall be responsible for day-to-day maintenance of Parks' furniture, restrooms, signage and drinking fountains. Future parks or improvements may be added to this agreement, through mutual agreement and will be executed in writing. Maintenance standards for all effected parks are identified in Exhibit D "Levels of Maintenance" attached herein and incorporated herein reference. District shall maintain these parks in accordance with the maintenance standards in Exhibit D.

Section 2. District Contribution

During the term of this Agreement, District agrees that it shall use a portion of its share of Mare Island property tax receipts to augment the maintenance fees from the CFD to maintain the parks identified in Exhibit B. DISTRICT shall not be required to use a higher percentage of its Mare Island Property tax receipts for maintenance than it uses in other areas of the City.

Section 3. Use of Community Facility District (CFD) Funds

District hereby agrees and acknowledges that the CFD maintenance funding may only be used for costs directly related to the maintenance and management of the Mare Island Parks, as set for herein. District shall use the CFD funding in conjunction with other revenues from the District (see Section 2) for such purpose and shall maintain detailed records of all costs incurred in connection with the work performed under this Agreement.

Section 4. Term

The term of this Agreement shall be for 20 years, commencing on July 1, 2006 and terminating on June 30, 2026 unless earlier terminated under the provisions of Section 15 of this Agreement.

Section 5. Master Lease Not Applicable to Mare Island Parks

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

Pursuant to the Master Lease, District rents, operates and manages other parks within the City. The parties intend that the Mare Island Parks may be made a part of the Master Lease in the future, but until such time, the rights and responsibilities of each party with respect to the Mare Island Parks shall be governed by the provisions of this Agreement, as it may be amended from time to time.

Section 6. Use of the Mare Island Parks

As per Exhibit E "Use of Parks and Facilities, Policy Number 3070" the District shall be responsible for promoting, scheduling and administering all recreational, athletic and other programs and activities at the Mare Island Parks shown on Exhibit B. City shall work with District to help insure that other City responsibilities shall not unduly interfere with District's programs. Upon request, District shall provide City with updated information regarding the scheduling of activities at the Mare Island Parks in order to minimize any such interference.

In the administration of its programs and activities, District shall be responsible for ensuring that any and all third parties who will be using any of the Mare Island Parks have fulfilled all requirements and provided all documentation required for the use of any City park, including, but not limited to, evidence of insurance, indemnification of the City, and waivers, as indicated in the Exhibit E.. District shall be entitled to keep all revenues and fees received by it from District's programs on the Mare Island Parks.

Notwithstanding the foregoing, City reserves the right, upon 45 days prior written notice to District to use any of the Mare Island Parks for City-sponsored functions or meetings. District will use its best efforts to accommodate any such use to minimize any interference with any activities previously scheduled by or through the District. City's use shall be at no cost, except for direct expenses related to such use. City agrees not to co-sponsor other agencies or organizations for the purpose of avoiding rental or other fees.

Section 7. Utilities

District shall pay for all telephone, electricity, gas, water (buildings and restrooms), sewer and storm drain and trash and illegal dumping removal for the Mare Island Parks through the CFD. The City shall operate and pay for irrigation system-related water, telephone, electricity and computer support services associated only with the turf and landscape areas.

Section 8. Budget

As more specifically set forth herein, District is willing to undertake the primary responsibility for the on-going maintenance and management of the Mare Island Parks as agreed upon and specified on the MI approved plans for the active parks identified as the Parade Grounds (Approximately 4.7 acres) and the Community Park (Approximately 25.0 acres), Exhibit B. The District will use a portion of the new ad-valorem property taxes allocated to District as a result of the private development on Mare Island to augment the maintenance

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

revenues from the CFD. District shall be responsible for maintenance, the sponsorship and management of programs at the Mare Island Parks.

During the duration of this Agreement, the District shall provide the City by March 31 each year financial overview report (Report) to be reviewed and accepted by the city. The Report shall itemize the Park maintenance expenditures from the previous fiscal year, specifically

Accounting for the cost incurred by the CFD and District's contributions. Said Report shall also include the budget the District is forecasting for the forthcoming fiscal year commencing July 1st. The Report shall be utilized by the City to prepare the forthcoming annual CFD budget. The Report shall include as part of the financial overview a long range 5 year estimated expenditure plan. Said 5 year plan shall identify anticipated repairs, replacements, park improvements and landscape rehabilitation associated with the management of the parks by the District. The City may also include items to the 5 year plan should modifications be warranted as a result of the recreation visitor use impact. The City and the District shall meet to agree on the priorities of the 5 year spending plan. The City will have final approval of long range spending plans.

Pursuant to the City Council approval of the final City Budget for the forthcoming fiscal year the District shall prepare a cover letter requesting from the City, Mare Island CFD funds approved by the Council. The District letter shall be addressed to the Director of Public Works. Within the District letter, identification of the specific District fund number in which the CFD revenue will be placed for future District operations on Mare Island. The City shall provide CFD fund information which shall be inserted in the District letter from which CFD revenue shall be derived from for use by the District. The District cover letter shall be signed by the General Manager.

Section 9. Mare Island Sports Complex

If a sports complex is planned north of "G" Street, District shall provide input in the design, master planning and the placement of the sports complex. It is anticipated that this agreement may be amended to include this facility.

Section 10. Nondiscrimination.

District shall refrain from restricting the rental or lease of the Mare Island Parks, or any portion of the Mare Island Parks, on the basis of race, color, religion, creed, sex, sexual preference or orientation, national origin, ancestry, physical handicap, medical condition, age, marital status, mental condition, blindness or other physical disability, Acquired Immune Deficiency Syndrome ("AIDS"), acquired or perceived, familial status, handicap, pregnancy, childbirth or related medical condition. All such deeds, leases, contracts or agreement shall contain or be subject to substantially the following non-discrimination or non-segregation clauses:

In leases: "The lessee herein covenants by and for himself/herself, his/her heirs, executors, administrators and assigns, and all persons claiming under or through

**Operation and Maintenance of Mare Island Parks Agreement
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him/her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, sex, sexual preference or orientation, national origin, ancestry, physical handicap, medical conditioned, age, marital status, mental condition, blindness or other physical disability, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, familial status, handicap, pregnancy, childbirth, related medical condition in the leasing, subleasing, transferring, use occupancy, tenure or enjoyment of the land herein lease nor shall the lessee himself/herself or any person claiming under or through him/her, establish or permit any such practice or practices of discrimination or segregations with reverence to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sub-lessees, or vendees in the land herein leased."

In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, sexual preference or orientation, national origin, ancestry, physical handicap, medical condition, age, marital status, mental condition, blindness or other physical disability, Acquired Immune Deficiency Syndrome (AIDS), acquired or perceived, familial status and handicap, pregnancy, childbirth or related medical condition in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the land, nor shall the transferee himself/herself or any person claiming under or through him/her, establish or permit any such practice or practices of discriminations or segregation with reference to the lessees, subtenants, sub-lessees, or licenses vendees of the land."

Section 11. Environmental Matters

A. Environmental Compliance.

District and City each shall, at its sole cost and expense, comply with all laws, codes, rules, orders, ordinances, directions, regulations, permits, or other requirements of federal, state, county, municipal or governmental authorities having jurisdiction, now in force or which may hereafter be in force (collectively, "Hazardous Materials Laws") concerning the management, use, generation, storage, transportation, presence, discharge or disposal of hazardous, toxic, radioactive or carcinogenic materials, substances or wastes ("Hazardous Materials"). Except for materials normally and customarily used in offices, such as cleaning supplies and small amounts of fertilizer, pesticides, herbicides and the like, kept in small quantities and safely stored. Neither District nor City, nor their agents, employees, contractors, sub-lessees, assignees or invitees shall use, handle, store, transport, release or dispose of any Hazardous Materials anywhere in, on, under or about the Mare Island Parks. District and City each shall cause any and all Hazardous Materials brought onto, used, generated, stored or discharged in the Mare Island Parks to be removed from the Mare Island Parks and transported for disposal in accordance with applicable Hazardous Materials Laws. City and District each shall have the right from time to time to conduct tests, inspections and surveys concerning Hazardous Materials and to monitor compliance with the obligations concerning Hazardous

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

Materials and Hazard Materials Laws. Each party shall immediately notify the other party in writing of any voluntary clean-up or removal action instituted or proposed by City or District, whichever is applicable, any enforcement, clean-up, removal or other governmental or regulatory action instituted or threatened, or any claim made or threatened by any person against either District or City, the Mare Island Parks or any portion thereof relating to Hazardous Materials or Hazardous Materials Laws. District and City each shall also supply to the other party as promptly as possible, and in any event within five (5) business days after such party receives or sends same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Mare Island Parks or such party's use thereof and concerning Hazardous Materials or Hazardous Materials Laws.

B. Mutual Indemnification.

Except to the extent caused by City's sole or active negligence or willful misconduct, District shall indemnify, defend and hold City harmless from any claims, causes of action, liabilities, losses, damages, injunctions, suits, fines, penalties, costs or expenses (including attorneys' fees and expenses) caused or alleged to have been caused by the presence of Hazardous Materials only limited to materials that the District brings to the Mare Island Parks, including, without limitation, any bodily injury, death, property damage, caused or alleged to have been caused by the use, storage, generation, presence or release of Hazardous Materials in violation of District's obligations under this Agreement, whether such claims, causes of action or liabilities are first asserted during the Term or thereafter, and including without limitation, claims made against City with respect to bodily injury, death or property damage sustained by third parties caused or alleged to have been caused by the use, storage, generation, presence or release of Hazardous Materials.

Except to the extent caused by District's sole or active negligence or willful misconduct, City shall indemnify, defend and hold District harmless from any claims, causes of action, liabilities, losses, damages, injunctions, suits, fines, penalties, costs or expenses (including attorneys' fees and expenses) caused or alleged to have been caused by the presence of Hazardous Materials in or about the Mare Island Parks, including, without limitation, any bodily injury, death, property damage, caused or alleged to have been caused by the use, storage, generation, presence or release of Hazardous Materials in violation of City's obligations under this Agreement, whether such claims, causes of action or liabilities are first asserted during the Term or thereafter, and including without limitation, claims made against District with respect to bodily injury, death or property damage sustained by third parties caused or alleged to have been caused by the use, storage, generation, presence or release of Hazardous Materials.

Section 12. Insurance

- A. Both District and City shall maintain or cause to be maintained the following:
- a) Worker's Compensation Insurance, as required by law.

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

- b) Comprehensive General Liability Insurance, with limits not less than Five Million Dollars (\$5,000,000) each occurrence Combined Single Limit Bodily Injury and Property Damage. Coverage shall include contractual liability, personal injury, owner's and contractor's protective, product and complete operations coverage. All insurance shall name the other party as an additional insured;
- c) Comprehensive Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit bodily injury and property damage, including coverage for owned, hired and non-owned automobiles. All insurance shall name the other party as an additional insured.

B. General provisions

- a). Copies of all policies must be filed with the other party as soon as available. Certificates of such insurance must be filed before commencing any activity under this Agreement.
- b) All required policies must be endorsed to provide thirty (30) days prior written notice to the other party before cancellation or reduction in coverage shall be effective.
- c) All required policies shall name the other party, and its elected and appointed officers, agents, representatives, and employees as additional insured. Further each party shall require that the other party and its elected and appointed officers, agents, representatives and employees be named as additional insured on all insurance policies provided by such party's general contractors.
- d) Approval of the insurance by one party shall not relieve or decrease the liability of the other party hereunder.
- e) Any and all insurance policies called for herein shall contain a clause providing that the other party shall not be liable for any premium
- f) All policies shall be endorsed to provide that such insurance is primary to any other insurance available for the additional insured with respect to claims arising out of this Agreement and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

Section 13. Indemnification

A. By District

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

Except to the extent claims are caused by City's sole or active negligence or willful misconduct, District shall indemnify, protect, defend, and hold harmless City and its elected officials, officers, employees, volunteers, lenders, agents, contractors and each of their successors and assigns from and against any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, arising at any time during or after the Term as a result (directly or indirectly) of or in connection with (i) any default in the performance of any obligation on District's part to be performed under the terms of this Agreement; (ii) District's use of the Mare Island Parks, (iii) any act, error or omission of District, or of any invitee, licensee or guest of District in or about the Mare Island Parks; and (iv) loss of, injury, or damage to or destruction of property (including loss of use resulting from that loss, injury, damage or destruction); (collectively, the "Indemnification"). District shall provide such Indemnification by and through counsel reasonably acceptable to City. The obligations of District under this Section 13 shall survive the termination of this Agreement with respect to any claims or liability arising prior to such termination.

B. By City

Except to the extent claims are caused by District's sole or active negligence or willful misconduct, City shall indemnify, protect, defend, and hold harmless District and its elected officials, officers, employees, volunteers, lenders, agents, contractors and each of their successors and assigns from and against any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, arising at any time during or after the Term as a result (directly or indirectly) of or in connection with (i) any default in the performance of any obligation on City's part to be performed under the terms of this Agreement; (ii) City's use of the Mare Island Parks; (iii) any act, error or omission of City, or of any invitee, licensee or guest of City in or about the Mare Island Parks; and (iv) loss of, injury, or damage to or destruction of property (including loss of use resulting from that loss, injury, damage or destruction); (collectively, the "Indemnification"). City shall provide such Indemnification by and through counsel reasonably acceptable to District. The obligations of City under this Section 13 shall survive the termination of this Agreement with respect to any claims or liability arising prior to such termination.

Section. 14. Coordination Meetings Regarding Parks Operations and Maintenance Plan

Each party shall designate at least one (1) person who shall be the primary contact for purposes of coordinating the activities under this Agreement, and such designated person(s) shall schedule meetings when necessary to coordinate maintenance and management responsibilities and to resolve any questions that may arise. In the event there is a question as to which party is responsible for a certain item of work, the parties agree that they shall promptly meet and confer to resolve the matter as quickly as possible. If the parties agree to amend the Parks Operations and Maintenance Plan (Exhibit C), such amendments shall be deemed to be a

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

part of this Agreement. Any proposed amendments must be approved by the City Manager on behalf of the City, and by the District's General Manager on behalf of the District.

Section 15 Events of Default; Notice

The failure by either party to perform any material obligation under this Agreement on the part of any party shall be considered an event of default. The first step to resolve the problem would be for both parties to meet as described in Section 14. In the event that the issue cannot be resolved in the meeting, either party shall give written notice to the other party specifying: (a) the nature of the event or deficiency giving rise to the default, (b) the action required to cure the deficiency, if an action to cure is possible and (c) a date, which shall not be less than thirty (30) calendar days from the date of receipt of the notice or the date the notice was issued by which such action to cure must be taken or commenced and completed within sixty (60) days.

If after 90 days, the default has not been cured, or the action required to cure the default has not begun, either party shall be given written notice that the default has not been adequately resolved. If the above steps fail to result in a satisfactory resolution to either party, than either party may elect to terminate this Agreement as outlined in Section 17.

The right to cure any default under this Agreement shall insure to the benefit of the District and the City and shall be sufficient to satisfy the terms of this Agreement, thereby continuing this Agreement in full force and effect.

Section 16. Remedies

Upon the happening of an event of default by either party and a failure to cure said event of default by either party within the time specified in the notice of such event of default, than either party may pursue any lawful remedy

Section 17. Termination

This Agreement may be terminated by either party in whole or in part in the event of a failure to cure any default by either party and after the steps to cure said default as outlined in section 15, then this agreement may be terminated by either party by giving a minimum of 3 months written notice.

Section 18. General Provisions

- A. **CONFLICT OF INTEREST.** No member, official or employee of either party shall make any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

- B. **GOVERNING LAW.** This Agreement shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions pre-empted by federal law.

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

- C. **ATTORNEY'S FEES AND COSTS.** In the event any event of default any legal or administrative action is commenced to interpret or to enforce the terms of this Agreement, the prevailing party in any such action shall be entitled to recover all reasonable attorneys fees which as to any party shall include the allocated reasonable costs for services of any party's in-house counsel; and costs in such action.
- D. **CONSENT AND APPROVALS.** Any consent or approval of City or District required under this Agreement shall not be unreasonably withheld. Unless otherwise specifically provided herein, any approval required under this Agreement shall be in writing and executed by an authorized representative of the party granting the approval.
- E. **NOTICES, DEMANDS AND COMMUNICATIONS.** Formal notices, demands and communications between District and City shall be sufficiently given and shall not be deemed given unless dispatched by personal delivery or by express or certified mail, postage prepaid, return receipt requested, or by personal or express delivery service with a delivery receipt, to the principal offices of City and District as follows:

CITY: City of Vallejo
555 Santa Clara Street.
Vallejo, CA 94590
Attn: City Manager

with a copy to : City Attorney
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Public Works Director
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Community Development Director
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

DISTRICT: Greater Vallejo Recreation District
395 Amador St.
Vallejo, CA 94590
Attention: General Manager

**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate as provided in this section. Receipt shall be deemed to have occurred on the date of personal delivery, or the date shown on a written receipt as the date of delivery or the date delivery as refused.

- F. **RELATIONSHIP OF DISTRICT AND CITY.** The relationship of District and City under this Agreement is and at all times shall not be construed as a joint venture, equity venture and/or partnership. Except as may be specified in writing, neither party shall have any duty or authority to act as an agent for the other or to bind the other party.
- G. **ASSIGNMENT AND ASSUMPTION.** Neither party shall assign any of its rights, obligations or interests under this Agreement to any other party, except as specifically permitted with the prior written consent of the other party, which consent shall not be reasonably withheld.
- H. **WAIVER.** Any waiver by District or City of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by District or City to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to District or City to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by District or City to any act or omission by the other party shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for District's or City's written consent to future waivers.
- I. **INTEGRATION.** This Agreement, including Exhibits A through F executed by District and City contains the entire agreement of the parties with respect to the subject matters contained herein, and supersedes any and all prior negotiations.
- J. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to the Agreement must be in writing, and shall be effective only if executed by all parties to this Agreement.
- K. **SEVERABILITY.** Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

[Signatures on Next Page]


**Operation and Maintenance of Mare Island Parks Agreement
Greater Vallejo Recreation District**

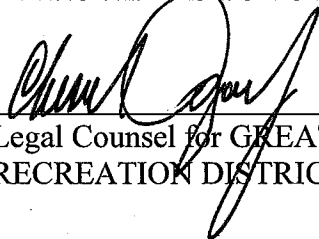
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DISTRICT:

GREATER VALLEJO RECREATION DISTRICT,
a public body corporate and politic

APPROVED AS TO FORM:


By: 
Name: Shane McAfee
Title: General Manager

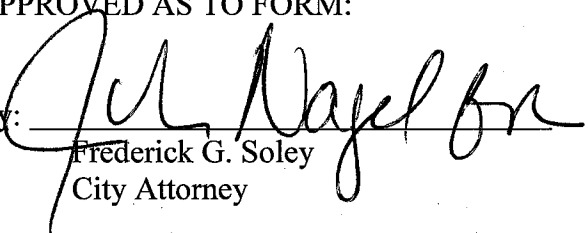

Legal Counsel for GREATER VALLEJO
RECREATION DISTRICT

CITY:

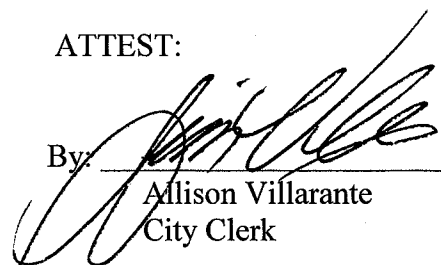
CITY OF VALLEJO, a municipal corporation

APPROVED AS TO FORM:


By: 
John P. Thompson
Interim City Manager

By: 
Frederick G. Soley
City Attorney

ATTEST:

By: 
Allison Villarante
City Clerk

APPROVED AS TO INSURANCE
REQUIREMENTS

By: 
Will Venski
Risk Manager

GVRD's area of responsibility includes all areas within the dark black line

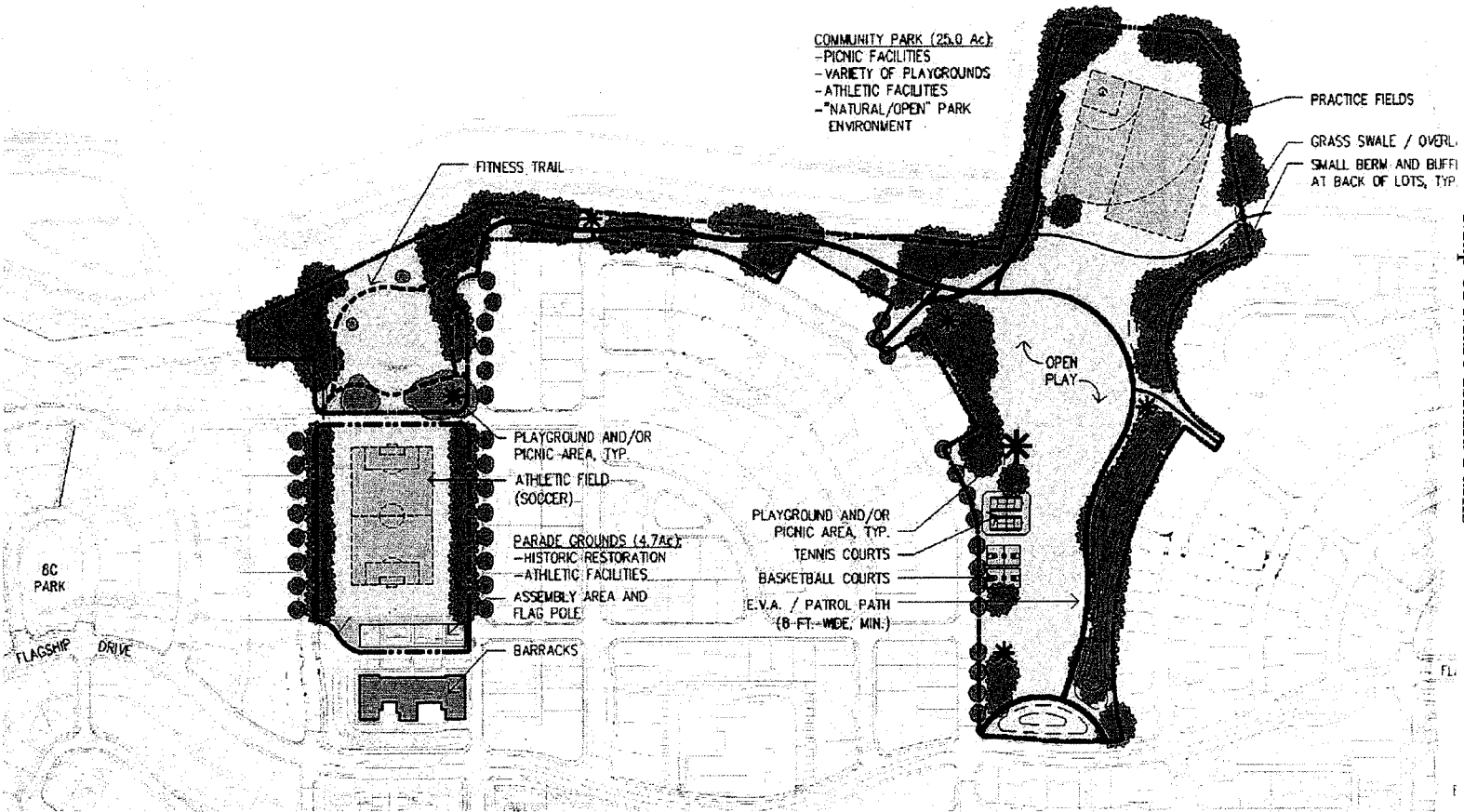


Exhibit B
Map of Mare Island Parks

Exhibit C

to
**Agreement between the Greater Vallejo Recreation District and the City of Vallejo
regarding the Operation and Maintenance of Mare Island Parks**

PARK OPERATIONS AND MAINTENANCE PLAN

I. DISTRICT SHALL BE RESPONSIBLE FOR:

A. Park Operations

District shall schedule the use of the facilities, collection of fees, and recreational programs. All fees generated from said use may be retained by District and used in support of any recreation programs within District's jurisdiction.

B. Facilities and Signs

Maintenance of day and group use areas which may include but not limited to; drinking fountains, park benches and tables, park signs, restrooms, sinks, toilets, interior plumbing, partition or typical restroom appurtenances and signs. District will be responsible for recreational user parking, general day use impacts and night closure of facilities.

C. Trails

Annual inspection and repair of nature, physical fitness and designated interpretive trails.

D. Facilities Plumbing and Landscape Irrigation within those Parks Identified in this Agreement

Maintenance of on-site plumbing and irrigation systems on the grounds of the Mare Island Parks. "Onsite" is defined from the back of curb to the toilet, sink irrigation laterals and includes the plumbing associated with the service utility. Plumbing includes any building, restroom and concession stand. Plumbing facilities include but are not limited to; drinking fountains, toilets, sinks, fish cleaning appurtenances which include the plumbing utility on-site to service said facility. Landscape irrigation responsibility shall begin at lateral piping and include any sprinklers or emitters.

E. Picnic Service Areas

District shall be responsible for monitoring and maintaining said areas. District will post a sign indicating priority of the picnic area is on a first come, first-served basis unless the picnic activity has been scheduled through District and all fees have been paid.

District will repair or replace picnic tables as necessary and keep the picnic sites available for use year-round.

F. Access to facilities

District shall be responsible for closing all gates in accordance with an established schedule. District shall make any repairs required to any gates or fencing.

District shall be responsible for ensuring that all lights are turned off and other security measures are implemented after any night-time use is finished.

II. Mutual Responsibilities of City and District

A. Defined Park Maintenance Duties

In general and as noted on the Mare Island approved park plans, the City shall generally be responsible for monitoring, maintaining and repairing the following: Management of computerized irrigation system, irrigation communications systems, irrigation meter/backflow/mainline/conductors/remote control valve, all tree care for new, juvenile and mature canopies, Water billings for landscape areas, and areas of adverse drainage affecting the parks. The District shall maintain the irrigation scheduling and care for the turf, active and passive recreation appurtenances, shrubbery and ground cover plantings in all landscape areas within the parks as identified on the approved plans. The District shall be responsible for emergency call outs in the park for plumbing system breaks, and the necessary securing of park facilities as defined within this Agreement.

In conjunction with District's workforces the District may solicit a licensed contractor for a part or all of Mare Island park maintenance. The contractor shall be a licensed contractor by the State of California insured and bonded to City requirements. District shall follow procedures defined in District Policies numbers 3055 and 6060 as amended. The City's Department of Public Works, Maintenance Division-Landscape Maintenance District Branch (LMD) shall review and approval landscape maintenance bid documents, for park maintenance.

B. Utilities and Solid Waste

District shall be responsible for the cost of water, electricity, gas for restrooms and building facilities, and regular scheduled trash removal from containers in the Mare Island Parks.

City shall monitor and coordinate maintenance off-site sewage, water and storm water systems affecting the Mare Island parks. City shall also monitor, mitigate and repair any storm water runoff onto the grounds of the Mare Island Parks. City shall monitor and maintain main water transmission lines, which include but are not limited to irrigation, fire suppression or general service lines that cross Mare Island Parks.

C. Recreation Surfaces

District shall be responsible for maintaining, repairing and replacing, as necessary, the outdoor surface materials on the recreational fields, access roads and parking lots.

D. Fencing and Bollards

District shall monitor and provide for any necessary bollard or fence maintenance, repair or replacement in order to keep field facilities secure. City shall implement measures to ensure Off-

Road Vehicle Protection (OVR) and install any necessary improvements, including but not limited to bollards to protect these facilities.

E. Signs replacement

District shall replace signs as needed.

F. Safety

District and City shall encourages the safe operation of crews performing tasks and shall be pro-active in identifying park safety hazards issues requiring immediate attention. Each agency shall notify the other in writing of any safety issue discovered within 24 hours of observation of any said incident. As more fully set forth in the Agreement, District and City shall be responsible for providing, or causing to be provided, liability insurance for qualifying activities sponsored or sanctioned by District or City on Mare Island Park facility.

G. Vandalism and Illegal Dumping reporting

District and City shall promote a management philosophy which encourages the safe utilization of park areas and each agency shall be pro-active in identifying park vandalism and illegal dumping requiring immediate attention. Each agency shall keep the other informed by the quickest means available of any discovered or reported vandalism or illegal dumping. District will analyze cost impacts of vandalism and illegal dumping and shall include said cost in their annual parks budget for Mare Island input.

H. Soil Excavation

Direct personnel and contractors to immediately stop any excavation work should any non soil or deleterious material be exposed in the ground during such excavation. The immediate supervisor and the City shall be notified immediately, with the City to determine what actions shall be taken.

Exhibit D

Description of Mare Island Parks

As specified in Recital F and Section 1 of this Agreement, the City and the District shall agree to the standard of maintenance and care of the Park Improvement Plans area identified in this Agreement while the park plans are under review for final approval. Approved Park Improvement Plans shall identify the Level of Maintenance as agreed upon by the City and the District. Text of the final decision for the Level of Maintenance shall be noted on the final approved Park Improvement Plans signed by the City Engineer and the General Manager.

The Level of Maintenance is the amount of time dedicated to a maintenance task. The following section details what is expected for maintenance of the Mare Island parks. The levels were developed in part from the National Recreation and Park Association's *Park Maintenance Standards*, and the specific needs of our community and GVRD.

Parks

Level 1

High-level maintenance associated with well-developed public areas, grounds, and sports facilities.

Turf Care. Grass cut once a week. Aeration required at least twice a year. Reseed bare spots when present. Edge and trim turf once a month. Vacuum turf when unsightly. Weed control practiced in sports and recreation facilities when weeds present a visible problem.

Fertilizer. Rates should correspond to at least the lowest recommended rates but not less than three times per year. Trees and shrubs should receive fertilizer levels to ensure optimum growth.

Irrigation. Sprinkler irrigated-electric automatic commonly used. Some manual irrigation may be required. Irrigation system to be kept in good repair and upgraded as needed.

Litter Control. Minimum of twice per 5-day week and twice per weekend during the reservation season or as needed.

Shrub/Tree/Groundcover Beds. Weeds not to exceed 20 percent of general bed area. Weed height not to exceed 6 inches. Pre-emergent herbicides to be applied twice yearly. Post-emergent herbicides to be applied as needed.

Pruning. Shrubs around sports and recreation facilities to be pruned no less than twice a year. Trees and shrubs to be pruned as needed. Timing to coincide with low demand periods.

Surfaces. Patios, walkways and stairs shall be swept or blown down weekly. Parking lots shall be swept or blown down at least once a month.

Play Areas. Cleaned at least twice weekly. Graffiti shall be removed no later than the next scheduled rounds day. Minor repairs will be made no later than the next scheduled rounds day. Critical repairs will be reported to the Parks Supervisor and will be completed immediately or play area will be made safe till repair can be completed.

Restrooms. Daily per 5-day week and twice per weekend during the reservation season or as needed.

Repairs. Minor repairs should be done immediately when problems are discovered. Repairs requiring additional staff or parts will be reported to the Parks Supervisor and scheduled according to priorities.

Inspections. Lead staff or Park Supervisor will inspect park at least one monthly. District park inspection form will be utilized.

Exhibit E

Use of Parks and Facilities: District Policy 3070

Greater Vallejo Recreation District

POLICY MANUAL

POLICY TITLE: Use of Parks and Facilities
POLICY NUMBER: 3070

It is the general policy of the Greater Vallejo Recreation District that the present facilities, and any other facilities obtained at a later date under the District's jurisdiction are intended primarily for recreation use by the general public in conjunction with the District's recreation programs.

Facilities are defined as any or all body of water, grounds, building, structure, equipment, machinery, or other appurtenance owned, managed, controlled, or operated by the District. The purpose of these facilities is to:

- Provide and encourage recreation for the people of the District;
- Make available to the general public, by reservation, use of facilities for group recreation activities;
- Foster widespread group participation in recreational activities by encouraging maximum use of facilities.

All recreation facilities under the jurisdiction of the Greater Vallejo Recreation District will be available to all groups and individuals for social, cultural or recreational activities regardless of race, national origin, religion, sex, sexual orientation, physical handicap, or age. Any activity in which the District's facilities are utilized will be conducted according to law, and will conform to the oral and written standards of the district. No meetings or entertainment will be held for the purpose of advancing any doctrine or theory subversive to the United States or the State of California.

A fee schedule adopted by the Board of Directors as part of the budget process will determine the charge for use of District facilities. The Board of Directors will consider requests for a waiver of fees from non-profit groups and organizations that do not involve fund-raising activities on a case by case basis.

The District shall not be held responsible for accidents, injury or loss of individual property at District facilities. Individual or groups using the facility shall be held responsible for payment of any damage or loss of District property.

Written permits may be required for groups using certain District facilities. Permits completed under false pretenses or that contain any false information will be cancelled and collected fees will be forfeited. Rules and regulations governing the use of the facility will be provided to the individual completing the permit.

The General Manager may add all reasonable and necessary rules and regulations to enforce these policies.

Refer to Policy 3075, Use of Community Centers, for policies, rules and regulations specific to these facilities.



GREATER VALLEJO RECREATION DISTRICT

Board of Directors
 Gary Salvadori
 Dennis Albright
 Liat Meitzenheimer
 Karol Heppe
 Wendell Quigley

395 Amador Street, Vallejo CA 94590-6320 • 707-648-4600 • FAX 707-648-4616

General Manager
 Shane McAfee

June 13, 2014

Jill Mercurio, City Engineer
 P.O. Box 3068
 Vallejo, CA 94590

Dear Jill:

After we met a couple of weeks ago, I committed to sending you a letter concerning the installation of a playground in the "Crescent" Park on Mare Island.

This is to confirm that GVRD will install a playground on Mare Island in Crescent Park, and will also commit to maintain the playground in perpetuity. GVRD will utilize some of the funds that were given to GVRD for recreational purposes on Mare Island, and these funds are held for GVRD by the City of Vallejo. GVRD will meet with the residents to allow for public input concerning the playground. GVRD will make the final determination on the size and cost of the playground. The City will approve of the playground prior to any work or purchases happening.

The City of Vallejo will determine the location of the playground within the park, and will make alterations in the irrigation system as needed because of the playground. The City will continue to maintain the park as they do currently. If any permits are required, the City will obtain and pay for those permits.

Jill, I hope this meets your needs. Please let me know if you want to discuss more or have any changes or additions to this letter.

Thanks,

Shane McAfee, General Manager
 Greater Vallejo Recreation District

Mission Statement:

Building community and enhancing quality of life through people, parks, and programs.

website: www.gvrd.org

**FIRST AMENDMENT TO
AGREEMENT BETWEEN THE GREATER VALLEJO RECREATION DISTRICT AND THE
CITY OF VALLEJO
REGARDING THE
OPERATION AND MAINTENANCE OF MARE ISLAND PARKS**

This First Amendment to the Operation and Maintenance of Mare Island Parks Agreement ("First Amendment") is made and entered into on this 30th day of June, 2017, by and between the Greater Vallejo Recreation District, a public body, corporate and politic ("District") and the City of Vallejo, a municipal corporation ("City").

RECITALS

- A. City and District entered into that certain Operation and Maintenance of Mare Island Parks Agreement on June 15, 2006 ("Agreement").
- B. Exhibit B of the Agreement identifies and depicts the parks within Mare Island for which the District agreed to undertake the responsibility for ongoing maintenance and management.
- C. The Parties desire to modify Exhibit B of the Agreement to add the Crescent Park Tot Lot Playground ("Playground") as an additional park which the District will maintain and manage under the terms of the Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and District hereby agree as follows:

- 1. Modified Exhibits.** Exhibit B of the Agreement is hereby deleted in its entirety and replaced with Exhibits B-1 and B-2, titled "Mare Island Parks to be managed by GVRD" and attached to this First Amendment. All references to Exhibit B within the Agreement are hereby amended to refer to Exhibits B-1 and B-2, excepting the reference to Exhibit B in Section 8 (Budget) on page 3, which is hereby amended to refer to Exhibit B-1.
- 2. Maintenance Fees.** District and City acknowledge and agree that the Mare Island Community Facilities District (CFD) funds will not be used in any manner to fund the maintenance, repair, operations or management costs of the Playground. Operation and maintenance costs associated with the Playground will be entirely funded from a portion of the District's share of Mare Island property tax receipts.
- 3. Integration.** This First Amendment contains the entire agreement between the parties with respect to its subject matter and supersedes whatever oral or written understanding they may have had prior to the execution of this First Amendment. This First Amendment shall not be amended or modified except by a written agreement executed by each of the parties. Except as specifically revised herein, all terms and conditions of the Agreement, and all prior amendments, if any, shall remain in full force and effect, and District shall perform all duties, obligations and

conditions required under the Agreement.

4. Inconsistencies. In the event of any conflict or inconsistency between the provisions of this First Amendment and the Agreement, and any prior amendment, if any, the provisions of this First Amendment shall control in all respects.

5. Ambiguities. The parties have each carefully reviewed this First Amendment and have agreed to each term of this First Amendment. No ambiguity shall be presumed to be construed against either party.

6. Counterparts. This First Amendment may be executed by the parties in one or more counterparts all of which collectively shall constitute one document and agreement.

7. Facsimile Signatures. This First Amendment shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting his or her signature by facsimile or electronically shall promptly send an original signature to the other party at the addresses noted below. The failure to send an original shall not affect the binding nature of this First Amendment.

8. Authority. The person signing this First Amendment for District hereby represents and warrants that he or she is fully authorized to sign this First Amendment on behalf of District.

(SIGNATURES ARE ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have entered into this First Amendment on the day and year first hereinabove appearing.

GREATER VALLEJO RECREATION DISTRICT, a Special Service District

CITY OF VALLEJO, a municipal corporation

By: Gabe Lanusse
Gabe Lanusse, Acting General Manager

By: Traci P. Killgore for
Daniel E. Keen, City Manager

DATE: 6/15/17

DATE: 6-30-2017

ATTEST:

(City Seal)

By: Dawn G. Abrahamson
Dawn G. Abrahamson, City Clerk



APPROVED AS TO CONTENT:

By: Andrea Ouse
Andrea Ouse, Community and Economic Development Director

APPROVED AS TO FORM AND INSURANCE:

By: Claudia Quintana
Claudia Quintana, City Attorney



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Exhibit B-1: Mare Island Parks to be managed by GVRD

Image 1: Parade Grounds and Community Park

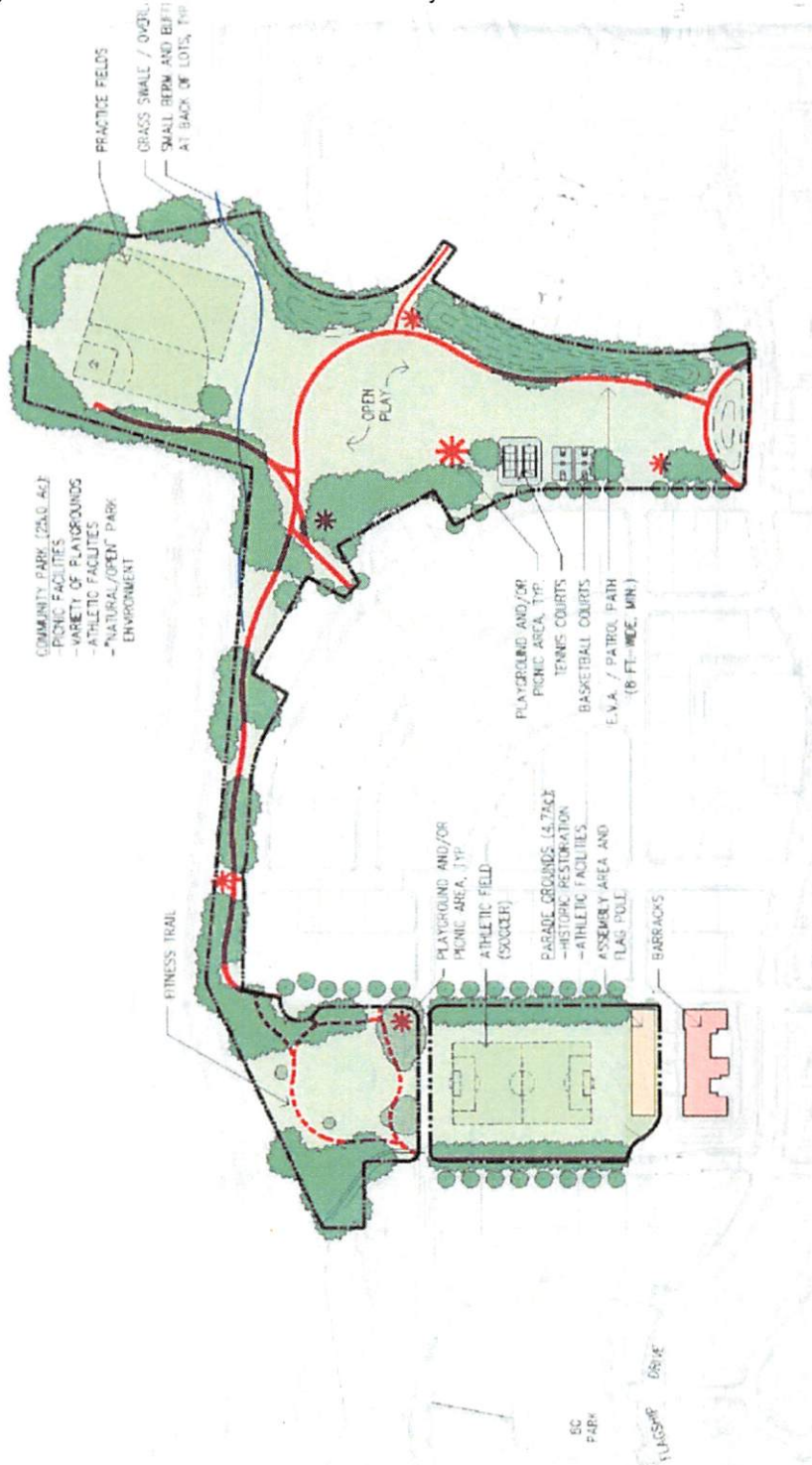


Exhibit B-2: Mare Island Parks to be managed by GVRD

Image 2: Crescent Park Tot Lot Playground Site Location

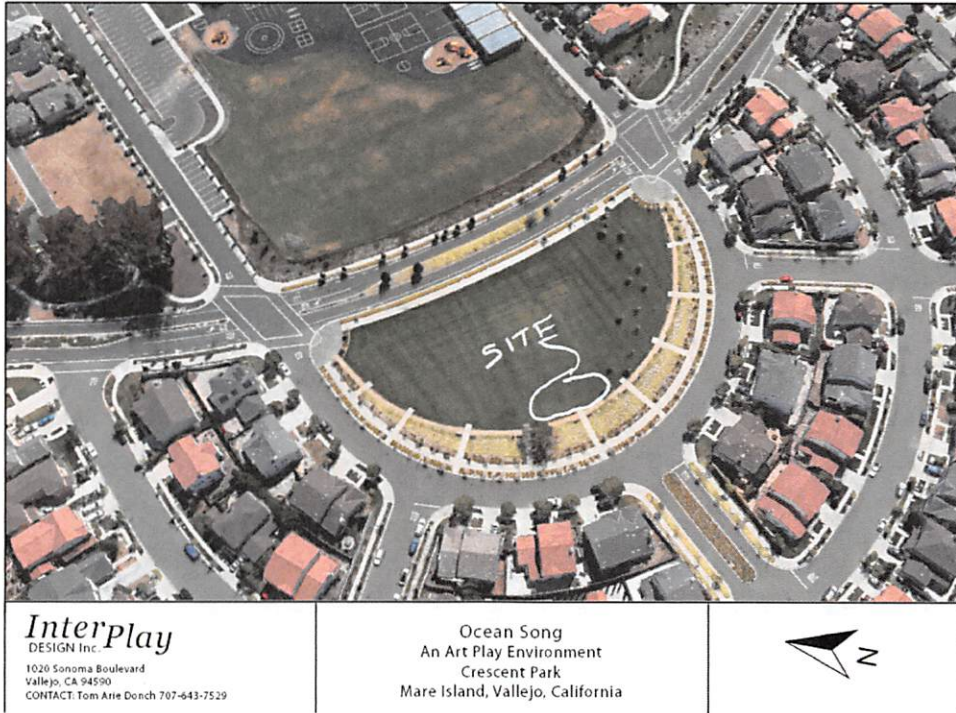
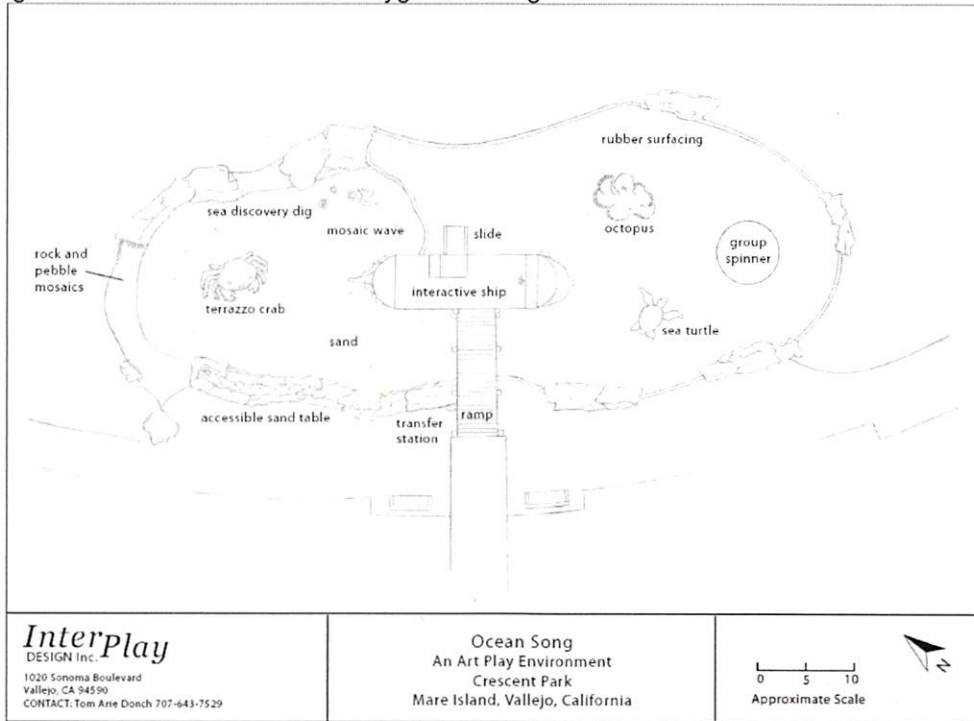


Image 3: Crescent Park Tot Lot Playground Diagram



**SECOND AMENDMENT TO
AGREEMENT BETWEEN THE GREATER VALLEJO RECREATION DISTRICT AND THE
CITY OF VALLEJO
REGARDING THE
OPERATION AND MAINTENANCE OF MARE ISLAND PARKS**

This Second Amendment to the Operation and Maintenance of Mare Island Parks Agreement ("Second Amendment") is made and entered into on this July 1, 2026, by and between the Greater Vallejo Recreation District, a public body, corporate and politic ("District") and the City of Vallejo, a municipal corporation ("City").

RECITALS

- A. City and District entered into that certain Operation and Maintenance of Mare Island Parks Agreement on June 15, 2006 ("Agreement"). Exhibit B of that Agreement identifies and depicts the parks within Mare Island for which the District agrees to undertake the responsibility for ongoing maintenance and management.
- B. On June 30, 2017, the Parties amended Exhibit B of the Agreement to add the Crescent Park Tot Lot Playground ("Playground") as an additional park within Mare Island for the District to maintain and manage (the "First Amendment").
- C. The Parties desire to amend the Agreement to extend the term, which expires on June 30, 2026, for an additional two (2) years, with two one-year options to extend at the City's sole discretion.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and District hereby agree as follows:

- 1. Revised Term.** Section 4 of the Agreement, "Term," is hereby amended to read as follows:

"The term of this Agreement shall be for 22 years, commencing on July 1, 2006 and terminating on June 30, 2028, unless earlier terminated under the provisions of Section 15 of this Agreement.

In addition, City shall, at its sole discretion, have the right to extend the term of this Agreement, in intervals of one year, by written notice to District. The total duration of this Agreement, including the exercise of any options under this section, shall not exceed 24 years."

- 2. Integration.** This Second Amendment contains the entire agreement between the parties with respect to its subject matter and supersedes whatever oral or written understanding they may have had prior to the execution of this Second Amendment. This Second Amendment shall not be amended or modified except by a written agreement executed by each of the parties. Except as specifically revised herein, all terms and conditions of the Agreement, and all prior amendments, if any, shall remain in full force and effect, and District shall perform all duties,

obligations and conditions required under the Agreement.

3. Inconsistencies. In the event of any conflict or inconsistency between the provisions of this Second Amendment and the Agreement, and any prior amendment, if any, the provisions of this Second Amendment shall control in all respects.

4. Ambiguities. The parties have each carefully reviewed this Second Amendment and have agreed to each term of this Second Amendment. No ambiguity shall be presumed to be construed against either party.

5. Counterparts. This Second Amendment may be executed by the parties in one or more counterparts all of which collectively shall constitute one document and agreement.

6. Facsimile Signatures. This Second Amendment shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting his or her signature by facsimile or electronically shall promptly send an original signature to the other party at the addresses noted below. The failure to send an original shall not affect the binding nature of this Second Amendment.

7. Authority. The person signing this Second Amendment for District hereby represents and warrants that he or she is fully authorized to sign this Second Amendment on behalf of District.

(SIGNATURES ARE ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have entered into this Second Amendment on the day and year first hereinabove appearing.

GREATER VALLEJO RECREATION DISTRICT, a Special Service District

CITY OF VALLEJO, a municipal corporation

By: _____
Pamela Sloan, Interim General Manager

By: _____
Harry E. Black, Interim City Manager

DATE: _____

DATE: _____

ATTEST:

(City Seal)

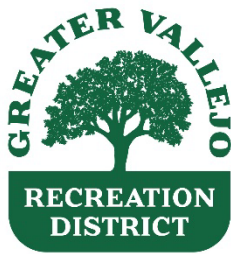
By: _____
Dawn G. Abrahamson, City Clerk

APPROVED AS TO FORM:

By: _____
Veronica A. F. Nebb, City Attorney

APPROVED AS TO INSURANCE:

By: _____
Armond Sarkis, Risk Manager



Agenda 10.1

BOARD COMMUNICATION

Date: June 11, 2026

TO: Board Chairperson and Directors

FROM: Noel Parkhurst, Finance Director
Pam Sloan, Interim General Manager

SUBJECT: FY 25/26 Year-End Projected Budget to Actuals and Cash Reserves Review and Discussion

BACKGROUND

The FY 25/26 year-end projected budget to actuals indicate there will be a surplus of \$2,136,485. (The FY 25/26 year-end projected budget to actuals detail is attached as Exhibit A.) This large surplus is due primarily to one-time, unbudgeted revenue which includes outstanding impact fees of \$737,118 received from the City of Vallejo, the Colusa property sale in the amount of \$974,727 and the McIntyre Ranch sale, of which \$392,461 was received in cash.

The projected cash reserve balance of \$8,002,727 at 06/30/26, which includes the surplus from the one-time revenue, is now sufficient to cover the required reserves of \$3,400,776, (designated 15% reserve by policy and the OPEB retiree benefit set aside), plus the cash operational needs of \$4,272,000 for the 26/27 fiscal year. To cover the District's expenditures from July through December when the first property tax payments (the District's largest source of revenue) are received, an unallocated cash reserve balance of approximately \$4.3 million is needed. The FY 26/27 proposed budget also maintains this required cash reserve balance.

To understand the FY 25/26 projected year-end budget to actuals and projected year-end cash reserves, (attached as Exhibit A), a summary review of the FY 23/24 original adopted budget, FY 23/24 mid-year budget adjustments, (attached as Exhibit B), and the FY 24/25 year-end actuals follows. A chart showing year-end reserve balances from FY 23/24 through FY 25/26 is attached as Exhibit C.

The FY 25/26 general fund year-end projected budget to actual details will follow the historical review.

Fiscal Year 23/24 Budget

On May 25, 2023, the Board of Directors approved the Annual Operating Budget for FY 23/24. The original adopted FY 23/24 budget included general fund revenue of \$12,370,762 and general fund expenditures of \$11,702,488 with a forecasted surplus of \$668,275. On January 25, 2024, the Board approved a resolution for FY 23/24 mid-year budget adjustments following a presentation from staff on the FY 23/24 mid-year budget to actuals and a review of the District's cash reserves.

The FY 23/24/ mid-year budget adjustments that were requested and approved by the Board of Director's were substantial and explain the cash reserve deficit in FY 23/24 and the subsequent impacts on the District's budgets for FY 24/25 and FY 25/26.

The largest FY 23/24 budget adjustment significantly reduced the District's budgeted general fund revenue by \$2,482,358. The approved FY 23/24 general fund budget included CIP revenue in the amount of \$4,150,000. After review by staff, the source of the CIP revenue could not be identified which revealed that reserves, not additional revenue, was being used to fund the budgeted CIP projects.

The FY 23/24 general fund budget adjustments also included a reduction in CIP expenditures of \$1,114,962. As the erroneous revenue was not discovered until mid-year, various CIP expenditures had already occurred so the full amount of the CIP budget could not be adjusted. There was also other budget adjustments made to General Fund expenditures as well as Measure K revenue and expenditures. After all the budget adjustments were completed, the FY 23/24 budget then showed a deficit of **(\$2,016,993)**. To limit the further depletion of reserves, Staff members were directed to curtail spending as much as possible.

The final FY 23/24 year-end actuals (unaudited) reported a deficit of **(\$2,688,271)** and an ending total cash reserve balance of \$4,122,343 with an unallocated cash reserve balance of \$1,059,275. As mentioned previously, to cover the District's expenditures from July through December when the first property tax payments (the District's largest source of revenue) are received, an unallocated cash reserve balance of approximately \$4.3 million is needed.

During FY 24/25, it was necessary to dip into the restricted reserves, (designated 15% reserve by policy and the OPEB retiree benefit set aside), to fund expenditures from 07/01/24 through 12/31/24.

As the above indicates, the cash reserves were severely depleted due to the erroneous revenue forecasted with the FY 23/24 budget. When the FY 23/24 deficit and reserve cash balance needs were discussed with the Board, it was agreed that a three-to-four-year plan was needed to replenish reserves.

Fiscal Year 24/25 Budget and Year-end Actuals

In FY 24/25, the District greatly reduced CIP, services and supplies, and facilities maintenance spending plus froze two vacant full-time positions, a Maintenance I Worker and a Recreation Coordinator. The only CIP projects that were budgeted were to complete projects that had begun in the previous fiscal year.

The year-end actuals for FY 24/25 (unaudited) reported a surplus of \$1,743,899. (The budget had originally reported a surplus of \$981K.) The additional surplus of \$761k was primarily due to unbudgeted one-time revenue which included impact fees in the amount of \$239K from the City of Vallejo, a grant for Terrace Park in the amount of \$178k and City of Vallejo Measure P funding in the amount of \$125k. In addition, there was increased revenue of \$163k from EXLP and Before School Programming due to higher enrollment and more staffing hours.

The FY 24/25 general fund surplus increased the unallocated general fund cash reserve balance to \$2,823,823. However, at the end of FY 24/25 the unallocated cash reserve was still showing a shortfall of \$1,476,177.

FY 25/26 YE PROJECTED ACTUALS AND CASH RESERVE BALANCE

The main objective for the FY 2025/26 budget was to continue providing enjoyable recreational experiences for the community while operating within the financial constraints of the District's financial position.

For FY 25/26, The District again deferred all CIP Projects to future fiscal years. The only CIP project that the District initiated in FY 25/26, was the proposed development of the Franklin Field, as it is completely funded by the \$7.5 million Proposition 68 Grant awarded to the District in FY 23/24. In addition to limiting CIP projects following is a list of the changes that were made to the FY 25/26 budget to assist with addressing the cash reserve shortfall.

- Cunninham Pool was closed during November through February.
- All repairs that could be completed by District staff were directed away from 3rd party contractors, when possible and appropriate.
- Staff re-negotiated service contracts with the Vallejo Unified School District for EXLP Afterschool and the Kids Club Before School Programs so that all part-time staffing and expenses would be covered by the hourly rate
- The District continued to postpone hiring of the two vacant positions
- The deferred maintenance budget was not increased from the FY 24/25 budget. (It was reduced in FY 24/25 by about 35%).

The FY 25/26 year-end projected budget to actuals indicate there will be a surplus of \$2,136,485. (The FY 25/26 year-end projected budget to actuals detail is attached as Exhibit A.) This substantial surplus is due in large part to one-time, unbudgeted revenue which includes outstanding impact fees of \$737,118 received from the City of Vallejo, the Colusa property sale in the amount of \$974,727 and the McIntyre Ranch sale, of which \$392,461 was received in cash.

The projected cash reserve balance of \$8,002,727 at 06/30/26, which includes the surplus from the one-time revenue, is now sufficient to cover the required reserves of \$3,400,776, (designated 15% reserve by policy and the OPEB retiree benefit set aside), plus the cash operational needs of \$4,272,000 for the 26/27 fiscal year. As stated previously, to cover the District's expenditures from July through December when the first property tax payments (the District's largest source of revenue) are received, an unallocated cash reserve balance of approximately \$4.3 million is needed.

FY 25/26 Year-End Projected Budget to Actual Detail

Revenue Detail

- ▶ 1st & 2nd Property Taxes have been received through 04/30/26 with a final true-up to be received in June.
- ▶ Intergovernmental Revenue is over budget by \$910k as the District received \$737k of one-time unbudgeted Impact Fees from City of Vallejo plus \$173k extra EXLP and Before School program revenue due to additional billable staff time
- ▶ Use of Money & Property is over budget by \$93k as the District will receive unbudgeted interest revenue from two new interest-bearing bank accounts.
- ▶ Donations are over budget by \$41k due to one-time donations for community events
- ▶ Other Revenue is over budget by \$45K because of extra contract class income
- ▶ Sales of Assets over budget by \$1.8 million for the one-time sales of District properties - \$975k for the Colusa Building and \$392K for the cash portion of the McIntyre Ranch sale

Expense Detail

- ▶ FT Salaries are under budget by \$27K due to a Recreation Coordinator vacancy for 5.5 months, Human Resources Director vacancy for 3.5 months and Parks Supervisor vacancy for 4 Months; offset by an increase in salary of \$48K for the Interim General Manager through FY 25/26 year-end.
- ▶ Non-Retirement Employee Benefits are over budget by \$100K due to Workers' Comp rates increase after budget was adopted plus payments of prior year income taxes following year-end reconciliations.
- ▶ CalPERS is over budget by \$36K because part-time staff who are members of CalPERS were not budgeted, (will be included in FY 26/27 budget); offset by the staff vacancies
- ▶ Services and Supplies are over budget by \$311K due to \$48k in unbudgeted recruitment fees for the Interim General Manager, new General Manager, and the Human Resources Director; \$53k of emergency pool repairs and a cover purchase; \$75K extra PG&E expense at Cunningham Pool for prior year costs due to a faulty meter installation; \$43K of unexpected contract classes expense offset by increased contract class revenues; and unbudgeted Measure P special event expense of \$114K funded by 24/25 Measure P funds from City of Vallejo
- ▶ Computer Services is over budget by \$7K as the Civic Rec application renewal expense was more than budgeted.
- ▶ County tax Collection Fees are under budget by \$78k as a reduction in collection fees was implemented by the County.

- ▶ Professional Services is over budget by \$131K due to an \$89k increase in financial consulting hours and a \$41k increase in legal fees for the Colusa and McIntyre property sales, review of the new PT handbook and miscellaneous general services expense
- ▶ CIP/Capital Outlay expense is over budget by \$6,625 due to the unexpected Franklin Gym roof repairs.

PROP 68 FRANKLIN SPORTS COMPLEX FUND

FY 25/26 Year-End Projected Budget to Actual Detail

Revenue Detail

- ▶ FY 25/26 year-end projected revenue includes \$4,062 in unbudgeted interest revenue as the grant funds interest-bearing checking account was not open until after the budget was adopted, therefore the interest rate and grant fund balances were not yet available.
- ▶ Grant Revenue is based on the Franklin Sports Complex project expense for the year and will match all planning, permitting, and construction costs plus any contracted construction project manager costs.

Expense Detail

- ▶ FY 25/26 year-end capital Improvement expense is forecasted by the construction manager (CALA) for the Franklin Sports Complex project. The forecasted year-end expense of \$914K includes CALA's costs.

ALTERNATIVES CONSIDERED

N/A – Discussion Item

ENVIRONMENTAL REVIEW

N/A

PROPOSED ACTION

Review and Discuss Projected FY 25/26 Budget to Actuals and Cash Reserves

ATTACHMENTS

Exhibit A – FY 25/26 Year-End Projected Budget to Actuals Detail

Exhibit B - FY 23/24 Original Adopted Budget and FY 23/24 Mid-Year Budget Adjustments

Exhibit C - Year-End Reserve Balances from FY 23/24 through FY 25/26

Greater Vallejo Recreation District
 FY 26-27 Preliminary Budget with FY 25-26 Year-End Projected Budget to Actuals

Revenue/ Expense By Category	FY 25/26 Adopted Budget	FY 25/26 Actuals thru 04/30/26	FY 25/26 Projected Year End Totals	FY 25/26 Projected Year End Totals Compared to Budget	FY 25/26 Projected Year End Totals % of Budget	FY 26/27 Preliminary Budget
General Fund						
General Fund Revenue						
Property Taxes	6,233,769	6,027,838	6,233,769	0	100%	6,409,879
Intergovernmental Revenue	1,412,220	1,626,070	2,322,767	910,547	164%	1,934,116
Charges for Services	527,124	449,342	584,651	57,527	111%	591,387
Rents: Use of Facilities/Equipment	748,988	559,733	768,626	19,638	103%	717,482
Use of Money & Property (Contract Rents,Leases, Int Income)	102,548	153,303	195,623	93,075	191%	190,377
Grants	0	0	0	0	0%	0
Donations	0	41,646	41,646	41,646	0%	0
Other Revenue	0	191,006	45,420	45,420	0%	0
Sale of Assets	0	974,727	1,367,188	1,367,188	0%	35,024
Total General Fund Revenue	9,024,649	10,023,664	11,559,689	2,535,040	128%	9,878,264
General Fund Expenses						
Full-Time Salaries	3,430,829	2,719,700	3,403,495	(27,334)	99%	3,516,169
Part-Time Salaries	1,798,565	1,529,068	1,831,710	55,145	102%	1,715,901
Non-Retirement Employee Benefits	1,038,443	942,735	1,138,583	100,141	110%	1,254,269
Medical Insurance - Retiree	91,350	78,960	84,144	(7,206)	92%	100,485
CalPERS	504,393	450,783	539,953	35,559	107%	637,231
Services & Supplies	777,135	763,870	1,110,539	311,404	143%	992,161
Computer Services, Software & Equipment	261,912	128,942	268,711	6,799	103%	265,355
County Tax Collection Fee	80,000	0	2,395	(77,605)	3%	4,000
Professional Services	482,000	282,817	629,745	147,745	131%	524,473
Facilities Maintenance Expense	0	0	76,304	76,304	0%	63,226
Other Post Employment Benefit (OPEB)	0	0	0	0	0%	0
Transfer to Debt Service (POB)	331,000	76,810	331,000	0	100%	329,818
Total General Fund Expense	8,795,628	6,973,685	9,416,578	620,951	107%	9,403,087
Total General Fund Excess (Deficiency) of Revenue Over Expense Before Capital Outlay & CIP	229,021	3,049,978	2,143,110	1,914,090	936%	475,177
Capital Outlay & CIP	0	6,625	6,625	6,625	0%	131,000
Total Capital Outlay & CIP Expense	0	6,625	6,625	6,625	0%	131,000
Total General Fund Expense with Capital Outlay & CIP	8,795,628	6,980,310	9,423,203	627,576	107%	9,534,087
Total General Fund Excess (Deficiency) of Revenue Over Expense with Capital Outlay & CIP Expense	229,021	3,043,353	2,136,485	1,907,465	933%	344,177

Greater Vallejo Recreation District
 FY 26-27 Preliminary Budget with FY 25-26 Year-End Projected Budget to Actuals

Revenue/ Expense By Category	FY 25/26 Adopted Budget	FY 25/26 Actuals thru 04/30/26	FY 25/26 Projected Year End Totals	FY 25/26 Projected Year End Totals Compared to Budget	FY 25/26 Projected Year End Totals % of Budget	FY 26/27 Preliminary Budget
Measure K Fund						
Measure K Revenue						
Other Revenue	0	0	0	0	0%	0
Special Assessments - Measure K	2,155,914	2,031,957	2,155,914	0	100%	2,157,364
Total Measure K Revenue	2,155,914	2,031,957	2,155,914	0	100%	2,157,364
Measure K Expense						
Part-Time Salaries	0	0	0	0	0%	0
Non-Retirement Employee Benefits	0	0	0	0	0%	0
Services & Supplies	1,739,895	1,467,166	1,881,967	142,072	108%	1,873,223
Computer Services, Software & Equipment	0	0	0	0	0%	0
Professional Services	2,884	0	2,884	0	100%	0
Facilities Maintenance Expense	347,367	165,957	271,063	(76,304)	78%	284,141
Measure K Refunds	0	0	0	0	0%	0
Total Measure K Expense	2,090,146	1,633,123	2,155,914	65,768	103%	2,157,364
						0
Capital Outlay & CIP	0	0	0	0	0%	0
Total Capital Outlay & CIP	0	0	0	0	0%	0
Total Measure K Expense with Capital Outlay & CIP	2,090,146	1,633,123	2,155,914	65,768	103%	2,157,364
Total Measure K Excess (Deficiency) of Revenue Over Expense With Capital Outlay & CIP	65,768	398,835	0	(65,768)	-100%	0
Total General & Measure K Funds Combined Excess (Deficiency) of Revenue Over Expense	294,789	3,442,188	2,136,485	1,841,697	725%	344,177
Prop. 68 Franklin Sports Complex Fund						
Prop. 68 Franklin Sports Complex Revenue						
Use of Money & Property (Contract Rents,Leases, Int Income)	0	3,562	4,062	4,062	0%	5,000
Grants	2,000,000	414,056	914,056	(1,085,944)	46%	5,915,000
Total Prop. 68 Franklin Sports Complex Revenue	2,000,000	417,618	918,118	(1,081,882)	46%	5,920,000
Prop. 68 Franklin Sports Complex Expense						
Capital Outlay & CIP	2,000,000	321,323	914,056	(1,085,944)	46%	5,915,000
Total Prop. 68 Franklin Sports Complex Expense with Capital Outlay & CIP	2,000,000	321,323	914,056	(1,085,944)	46%	5,915,000
Total Prop. 68 F.S.C. Excess (Deficiency) of Revenue Over Expense With Capital Outlay & CIP	0	96,295	4,062	4,062	0%	5,000

Greater Vallejo Recreation District
Fiscal Year 2023-24 Proposed Budget Adjustments
Summary by Department

Fund #	Revenue/ Expense	Department Number & Name	Budget FY 22-23 Budget	Year-End Actual FY 22-23 06/30/23 (Unaudited)	FY 22-23 Budget Variance	FY 23-24 Original Adopted Budget	FY 23-24 Budget Amendments	FY 23-24 Amended Budget
01-General Fund	Revenue	001-General Support & Administration	5,777,837	5,847,468	69,631	6,401,659	(197,614)	6,204,045
		010-Recreation Administration	5,148	3,700	(1,448)	3,500	0	3,500
		301-Visitor Services	218,400	256,578	38,178	198,900	0	198,900
		415-Children's Wonderland	59,560	43,436	(16,124)	53,200	0	53,200
		430-Break Camp	49,305	72,022	22,717	69,740	0	69,740
		450-Vallejo Community Center	0	28,163	28,163	100,232	0	100,232
		451-Foley Cultural Center	200,000	270,044	70,044	199,552	0	199,552
		460-Sports	116,120	74,760	(41,360)	90,332	0	90,332
		465-Community Events	13,600	4,852	(8,748)	12,300	0	12,300
		480-ExLP	166,542	302,250	135,708	203,100	0	203,100
		481-After School Programs	280,000	407,085	127,085	339,300	0	339,300
		486-Teen Services	2,200	0	(2,200)	79,475	0	79,475
		487-Franklin Gym	0	0	0	0	52,000	52,000
		490-Adaptive Recreation	6,100	819	(5,281)	330	0	330
		720-North Vallejo Community Center	29,035	31,905	2,870	26,800	0	26,800
		721-South Vallejo Community Center	54,846	73,391	18,545	64,235	0	64,235
		730-Cunningham Pool	415,695	312,525	(103,170)	378,107	0	378,107
		906-CIP	3,324,690	0	(3,324,690)	4,150,000	(2,482,358)	1,667,642
	Revenue Total		10,719,078	7,728,997	(2,990,081)	12,370,762	(2,627,972)	9,742,790
	Expense	001-General Support & Administration	1,465,923	1,922,341	456,418	1,649,804	324,154	1,973,958
		007-Human Resources	410,049	381,863	(28,186)	395,039	20,808	415,847
		010-Recreation Administration	398,720	386,423	(12,297)	496,175	(103,823)	392,351
		100-Finance	443,972	462,317	18,345	449,791	29,898	479,689
		200-Park Maintenance & Development	188,741	204,270	15,529	190,495	22,016	212,511
		300-Facilities	572,280	612,943	40,663	600,505	596,959	1,197,464
		301-Visitor Services	155,433	141,980	(13,453)	232,952	(78,696)	154,256
		310-Landscaping & Grounds	1,475,360	1,313,138	(162,222)	1,368,114	35,365	1,403,479
		312-McIntyre Ranch	0	0	0	50,000	0	50,000

Greater Vallejo Recreation District
Fiscal Year 2023-24 Proposed Budget Adjustments
Summary by Department

Fund #	Revenue/ Expense	Department Number & Name	Budget FY 22-23 Budget	Year-End Actual FY 22-23 06/30/23 (Unaudited)	FY 22-23 Budget Variance	FY 23-24 Original Adopted Budget	FY 23-24 Budget Amendments	FY 23-24 Amended Budget
		415-Children's Wonderland	124,418	212,369	87,951	101,126	(16,354)	84,773
		430-Break Camp	190,272	150,618	(39,654)	184,435	11,639	196,074
		450-Vallejo Community Center	7,683	40,532	32,849	215,162	2,904	218,066
		451-Foley Cultural Center	291,972	335,219	43,247	312,035	2,153	314,188
		460-Sports	168,622	131,162	(37,460)	109,543	49,981	159,524
		465-Community Events	70,986	66,725	(4,261)	101,394	6,237	107,631
		480-ExLP	300,786	494,682	193,896	316,780	15,412	332,192
		481-After School Programs	369,336	445,588	76,252	534,131	17,668	551,799
		486-Teen Services	3,176	969	(2,207)	62,471	4,224	66,695
		487-Franklin Gym	0	0	0	0	212,912	212,912
		490-Adaptive Recreation	6,600	2,909	(3,691)	34,663	1,231	35,893
		720-North Vallejo Community Center	37,920	40,578	2,658	69,285	(3,492)	65,793
		721-South Vallejo Community Center	46,220	64,604	18,384	69,305	972	70,277
		730-Cunningham Pool	456,013	457,125	1,112	522,283	19,492	541,775
		906-CIP	3,140,447	1,630,062	(1,510,385)	3,637,000	(1,114,962)	2,522,038
	Expense Total		10,324,929	9,498,415	(826,514)	11,702,488	56,697	11,759,185
01-General Fund Excess (Deficiency) of Revenue Over Expense			394,149	(1,769,418)	(2,163,567)	668,275	(2,684,670)	(2,016,395)
09-Measure K	Revenue	001-General Support & Administration	2,250,000	2,022,802	(227,198)	2,380,000	(350,000)	2,030,000
	Revenue Total		2,250,000	2,022,802	(227,198)	2,380,000	(350,000)	2,030,000
	Expense	001-General Support & Administration	89,000	33,126	(55,874)	91,400	(15,000)	76,400
		010-Recreation Administration	10,000	48,346	38,346	30,000	0	30,000
		100-Finance	2,000	0	(2,000)	2,000	0	2,000
		300-Facilities	877,892	878,972	1,080	889,576	(547,323)	342,253
		310-Landscaping & Grounds	685,551	622,046	(63,505)	266,164	(2,244)	263,920
		415-Children's Wonderland	83,923	37,446	(46,477)	85,000	(1,326)	83,674
		450-Vallejo Community Center	9,879	25,759	15,880	17,500	0	17,500
		451-Foley Cultural Center	62,000	55,668	(6,332)	67,000	0	67,000

Greater Vallejo Recreation District
Fiscal Year 2023-24 Proposed Budget Adjustments
Summary by Department

Fund #	Revenue/ Expense	Department Number & Name	Budget FY 22-23 Budget	Year-End Actual FY 22-23 06/30/23 (Unaudited)	FY 22-23 Budget Variance	FY 23-24 Original Adopted Budget	FY 23-24 Budget Amendments	FY 23-24 Amended Budget
		460-Sports	40,597	21,212	(19,385)	62,900	1,642	64,542
		465-Community Events	9,012	924	(8,088)	8,960	(152)	8,808
		486-Teen Services	4,707	199	(4,508)	16,332	185	16,516
		490-Adaptive Recreation	2,777	66	(2,711)	2,790	(47)	2,743
		720-North Vallejo Community Center	9,800	11,996	2,196	12,800	0	12,800
		721-South Vallejo Community Center	14,000	23,298	9,298	18,800	0	18,800
		730-Cunningham Pool	396,751	499,504	102,753	487,001	(3,789)	483,212
		906-CIP	385,000	330,577	(54,423)	798,000	(257,573)	540,427
	Expense Total		2,682,889	2,589,140	(93,749)	2,856,224	(825,626)	2,030,598
09-Measure K Total Excess (Deficiency) of Revenue Over Expense			(432,889)	(566,338)	(133,449)	(476,224)	475,626	(598)
Total General Fund & Measure K Combined Excess (Deficiency) of Revenue Over Expense			(38,740)	(2,335,756)	(2,297,016)	192,050	(2,209,043)	(2,016,993)

Greater Vallejo Recreation District
Fiscal Year 2023-24 Proposed Adjusted Budget
Summary by Budget Category

Fund #	Revenue/ Expense	Revenue/Expense Category	Budget FY 22-23 Budget	Year-End Actual FY 22-23 06/30/23 (Unaudited)	FY 22-23 Budget Variance	FY 23-24 Original Adopted Budget	FY 23-24 Proposed Budget Amendments	FY 23-24 Amended Budget
01-General Fund	Revenue	Property Taxes	5,670,599	5,651,648	(18,951)	6,256,773	(197,614)	6,059,159
		Intergovernmental Revenue	319,690	0	(319,690)	500,000	239,690	739,690
		Charges for Services	836,028	892,017	55,989	966,080	33,300	999,380
		Rents: Use of Facilities/Equipment	582,933	630,984	48,051	616,423	8,700	625,123
		Use of Money & Property (Rents, Leases, Interest Income)	105,148	153,345	48,197	142,796	0	142,796
		Grants	166,542	302,100	135,558	203,100	927,952	1,131,052
		Donations	5,500	491	(5,009)	5,500	0	5,500
		Other Revenue	3,032,638	98,413	(2,934,225)	3,680,090	(3,640,000)	40,090
	Revenue Total		10,719,078	7,728,997	(2,990,081)	12,370,762	(2,627,972)	9,742,790
	Expense	Full-Time Salaries	2,890,171	2,674,658	(215,513)	2,991,204	37,722	3,028,926
		Part-Time Salaries	874,098	1,270,675	396,577	1,198,911	59,928	1,258,839
		Non-Retirement Employee Benefits	914,862	851,207	(63,656)	943,264	82,109	1,025,373
		CalPERS	785,275	752,783	(32,492)	757,942	3,031	760,973
		Services & Supplies	1,175,735	1,385,367	209,632	1,574,158	65,500	1,639,658
		Professional Services	219,365	423,488	204,123	275,608	1,000	276,608
		Computer Services, Software & Equipment	109,975	99,881	(10,094)	109,401	500	109,901
		County Tax Collection Fee	80,000	65,367	(14,633)	80,000	0	80,000
		Other Post Employment Benefit (OPEB)	0	0	0	50,000	(50,000)	0
		Transfer to Debt Service (POB)	0	330,427	330,427	0	330,493	330,493
		Capital Outlay	135,000	14,500	(120,500)	85,000	641,376	726,376
	Expense Total		7,184,482	7,868,354	683,871	8,065,488	1,171,659	9,237,147
01-General Fund Excess (Deficiency) of Revenue Over Expense Before CIP Expense			3,534,596	(139,356)	(3,673,952)	4,305,275	(3,799,631)	505,643
		CIP	3,140,447	1,630,062	(1,510,385)	3,637,000	(1,114,962)	2,522,038
	CIP Expense Total		3,140,447	1,630,062	(1,510,385)	3,637,000	(1,114,962)	2,522,038
	General Fund Expense Total		10,324,929	9,498,415	(826,514)	11,702,488	56,697	11,759,185
01-General Fund Excess (Deficiency) of Revenue Over Expense With CIP Expense			394,149	(1,769,418)	(2,163,566)	668,275	(2,684,669)	(2,016,395)

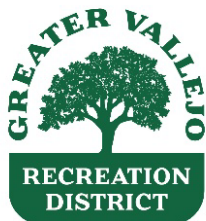
Greater Vallejo Recreation District
Fiscal Year 2023-24 Proposed Adjusted Budget
Summary by Budget Category

09-Measure K	Revenue	Other Revenue	250,000	0	(250,000)	250,000	(250,000)	0
		Special Assessments - Measure K	2,000,000	2,022,802	22,802	2,130,000	(100,000)	2,030,000
	Revenue Total		2,250,000	2,022,802	(227,198)	2,380,000	(350,000)	2,030,000
	Expense	Part-Time Salaries	473,163	312,508	(160,655)	503,941	0	503,941
		Non-Retirement Employee Benefits	44,700	22,115	(22,585)	57,607	(6,677)	50,930
		Services & Supplies	774,150	880,214	106,064	903,300	0	903,300
		Professional Services	2,000	0	(2,000)	2,000	0	2,000
		Computer Services, Software & Equipment	10,000	48,346	38,346	30,000	0	30,000
		Capital Outlay	993,876	995,380	1,504	561,376	(561,376)	0
	Expense Total		2,297,889	2,258,564	(39,325)	2,058,224	(568,053)	1,490,171
09-Measure K Total Excess (Deficiency) of Revenue Over Expense Before CIP Expense			(47,889)	(235,761)	(187,872)	321,776	218,053	539,829
		CIP	385,000	330,577	(54,423)	798,000	(257,573)	540,427
	CIP Expense Total		385,000	330,577	(54,423)	798,000	(257,573)	540,427
	Measure K Expense Total		2,682,889	2,589,140	(93,749)	2,856,224	(825,626)	2,030,598
09-Measure K Total Excess (Deficiency) of Revenue Over Expense With CIP Expense			(432,889)	(566,338)	(133,449)	(476,224)	475,626	(598)
Total General Fund & Measure K Combined Excess (Deficiency) of Revenue Over Expense			(38,740)	(2,335,756)	(2,297,015)	192,050	(2,209,043)	(2,016,992)

Projected Fund Balances		Year-End Actual FY 22-23 06/30/23 (Unaudited)	FY 23-24 Amended Budget
Total Projected Combined Fund Balance Beginning of Fiscal Year (Unaudited)		8,609,608.37	6,273,852.77
15% Operating Reserve		(1,077,672.34)	(1,385,572.01)
Restricted Retiree Benefit		(1,298,281.87)	(1,298,281.87)
Unrestricted Fund Balance Beginning of Fiscal Year		6,233,654.16	3,589,998.89
Total Projected Combined Fund Balance End of Fiscal Year (Unaudited)		6,273,852.77	4,256,860.29
15% Operating Reserve		(1,077,672.34)	(1,385,572.01)
Restricted Retiree Benefit		(1,298,281.87)	(1,298,281.87)
Unrestricted Fund Balance End of Fiscal Year		3,897,898.56	1,573,006.41

GREATER VALLEJO RECREATION DISTRICT
 CASH RESERVE SUMMARY FY 23/24 - FY 25/26
 ACTUAL (UNAUDITED) AND PROJECTED

CASH RESERVE SUMMARY - (PROJECTED - UNAUDITED)	FY 2023/24 Actual (Unaudited)	FY 2024/25 Actual (Unaudited)	FY 2025/26 Projected
Beginning Balance Cash Reserves (Includes General and Measure K Funds)	6,810,614	4,122,343	5,866,242
Fiscal Year-End Surplus/(Deficit)	(2,688,271)	1,743,899	2,136,485
Ending Balance Cash Reserves (Includes General and Measure K Funds)	4,122,343	5,866,242	8,002,727
Restricted Retiree Benefit Reserve Set Aside	1,298,520	1,298,520	1,347,308
General Fund Operating Reserve (15% of Budgeted General Fund Operating Expenditures)	1,764,547	1,743,899	2,053,468
Required Reserves - Restricted Retiree Benefit Reserve and 15% Operating Reserve Total	3,063,067	3,042,419	3,400,776
General Fund Operating Reserve Above 15% Reserve and Retiree Benefit Reserve	1,059,275	2,823,823	4,601,951
General Fund Operating Reserve Above 15% Reserve and Retiree Benefit Reserve	1,059,275	2,823,823	4,601,951
Projected Reserve Needs: FY 23/24 and FY July thru December	4,300,000	4,300,000	4,272,000
Remaining Cash Operating Reserve (After 1st 6 months need)	(3,240,725)	(1,476,177)	329,951



Agenda 10.3

BOARD COMMUNICATION

Date: June 11, 2026

TO: Board Chairperson and Directors

FROM: Pamela Sloan, Interim General Manager
Noel Parkhurst, Finance Director

SUBJECT: Review, Discuss, and Approve the FY 26-27 Preliminary Budget

SUMMARY

The Greater Vallejo Recreation District develops an operating and capital budget each fiscal year (FY) which runs July 1st through June 30th. In accordance with California Government Code §61110 the Board of Directors must review and adopt a Preliminary Budget by July 1 each year. The FY 26/27 Preliminary Budget is being presented for review, discussion and adoption by the Board. The Preliminary Budget serves as the working financial plan that will ultimately lead to the FY 26/27 Final Budget adoption.

BACKGROUND

The District's FY 26/27 Preliminary Operating and Capital Budget is a policy document which sets the financial course for the Greater Vallejo Recreation District and defines the recreation service priorities provided to the community. In accordance with the direction of the Board of Directors, the budget represents an annual spending plan that balances services provided to the community within the limits of available resources. The FY 26/27 Preliminary Operating and Capital Budget being presented, (see attached Exhibit A - FY 26-27 Preliminary Budget with FY 25-26 Year-End Projected Budget to Actuals and Exhibit B - FY 26-27 General Fund & Measure K Preliminary Budget by Department), contain all the necessary elements for the FY 26/27 Preliminary Budget appropriations and adoption. A comprehensive budget book will be prepared in late August following the adoption of the final budget in July.

The proposed FY 26/27 Preliminary Budget funds all District services and a portion of capital projects needs from July 1, 2026, through June 30, 2027. The budget makes key investments in operations while also maintaining the needed cash reserves for the fiscal year; 15% reserve by policy and the OPEB retiree benefit set aside, plus the cash operational needs of approximately \$4.3 million to cover expenses from July 1 through December 30 when the District's first property tax payments (the District's largest source of revenue) are received.

It is important to remember that the proposed budget is a plan. The Board of Director's can

modify and adapt the budget as we proceed through the fiscal year. The proposed Preliminary FY 26/27 Budget will be an active “plan” with proactive monitoring and review. During the past two years the District has had to dip into reserves to fund operations. With the unexpected one-time revenue received in FY 25/26 the District now has sufficient reserves for operating expenses as well as the 15% reserve by policy and the Other Post Employment Benefits, (OPEB), retiree benefit set aside. In preparing the budget, the District’s Interim General Manager’s goal was to maintain the District’s required reserves while restoring some investment in the City’s infrastructure. With an already lean staff who provide services for regular operations, we have preserved current staff positions and capacity to ensure our ability to respond proactively to the community.

Basic Budgeting Assumptions

The Greater Vallejo Recreation District employs a cash flow forecast and a rolling two-year budget to actual performance analysis model to project both revenues and expenditures. The preliminary budget is structurally balanced, with recurring operating revenues supporting recurring expenditures. The District prepares its budget on a basis consistent with Generally Accepted Accounting Principles (GAAP) and maintains budgetary controls at the department level.

As a standard practice, staff prepare these projections with a fiscally responsible and conservative mindset. On the revenue side, this means selecting a revenue estimate at a level that avoids overstating income, thereby ensuring that projected revenues are realistically attainable. Conversely, on the expenditure side, staff use higher-end estimates to guarantee sufficient funding for essential and contingency-related costs.

Key Policy, Economic, and Legislative Context

Revenue Assumptions

The District now maintains a conservative revenue forecasting ideology, accounting for uncertain economic conditions, inflationary pressures, and interest rate impacts. Major revenue sources reflect relatively flat trends.

The District’s secured property tax revenue is budgeted to increase by 2.8% in FY 26/27 and is based on projections from the Solano County Auditor Controller’s office. This growth is primarily attributed to the statewide 2% Consumer Price Index (CPI) adjustment applied to base property values under Proposition 13, alongside fairly flat increases in the local real estate market throughout 2025.

The Measure K special assessment revenue is also projected to be relatively flat compared to the FY 25/26 budget with less than .1% increase. This is based on projections provided by NBS Consulting Group, the District’s Measure K Levy Assessment Financial Consultant.

Legislative Impacts

The FY 26/27 preliminary budget was developed during a period of continued legislative, regulatory, and economic uncertainty at both the federal and state levels. These evolving policy environments have direct economic implications for local government operations, capital planning, labor costs, environmental compliance, and long-term fiscal sustainability.

At the federal level, ongoing trade policy uncertainty and tariff-related market pressures continue to impact the cost of construction materials, fleet equipment, technology infrastructure, and operational supplies. These inflationary pressures remain particularly significant for the Districts' capital improvement program, where escalation in construction and procurement costs may affect project timing, bid competitiveness, and overall affordability.

Recession Preparation

National economic forecasts continue to reflect a moderate risk of recession entering FY 26/27. Major financial institutions and economic forecasters, including Goldman Sachs, Moody's Analytics, EY-Parthenon, and JPMorgan, have recently estimated the probability of a U.S. recession within the next 12 months to range between approximately 30% and 50%, reflecting continue uncertainty related to inflationary pressures, interest rates, trade policy, consumer spending trends, and geopolitical uncertainty. Of note, this range is slightly higher than the predictions prior to FY 25/26.

Property tax revenues, however, are not expected to experience impacts during FY 26/27 due to the structural lag between property assessment valuation and revenue apportionment. As stated above in the revenues section, property values supporting FY 26/2 revenues were generally established during the 2025 assessment cycle, with corresponding property tax allocations distributed to the District in January 2027. As a result, property tax revenue impacts associated with an economic downturn would likely occur in future fiscal years rather than immediately.

While economic indicators suggest an elevated recession risk, the FY 26/27 preliminary budget does not assume a recessionary scenario currently. In the event economic conditions materially weaken, staff would evaluate the severity and expected duration of the downturn prior to recommending any operational or fiscal adjustments.

Budget Overview and Major Changes

The proposed Preliminary FY 26/27 Budget for the Greater Vallejo Recreation District includes a combined operating and capital Improvement program budget (General and Measure K Funds) of \$11,691,451. For FY 26/27 the General Fund projected revenue is \$9,878,264, expenditures with CIP total \$9,534,087 with a resulting small surplus of \$344,177. The Measure K Fund is showing revenue of \$2,157,364. with matching expenses of \$2,157,364. Finally, the Franklin Field Sports Complex CIP Fund is showing projected revenue of \$5,920,000 with expenditures of \$5,915,00 and a small projected surplus of \$5,000.

For FY 26/27 the District plans to invest \$131,000 in four of the smaller CIP projects from the 3-Year CIP Plan. The 3-year CIP Plan identified six projects totaling \$1,031,00 to be completed in FY 26-27 however, maintaining a wholly funded reserve balance is the priority of the District. The District may carry out additional needed CIP projects if additional funding becomes available and funds for those projects are approved by the Board.

In April of 2023, The District was awarded a grant of just over \$7.5 Million from the Proposition 68 Statewide Park Development and Community Revitalization Program to fund the Franklin Field Sports Complex. This grant is expected to fund 100% of the project. In FY 25/26, The District began the groundwork for this major CIP project. The District will continue with this project during FY 26/27 with anticipated funding and expenditures of \$5,915,000.

While salaries and benefits account for approximately 76.8% of the District's General Fund, it is important to recognize that the District's employees are the backbone of service delivery. Ensuring competitive compensation and manageable workloads is essential to attracting and retaining the highly skilled, professional workforce upon which the Greater Vallejo Recreation District community depends. At the same time, the District remains committed to long-term fiscal sustainability and will continue to carefully balance operational needs with financial stewardship.

Following is a list of the major changes that were included in the proposed FY 26/27 Preliminary Budget:

- Property Tax Revenue of \$6,409,879 is projected to be approximately \$176,000, or 2.8% more than what was budgeted in FY 2025/26. This increase is based on projections provided by the Solano County Auditor/Controller's Office.
- The Measure K Special Assessment revenue of \$2,157,364 is projected to be relatively flat compared to the FY 25/26 adopted budget with less than a .1% increase.
- Staff have negotiated a new service contract with the Vallejo Unified School District for EXLP Afterschool and Kids Club Before School Programs. The new contract provides an increase to the hourly billable rate for the 2026-27 Season. The FY 26/27 Preliminary Budget also includes additional billing hours for these programs based on FY 25/26 activity. These changes account for the estimated \$521,896 increase in revenue over last year's budget.
- There will be a planned closure of Cunningham Pool during the slowest months of the fiscal year, which is from the last week of November through the 1st half of February. This will affect both revenue and expenses for the District. The approximate revenue loss of \$22K combined with the anticipated expenditure savings of \$182k totals \$160K in net savings.
- There is \$83,000 budgeted in interest income for FY 26/27 that wasn't included in the budget for FY 25/26. This is a result of staff negotiating higher interest rates for existing bank accounts and opening two new higher yielding accounts, which has generated sizable increases in interest revenue for the District.
- Salary and benefit increases include:
 - Full-time salary costs are normally calculated based on the existing contracts, or memoranda of understanding (MOUs), in place with the District's two employee unions for full-time staff. The current MOUs expire on June 30, 2026, and the District is actively negotiating new contracts. As negotiations are still active and new MOU's have not yet been adopted, the preliminary salary increases include adopted 5% step-increases for eligible employees. There may be additional adjustments to salary costs once MOU negotiations have been completed.
 - A 10% increase has been forecasted for the medical, dental, vision and life insurance rates for FY 26/27.
 - The District participates in two separate CalPERS plans and tiers, with contribution rates based on actuarial assumptions provided by CalPERS. Total CalPERS costs for FY 26/27 are estimated at approximately \$637K, an increase of \$132,838 over FY 25/26. These costs include both the normal cost - the

- annual expense associated with benefits earned in the current year — and payments toward the District’s unfunded actuarial accrued liability (UAL).
- In FY 21/22 the District issued Pension Obligation Bonds in the amount of \$4,120,000 to pay down its CalPERS unfunded liability, thereby substantially reducing the annual unfunded liability payments. The annual payment on the Pension Obligation Bonds is approximately \$330k.
 - The preliminary budget for FY 26/27 includes a 15% increase in Workers Comp and is forecasted to be \$307,992, an increase of \$39,385 over FY 25/26.
- The FY 26/27 General and Measure K budgets for Services and Supplies total \$2,865,384. This is an increase of \$348,353 over FY 25/26 and is primarily due to a 9% increase in the District’s property and liability insurance; a 5% increase in PG&E charges; a 17% increase in fuel costs; and an average 2% inflationary increase applied to all other supplies. The FY 26/27 Services and Supplies General Fund budget also includes small increases for board conferences/training and related expenses.
 - Finally, the FY 26/27 General Fund Professional Services budget of \$524,473 shows an increase of \$42,473 over the FY 25/26 budget. The increase includes a planned Board retreat and the cost for online Board meeting streaming services.

RECOMMENDATION

Staff recommend that the Board approve the FY 26/27 Preliminary Budget.

FISCAL IMPACT

Adoption of the FY 26/27 Preliminary Budget will allow for the continued operation of the District. The fiscal impact specifics are outlined in the attached Preliminary Budget for FY 26/27 with FY 25/26 Budget to Actuals Forecast to Year-End.

ALTERNATIVES CONSIDERED

Review, Discuss, and Approve the Preliminary Budget for FY 26/27 and provide direction to staff on any adjustments for the final FY 26/27 budget.

ENVIRONMENTAL REVIEW

N/A

PROPOSED ACTION

Review, Discuss, and Approve the Preliminary Budget for Fiscal Year 2026/27.

ATTACHMENTS:

- Exhibit A - Preliminary Budget for FY 26/27 with FY 25/26 Budget to Actuals Forecast to Year-End
- Exhibit B - FY 26-27 General Fund & Measure K Preliminary Budget by Department

**Greater Vallejo Recreation District
FY 26-27 Preliminary Budget with FY 25-26 Year-End Projected Budget to Actuals**

Revenue/ Expense By Category	FY 25/26 Adopted Budget	FY 25/26 Actuals thru 04/30/26	FY 25/26 Projected Year End Totals	FY 25/26 Projected Year End Totals Compared to Budget	FY 25/26 Projected Year End Totals % of Budget	FY 26/27 Preliminary Budget
General Fund						
General Fund Revenue						
Property Taxes	6,233,769	6,027,838	6,233,769	0	100%	6,409,879
Intergovernmental Revenue	1,412,220	1,626,070	2,322,767	910,547	164%	1,934,116
Charges for Services	527,124	449,342	584,651	57,527	111%	591,387
Rents: Use of Facilities/Equipment	748,988	559,733	768,626	19,638	103%	717,482
Use of Money & Property (Contract Rents,Leases, Int Income)	102,548	153,303	195,623	93,075	191%	190,377
Grants	0	0	0	0	0%	0
Donations	0	41,646	41,646	41,646	0%	0
Other Revenue	0	191,006	45,420	45,420	0%	0
Sale of Assets	0	974,727	1,367,188	1,367,188	0%	35,024
Total General Fund Revenue	9,024,649	10,023,664	11,559,689	2,535,040	128%	9,878,264
General Fund Expenses						
Full-Time Salaries	3,430,829	2,719,700	3,403,495	(27,334)	99%	3,516,169
Part-Time Salaries	1,798,565	1,529,068	1,831,710	55,145	102%	1,715,901
Non-Retirement Employee Benefits	1,038,443	942,735	1,138,583	100,141	110%	1,254,269
Medical Insurance - Retiree	91,350	78,960	84,144	(7,206)	92%	100,485
CalPERS	504,393	450,783	539,953	35,559	107%	637,231
Services & Supplies	777,135	763,870	1,110,539	311,404	143%	992,161
Computer Services, Software & Equipment	261,912	128,942	268,711	6,799	103%	265,355
County Tax Collection Fee	80,000	0	2,395	(77,605)	3%	4,000
Professional Services	482,000	282,817	629,745	147,745	131%	524,473
Facilities Maintenance Expense	0	0	76,304	76,304	0%	63,226
Other Post Employment Benefit (OPEB)	0	0	0	0	0%	0
Transfer to Debt Service (POB)	331,000	76,810	331,000	0	100%	329,818
Total General Fund Expense	8,795,628	6,973,685	9,416,578	620,951	107%	9,403,087
Total General Fund Excess (Deficiency) of Revenue Over Expense Before Capital Outlay & CIP	229,021	3,049,978	2,143,110	1,914,090	936%	475,177
Capital Outlay & CIP	0	6,625	6,625	6,625	0%	131,000
Total Capital Outlay & CIP Expense	0	6,625	6,625	6,625	0%	131,000
Total General Fund Expense with Capital Outlay & CIP	8,795,628	6,980,310	9,423,203	627,576	107%	9,534,087
Total General Fund Excess (Deficiency) of Revenue Over Expense with Capital Outlay & CIP Expense	229,021	3,043,353	2,136,485	1,907,465	933%	344,177

Greater Vallejo Recreation District
 FY 26-27 Preliminary Budget with FY 25-26 Year-End Projected Budget to Actuals

Revenue/ Expense By Category	FY 25/26 Adopted Budget	FY 25/26 Actuals thru 04/30/26	FY 25/26 Projected Year End Totals	FY 25/26 Projected Year End Totals Compared to Budget	FY 25/26 Projected Year End Totals % of Budget	FY 26/27 Preliminary Budget
Measure K Fund						
Measure K Revenue						
Other Revenue	0	0	0	0	0%	0
Special Assessments - Measure K	2,155,914	2,031,957	2,155,914	0	100%	2,157,364
Total Measure K Revenue	2,155,914	2,031,957	2,155,914	0	100%	2,157,364
Measure K Expense						
Part-Time Salaries	0	0	0	0	0%	0
Non-Retirement Employee Benefits	0	0	0	0	0%	0
Services & Supplies	1,739,895	1,467,166	1,881,967	142,072	108%	1,873,223
Computer Services, Software & Equipment	0	0	0	0	0%	0
Professional Services	2,884	0	2,884	0	100%	0
Facilities Maintenance Expense	347,367	165,957	271,063	(76,304)	78%	284,141
Measure K Refunds	0	0	0	0	0%	0
Total Measure K Expense	2,090,146	1,633,123	2,155,914	65,768	103%	2,157,364
						0
Capital Outlay & CIP	0	0	0	0	0%	0
Total Capital Outlay & CIP	0	0	0	0	0%	0
Total Measure K Expense with Capital Outlay & CIP	2,090,146	1,633,123	2,155,914	65,768	103%	2,157,364
Total Measure K Excess (Deficiency) of Revenue Over Expense With Capital Outlay & CIP	65,768	398,835	0	(65,768)	-100%	0
Total General & Measure K Funds Combined Excess (Deficiency) of Revenue Over Expense	294,789	3,442,188	2,136,485	1,841,697	725%	344,177
Prop. 68 Franklin Sports Complex Fund						
Prop. 68 Franklin Sports Complex Revenue						
Use of Money & Property (Contract Rents,Leases, Int Income)	0	3,562	4,062	4,062	0%	5,000
Grants	2,000,000	414,056	914,056	(1,085,944)	46%	5,915,000
Total Prop. 68 Franklin Sports Complex Revenue	2,000,000	417,618	918,118	(1,081,882)	46%	5,920,000
Prop. 68 Franklin Sports Complex Expense						
Capital Outlay & CIP	2,000,000	321,323	914,056	(1,085,944)	46%	5,915,000
Total Prop. 68 Franklin Sports Complex Expense with Capital Outlay & CIP	2,000,000	321,323	914,056	(1,085,944)	46%	5,915,000
Total Prop. 68 F.S.C. Excess (Deficiency) of Revenue Over Expense With Capital Outlay & CIP	0	96,295	4,062	4,062	0%	5,000

**Greater Vallejo Recreation District
FY 26-27 Preliminary Budget Combined Revenue and Expense by Department**

General Fund & Measure K Combined Revenue & Expense by Department	FY 25/26 Adopted Budget	FY 25/26 Actuals thru 04/30/26 83% of Fiscal Year Completed	FY 25/26 Projected Year End Totals	FY 25/26 Projected Year End Totals - Over/ (Under) Compared to Budget	FY 25/26 Projected Year End Totals % of Budget	FY 26/27 Proposed Preliminary Budget
General Fund						
Revenue						
001-General Support & Administration	6,336,317	7,329,256	7,820,932	1,484,615	123%	6,635,280
010-Recreation Administration	4,000	600	4,000	-	100%	1,000
301-Visitor Services	234,400	190,868	234,400	-	100%	231,600
310-Landscaping & Grounds	-	-	-	-		-
415-Children's Wonderland	50,398	38,810	58,207	7,809	115%	53,628
430-Break Camp	100,000	87,127	100,000	-	100%	99,482
450-Vallejo Community Center	137,000	116,852	141,473	4,473	103%	147,133
451-Foley Cultural Center	254,600	196,547	254,600	-	100%	256,000
460-Sports	71,100	108,724	126,645	55,545	178%	106,734
465-Community Events	6,500	47,546	50,910	44,410	783%	11,000
480-ExLP	1,300,000	794,514	1,435,167	135,167	110%	1,862,884
481-After School Programs	112,520	94,438	150,781	38,261	134%	71,232
486-Teen Services	-	60	60	60	0%	-
487-Franklin Gym	36,000	31,928	56,704	20,704	158%	23,920
490-Adaptive Recreation	2,500	2,500	2,500	-	100%	3,896
720-North Vallejo Community Center	28,600	20,159	28,600	-	100%	24,592
721-South Vallejo Community Center	53,700	47,471	55,958	2,258	104%	52,870
730-Cunningham Pool	297,014	179,145	301,634	4,620	102%	297,014
906-CIP	-	737,118	737,118	737,118	0%	-
Total General Fund Revenue	9,024,649	10,023,664	11,559,689	2,535,040	128%	9,878,265

**Greater Vallejo Recreation District
FY 26-27 Preliminary Budget Combined Revenue and Expense by Department**

General Fund & Measure K Combined Revenue & Expense by Department	FY 25/26 Adopted Budget	FY 25/26 Actuals thru 04/30/26 83% of Fiscal Year Completed	FY 25/26 Projected Year End Totals	FY 25/26 Projected Year End Totals - Over/ (Under) Compared to Budget	FY 25/26 Projected Year End Totals % of Budget	FY 26/27 Proposed Preliminary Budget
Expense						
001-General Support & Administration	1,568,016	903,676	1,613,481	45,465	103%	1,618,888
007-Human Resources	425,433	361,995	465,568	40,136	109%	482,132
010-Recreation Administration	478,208	387,955	491,509	13,301	103%	588,762
100-Finance	676,323	495,904	776,737	100,414	115%	740,728
200-Park Maintenance & Development	241,883	184,463	228,592	(13,291)	95%	232,996
300-Facilities	696,880	574,113	802,489	105,609	115%	781,785
301-Visitor Services	156,166	102,859	160,212	4,046	103%	166,363
310-Landscaping & Grounds	1,532,964	1,185,866	1,519,410	(13,554)	99%	1,670,153
312-McIntyre Ranch	3,000	169	3,158	158	105%	-
415-Children's Wonderland	149,819	151,159	163,178	13,359	109%	163,641
430-Break Camp	181,520	174,137	209,695	28,175	116%	210,502
450-Vallejo Community Center	224,532	173,233	218,618	(5,914)	97%	174,913
451-Foley Cultural Center	323,732	233,525	335,732	12,001	104%	232,941
460-Sports	143,259	166,473	205,732	62,473	144%	232,419
465-Community Events	114,574	174,598	182,450	67,877	159%	166,190
480-ExLP	812,927	777,422	853,821	40,894	105%	816,001
481-After School Programs	160,834	116,306	138,710	(22,123)	86%	84,778
486-Teen Services	8,971	323	9,102	131	101%	-
487-Franklin Gym	98,728	94,939	126,731	28,003	128%	122,639
490-Adaptive Recreation	15,726	2,640	16,203	477	103%	3,650
720-North Vallejo Community Center	70,954	51,388	90,211	19,257	127%	82,475
721-South Vallejo Community Center	20,548	35,918	44,434	23,887	216%	50,847
730-Cunningham Pool	690,633	624,624	760,803	70,171	110%	780,285
906-CIP	-	6,625	6,625	6,625	0%	131,000
Total General Fund Expenses	8,795,628	6,980,310	9,423,203	627,576	107%	9,534,087
Total General Fund Excess (Deficiency) of Revenue Over Expense	229,021	3,043,353	2,136,486	1,907,465	933%	344,178

Greater Vallejo Recreation District
FY 26-27 Preliminary Budget Combined Revenue and Expense by Department

General Fund & Measure K Combined Revenue & Expense by Department	FY 25/26 Adopted Budget	FY 25/26 Actuals thru 04/30/26 83% of Fiscal Year Completed	FY 25/26 Projected Year End Totals	FY 25/26 Projected Year End Totals - Over/ (Under) Compared to Budget	FY 25/26 Projected Year End Totals % of Budget	FY 26/27 Proposed Preliminary Budget
Measure K Fund						
Revenue						
Special Assessments - Measure K	2,155,914	2,031,957	2,155,914	-	100%	2,157,364
Revenue Total	2,155,914	2,031,957	2,155,914	-	100%	2,157,364
Expense						
001-General Support & Administration	752,794	609,149	752,794	-	100%	701,143
010-Recreation Administration	-	-	-	-		-
100-Finance	2,884	-	2,884	-	100%	-
300-Facilities	724,367	428,459	648,099	(76,268)	89%	676,912
310-Landscaping & Grounds	176,286	130,591	194,837	18,551	111%	193,783
312-McIntyre Ranch	-	40	40	40		-
415-Children's Wonderland	13,596	4,130	13,596	-	100%	4,888
450-Vallejo Community Center	19,800	25,735	28,043	8,243	142%	29,647
451-Foley Cultural Center	86,000	59,854	86,197	197	100%	68,962
460-Sports	18,000	21,755	22,843	4,843	127%	24,919
465-Community Events	-	-	-	-		-
486-Teen Services	-	-	-	-		-
487-Franklin Gym	30,000	-	-	(30,000)	0%	40,000
490-Adaptive Recreation	-	-	-	-		-
720-North Vallejo Community Center	21,675	12,402	21,675	-	100%	14,386
721-South Vallejo Community Center	21,000	37,029	40,185	19,185	191%	43,566
730-Cunningham Pool	223,744	303,979	344,720	120,976	154%	359,157
906-CIP	-	-	-	-		-
Expense Total	2,090,146	1,633,123	2,155,914	65,768	103%	2,157,364
Total Measure K Fund Excess (Deficiency) of Revenue Over Expense	65,768	398,835	0	(65,768)	0%	0
Combined Total General Fund and Measure K Fund Excess (Deficiency) of Revenue Over Expense	294,789	3,442,188	2,136,486	1,841,697	725%	344,178