

**RECORDING REQUESTED BY:**

City of Merced, A California charter  
municipal corporation

**WHEN RECORDED MAIL TO:**

City of Merced  
City Clerk  
678 West 18<sup>th</sup> Street  
Merced, California 95340

**Exempt Recording Per Gov't Code  
Section 6103**

(Above for Recorder's Use Only)

**DEED RESTRICTION COVENANT AND GRANT AGREEMENT**

**In Respect of the  
CDBG INVESTMENT PARTNERSHIP PROGRAM**

THIS DEED RESTRICTION COVENANT AND GRANT AGREEMENT ("Grant Agreement"), dated \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, entered into by and between the City of Merced, a California Charter Municipal Corporation, ("City") and Merced Gateway Investors II, LP, a California Limited Partnership (the "Partnership"):

A. Subject to the satisfaction of the conditions set forth herein, the City has agreed to provide a grant in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) (the "CDBG Grant") to Partnership for the primary purpose of assisting with replacing on-site City sewer and water mains, replacing off-site sewer and water mains, ADA improvements to the nearby sidewalks, and for related expenses identified in the budget attached hereto as Exhibit "B".

B. The CDBG Grant shall be in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) from the U.S. Department of Housing and Urban Development ("HUD") made to the City pursuant to the CDBG Investment Partnership Program funds ("CDBG Program") and subject to the Funding Approval and CDBG Investment Partnerships Agreement (B-19-MC-06-0044) under the Community Development and Block Grant (CDBG) and administered by the U.S. Department of Housing and Urban Development ("HUD") (14.218-Entitlement Grant) with a Federal Award Date of August 22, 2019.

C. The CDBG Grant is being made pursuant to the CDBG Program, established and governed by Title II of Public Law No. 101-625, 104 Stat. 4079 (Nov. 28,

1990), (42 USC 12701), known as the Cranston-Gonzalez National Affordable Housing Act of 1990 as amended by the Housing and Community Development Act of 1992, Public Law No. 102-550, and is subject to the requirements of 24 CFR part 92, the State CDBG Investment Partnerships Program Act (25 CCR Sections 8200 et. seq.) and the State Uniform Multifamily Regulations (25 CCR Sections 8300 et. seq.), as applicable.

## ARTICLE I. GRANT OF CDBG FUNDS

SECTION 1.01 CDBG Grant. Subject to the satisfaction of the conditions set forth herein, the City grants to Partnership the amount of Two Hundred Fifty Thousand Dollars (\$250,000) in CDBG Program funds for the primary purpose of assisting with replacing on-site City sewer and water mains, replacing off-site sewer and water mains, ADA improvements to the nearby sidewalks, and for related expenses identified in the budget attached hereto as Exhibit "B".

As a condition of the receipt of said CDBG Grant, Partnership agrees to carry out the projects as generally described in the Scope of Development attached as Exhibit "C". Partnership agrees to work with the City of Merced Engineering Department with procuring the construction contract(s) and any services in a manner consistent with the federal requirements at 24 CFR 85.36. This will include assisting or providing the developer with the following steps:

- a. *Bidding*. Obtain the current labor standards package, including federal wage determination, from Engineering Department staff for inclusion in the bid package. Release and advertise an Invitation for Bid or equivalent to solicit sealed bids. Update the federal wage determination 10 days prior to opening.
- b. *Contractor selection*. After bids have been opened, provide a complete list of bidders to the Engineering Department. Include a copy of the submission from the lowest responsive and responsible bidder. The Engineering Department will check the contractor's and subcontractors' license and federal debarment status and inform the Housing Division of the contractor's eligibility.
- c. *Construction Management*. The partnership will provide the following information throughout the course of the project:
  - (1) Date, time, and location of pre-construction conference.
  - (2) 10-day labor standards compliance documents.
  - (3) Copies of any certified payrolls or other labor standards compliance documentation, submitted directly to the Engineering Department.

In accordance with 24 CFR Section 92.504(c)(vi), Partnership may periodically submit claims for disbursement of the CDBG Grant when the funds are needed for reimbursement of eligible costs identified in the budget. The amount of each such request

shall be limited to the amount reimbursed. The request shall be accompanied by documentation of expenditures in such form as may be required by the City, including but not limited to submission of copies of documents such as paid invoices, payroll, time sheets, and other supporting source documents. Please note that if the labor standards compliance information is not complete and correct through the date of any payment request, that payment request may not be paid until proper information is submitted.

Partnership shall be liable for repayment of any CDBG Program grant proceeds disbursed to Partnership that are subsequently determined to constitute disallowed costs. Disallowed costs may be identified through audits, monitoring, or other sources. City shall make the final determination of disallowed costs subject to provisions of applicable CDBG Program regulations.

SECTION 1.02 Conditions of Funding. The obligation of the City to disburse CDBG Grant proceeds pursuant to this Grant Agreement is subject to the following conditions:

1. Partnership shall provide the City with a corporate resolution or similar document approving and authorizing execution of this Grant Agreement and all documents contemplated hereby and with such other documents required by the City regarding Partnership's corporate status and ability to enter into this transaction.

2. Partnership shall provide the City with Certificates of Insurance in form and with insurers admitted in California acceptable to the City, evidencing compliance with the insurance requirements of this Grant Agreement on or prior to close of escrow on the property and upon demand by City at any time subsequent. If requested by the City, Partnership shall also provide copies of the required insurance policies.

3. As a material inducement to City to enter into this Grant Agreement and to make the CDBG Grant to Partnership, Partnership unconditionally, and each signatory who signs on its behalf, to the extent of their actual knowledge, represents and warrants to City, as of the date hereof, as follows:

(a) Partnership is duly formed and validly exists in the form stated in Article I, is qualified to do business in California, and has full power to consummate the transactions contemplated.

(b) The Plans and Specifications are satisfactory to Partnership and its general contractor and have been approved by the City and all other construction lenders. There are no structural defects in the Project as shown in the Plans and Specifications that are known to or reasonably should have been known to Partnership or its agents and employees, and to the best of Partnership's knowledge, no violation of any law, ordinance, order, rule, regulation, plan, ruling, determination or requirement of a local, state or federal governmental agency exists.

(c) All applications, financial statements, reports, documents, instruments, information, and forms of evidence delivered to City concerning the CDBG Grant or required by this Grant Agreement are accurate, correct and sufficiently complete to give City true and accurate knowledge of their subject matter, and do not contain any untrue statement of a material fact or omit any material fact necessary to make them not misleading.

## ARTICLE II. OPERATION OF THE PROJECT

SECTION 2.01. Acceptance of Obligations. In consideration of the Grant to be provided hereunder, Partnership agrees to and accepts the restrictions, obligations, and conditions contained in this Grant Agreement, including without limitation, the occupancy and rent requirements set forth in Section 2.04 below.

SECTION 2.02. Development and Operation of Project. Partnership shall maintain the Property for rental housing in accordance with this Grant Agreement, and all other applicable legal requirements. Partnership shall at all times maintain in full force and effect all applicable licenses required by the City of Merced, the County of Merced, and/or the State of California to operate and manage the property.

SECTION 2.03 CDBG Requirements. Partnership shall comply with all applicable laws and regulations governing the use of the CDBG Program funds including, but not limited to, the terms and conditions of the Standard Agreement, all applicable regulations contained in 24 CFR Part 92, and applicable requirements and conditions referenced on Exhibit C – “Special Requirements of the CDBG Investment Partnership Program” attached hereto and incorporated herein by reference.

In the event HUD formally amends, waives or repeals any HUD administrative regulation previously applicable to Partnership's performance under this Grant Agreement, the City expressly reserves the right upon giving notice to HUD and Partnership, to require performance of Partnership as though the regulation was not amended, waived, or repealed subject only to the written and binding direction or instruction from HUD.

SECTION 2.04. Occupancy and Rent Requirements.

A. Occupancy Requirement. During the term of this Grant Agreement, Partnership agrees to rent the property only to tenants whose income meet the requirements contained in 24 CFR Section 92.252. This provision shall operate as a deed restriction during the term of this Grant Agreement.

B. Rent Requirement. Initial rent shall be established in accordance with 24 CFR 92.252 and any increases shall not exceed the permitted rent under 24 CFR 92.252.

C. Records Relating to Occupancy and Rental Requirements. Partnership shall maintain all documents used in determining the qualifications of occupants, complete records of rent and other charges billed to and received from all occupants, and such other documents and reports as are necessary to enable the City, as recipient of CDBG Program funds, to meet the recording requirements of 24 CFR Part 92, sub part K 92.508. The records and documents described in the preceding sentence shall be maintained for the periods and in the manner set forth in Section 2.06 below. The City shall have the right to review and audit such documents and records for compliance with requirements of this Section.

D. Noncompliance with Rent Restrictions; Return of Funds. If the maximum rent authorized to be charged by 24 CFR 92.252 is exceeded for the period specified by 24 CFR 92.252, the funds granted hereunder to Partnership shall be returned to City pursuant to 24 CFR 92.504(c)(3)(ii).

SECTION 2.05. Corporate Status. At all times during the term of this Grant Agreement, Partnership shall maintain its existence and shall comply with all provisions of the California Law (Corporations Code Section 5000 *et. seq.*)

SECTION 2.06. Records and Audits.

A. Maintenance of Records. Partnership shall maintain records including, but not limited to, books, financial records, supporting documents, statistical records, and all other pertinent records sufficient to accurately reflect all expenditures under this Grant Agreement, and all other matters covered by this Grant Agreement pursuant to 24 CFR 92.

Partnership shall preserve and make available its records relating to receipt and use of CDBG Grant proceeds until the expiration of seven (7) years from the date of final disbursement of CDBG grant proceeds to the City, or for such longer period, if any, as required by law.

B. Annual Audit. Each year in which CDBG Grant proceeds are received or expended, Partnership shall cause to be prepared an independent fiscal audit conducted

in accordance with generally accepted auditing principles, which audit shall identify the CDBG Grant proceeds received and expended.

Upon completion, Partnership shall provide the City with a copy of each annual independent fiscal audit.

C. Examination of Records and Facilities. Any time during normal business hours, and as often as may be deemed necessary, the Partnership agrees that HUD or the City or any duly authorized employee or representative, shall have access to and the right to examine Partnership's offices or facilities engaged in performance of this Grant Agreement, and all the Partnership's records with respect to all matters covered by this Grant Agreement.

SECTION 2.07. Insurance. Partnership shall maintain, throughout the term of this Grant Agreement, insurance from companies admitted in California, and approved by the City, in amounts as follows:

A. Workers' Compensation Insurance, including Employers' Liability coverage, with limits not less than required by California law.

B. Comprehensive General Liability Insurance with limits of not less than \$1,000,000 for each occurrence combined single limit bodily injury and property damage, including coverage for contractual liability.

C. Property Insurance covering the Property in a form appropriate for the nature of this Property covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with a deductible, if any, acceptable to the City, naming City as loss payee as its interest may appear.

D. The General Liability Insurance provided hereunder shall name the City as an additional insured and all insurance shall provide the City with thirty (30) days written notice of any cancellation.

### ARTICLE III. DEFAULT, ENFORCEMENT, AND REMEDIES

SECTION 3.01. Default. Failure by either party to timely perform any material term or provision of this Grant Agreement (including, without limitation, failure by Partnership to comply with the occupancy and rent requirements of Section 2.04 above), shall be considered a Default by that party under this Grant Agreement. The non-defaulting party shall serve written notice of a Default, other than the failure to make a payment on the Energy Efficiency Note, upon the defaulting party. If such Default is not cured by the defaulting party within thirty (30) calendar days after service of the notice of default, the defaulting party shall be liable to the other party for any damages caused by such Default; provided, however, that if the cure cannot be effectuated within such thirty (30) day period, the defaulting party shall have a reasonable additional time period to

effectuate such cure so long as it commences such cure within the initial 30 day period, but in no event shall such cure period exceed ninety (90) calendar days after service of the notice of default; and provided, however, the nondefaulting party may, at its sole and complete discretion, waive any damage from the defaulting party by written notice to the defaulting party.

SECTION 4.01 Notices. Any notice, tender, or delivery to be given hereunder by either party to the other may be effected in writing either by personal delivery or sent by first class mail through the United States Postal Service, addressed as set forth below. Either party may change its address by written notice in accordance with this section.

TO CITY: City of Merced  
Attention: Housing Division & City Clerk  
678 West 18<sup>th</sup> Street  
Merced, CA 95340

TO PARTNERSHIP: Merced Gateway Investors II, LP  
Attention: Christina Alley  
3351 "M" Street, Suite 100  
Merced, CA 95348

WITH A COPY TO: City Attorney's Office  
City of Merced  
678 West 18<sup>th</sup> Street  
Merced, CA 95340

SECTION 4.02 Assignment. Partnership acknowledges and agrees that the Grant is being provided in consideration of its special expertise, skill, and ability of Partnership to operate and maintain the Property in a manner that will achieve the City's objective to provide quality affordable housing for lower income households. Consequently, Partnership shall not permit any voluntary transfer, assignment, or encumbrance of this Grant Agreement without first obtaining the City's written consent, which shall not be unreasonably withheld. Any transfer, assignment, encumbrance, or lease without the City's consent shall be voidable and, at the City's sole discretion, shall constitute a material breach of this Grant Agreement.

SECTION 4.03 Non-Discrimination. In addition to observing any other CDBG requirements relating to non-discrimination, such as 24 CFR 92.350, Partnership shall assure, in connection with the performance of this Grant Agreement, that no person shall be subject to discrimination because of race, religion, ethnic background, sex, sexual preference, or disability.

SECTION 4.04 No Third Party Beneficiaries. Nothing contained in this Grant Agreement shall be construed as creating a relationship of employer and employee or

principal and agent between the City and Partnership or Partnership's agents or employees. Nothing contained in this Grant Agreement shall create or justify any claim against City by any third person with whom Partnership may have employed or contracted.

SECTION 4.05 Indemnification. As a separate and independent covenant and irrespective of any insurance coverage, Partnership shall take all responsibility for its performance, and shall bear all losses and damage directly resulting to it, and for performance of any of its contractors, subcontractors or agents.

Partnership agrees to defend with counsel selected by the City, protect, indemnify, and hold harmless the City, its officers, employees, representative, and agents, on account of any act, error, or omission of Partnership in the performance of this Grant Agreement.

Partnership agrees to indemnify, protect, to assume the defense of with counsel selected by the City, and to hold harmless the City, its officers, employees, and agents from every claim, loss, damage, injury, expense, including attorney's fees, judgment, and direct or vicarious liability of every kind, nature, and description arising in whole or in part from the performance of this Grant Agreement.

SECTION 4.06 Covenant Running With Land. The provisions of this Grant Agreement shall constitute covenants which shall run with the land and be binding upon Partnership and Partnership's successors and assigns, and all parties having or acquiring any right, title, interest in whatever form, including, but not limited to, leasehold interests, in and to any part of the Property except that, that the same shall terminate and become void forty (40) years from the date of execution of this Grant Agreement. Any attempt to transfer title or any interest therein in violation of these covenants, except as herein provided, shall be void.

SECTION 4.07 Term. The term of this Grant Agreement shall commence upon the date of this Grant Agreement and shall continue for forty (40) years unless earlier terminated by the parties hereto. Upon termination or expiration of hereof, Partnership shall transfer any CDBG funds on hand and any accounts receivables attributable to the use of CDBG funds to the City.

SECTION 4.08 Entire Agreement. This Grant Agreement constitutes the entire Agreement between the City and Partnership with respect to the subject matter hereof.

SECTION 4.09 Amendments. The City and Partnership reserve the right to amend this Grant Agreement by mutual consent. It is understood and agreed that no alteration or variation of the terms of this Grant Agreement shall be valid unless made in writing and signed by the parties, and that no oral understandings or agreements not incorporated herein, and no alterations or variations of the terms of this Grant Agreement

shall be binding on either of the parties, unless made in writing and signed by both of the parties.

SECTION 4.10 Severability. The invalidity of any clause, part, or provision of this Grant Agreement shall not effect the validity of the remaining portions thereof.

SECTION 4.11 Exhibits. The following referenced exhibits are attached to this Grant Agreement and are incorporated in this Grant Agreement as though fully set forth herein.

Exhibit A: Legal Description of Property

Exhibit B: Project Budget

Exhibit C: Scope of Development

SECTION 4.12 Venue. This Grant Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Grant Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 4.13. Other Program Requirements. Partnership is required by this Grant Agreement to carry out each activity in compliance with all federal laws and regulations described in Subpart H of 24 CFR 92, except that Partnership does not assume the City's responsibility for environmental review in Section 92.352 or the intergovernmental review process in Section 92.357. Neither City nor Partnership may have an officer or employee occupy the Property in violation of 24 CFR 356(f) as required by 24 CFR 504(c)(v)(E). The Property shall, after construction and for the term of this Grant Agreement, meet the property standards set forth in 24 CFR 92.251.

SECTION 4.13 Affirmative Marketing. Partnership must comply with the City's affirmative marketing procedures and requirements adopted in accordance with 24 CFR Section 92.351.

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

CITY OF MERCED  
A California Charter  
Municipal Corporation

BY: \_\_\_\_\_  
City Manager

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY:  \_\_\_\_\_  
City Attorney Date 12/17/19

ACCOUNT DATA:

BY: \_\_\_\_\_  
Verified by Finance Officer

MERCED GATEWAY INVESTORS  
II, LP,  
A California Limited Partnership

By: Merced Gateway Investors II,  
LP, a California Limited  
Partnership

Its: Agency for Service of Process

By: Christina Alley  
Christina Alley

ADDRESS: 3351 M Street, Ste.100  
Merced, CA 95348

TELEPHONE: (209) 388-0782

FAX: \_\_\_\_\_

E-MAIL: Chris@centralvalleycoalition.com

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Merced )

On December 20, 2019 before me, Chelsey Alley, Notary Public  
(insert name and title of the officer)

personally appeared Christina Alley,  
who 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.

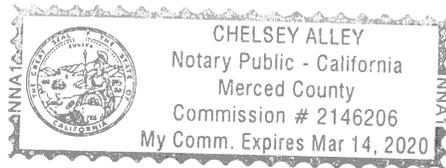
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Chelsey Alley

(Seal)



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_,

Personally appeared \_\_\_\_\_ who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

### **Exhibit A: Legal Description of Property**

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

Lots 1 to 8 inc., and Lots 25 to 32 inc., in Block 281 according to "Supplemental Map to Town of Merced", recorded March 4, 1889 in Book 1 of Maps, Page 12, Merced County Records.

APN: 031-323-002-000



*PRELIMINARY  
MOST PROBABLE COST ESTIMATE  
FOR OFFSITE IMPROVEMENTS*

PROJECT

***GATEWAY TERRACE No. 2***

LOCATION

'K' STREET  
CITY OF MERCED, CA

GVES JOB NUMBER

**16-201**

DATE

**DECEMBER 2019**

**EXHIBIT B**



Preliminary Most Probable Cost Estimate For  
**GATEWAY TERRACE II - OFFSITE IMPROVEMENTS**  
**APN: 031-323-002**  
 CITY OF MERCED, CA

16-201  
 12/6/2019

ITEM	DESCRIPTION	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT
<b><u>EARTHWORK</u></b>					
	DEMOLITION	1	L.S.	\$ 18,000.00	\$ 18,000.00
	GRADING - CUT / FILL / COMPACTION	250	C.Y.	\$ 40.00	\$ 10,000.00
				<b>Earthwork Total</b>	<b>\$ 28,000.00</b>
<b><u>A.C./CONCRETE</u></b>					
	2.5" A.C. / 6" CL. 2 A.B. AT 95% R.C. / 6" COMPACTED NATIVE SOIL AT 90% R.C.	5,200	S.F.	\$ 5.20	\$ 27,040.00
	4" THICK CONCRETE SIDEWALK	400	S.F.	\$ 6.75	\$ 2,700.00
	6" THICK CONCRETE DRIVEWAY	2500	S.F.	\$ 8.75	\$ 21,875.00
	3' WIDE CONCRETE VALLEY GUTTER	300	L.F.	\$ 40.00	\$ 12,000.00
	ADA ACCESS RAMP	6	EA.	\$ 10,000.00	\$ 60,000.00
	ALLEY DRIVEWAY INCLUDING CURB TRANSITIONS AND TRUNCATED DOMES	1	EA.	\$ 10,000.00	\$ 10,000.00
				<b>A.C./Concrete Total</b>	<b>\$ 133,615.00</b>
<b><u>WATER</u></b>					
	1" DIA. WATER PIPE (AWWA TYPE K COPPER) SERVICE, INCLUDING NEW WATER METER IN NEW TRAFFIC-RATED CHRISTY BOX.	10	EA.	\$ 2,000.00	\$ 20,000.00
	8" DIA. WATER PIPE (DIP)	700	L.F.	\$ 75.00	\$ 52,500.00
	CONNECT TO EXISTING	2	EA.	\$ 550.00	\$ 1,100.00
	CAP AND ABANDON EXISTING WATERLINE	1	L.S.	\$ 1,000.00	\$ 1,000.00
				<b>Water Total</b>	<b>\$ 74,600.00</b>
<b><u>SEWER</u></b>					
	4" DIA. SEWER PIPE (SDR-35 PVC) SERVICE	19	EA.	\$ 1,500.00	\$ 28,500.00
	8" DIA. SEWER PIPE (SDR-35 PVC) INCLUDING REMOVAL OF EXISTING SEWER LINE	680	L.F.	\$ 85.00	\$ 57,800.00
	8" SEWER PIPE LINING (AT HWY. 59)	70	L.F.	\$ 550.00	\$ 38,500.00
	CONNECTION TO EXISTING SYSTEM	2	EA.	\$ 700.00	\$ 1,400.00
	REMOVAL OF EXISTING SEWER PIPE	680	L.F.	\$ 30.00	\$ 20,400.00
	SANITARY SEWER MANHOLE	2	EA.	\$ 3,650.00	\$ 7,300.00



Preliminary Most Probable Cost Estimate For  
**GATEWAY TERRACE II - OFFSITE IMPROVEMENTS**  
**APN: 031-323-002**  
 CITY OF MERCED, CA

**16-201**  
 12/6/2019

ITEM	DESCRIPTION	APPROX. QUANTITY	UNIT	UNIT PRICE	AMOUNT
				<b>Sewer Total</b>	<b>\$ 153,900.00</b>
<b><u>MISCELLANEOUS</u></b>					
	SWPPP	1	L.S.	\$ 5,500.00	\$ 5,500.00
				<b>Miscellaneous Total</b>	<b>\$ 5,500.00</b>
<b><u>TOTALS</u></b>					
				<b>Sub-Total</b>	<b>\$ 395,700.00</b>
				<b>15% Contingency</b>	<b>\$ 59,400.00</b>
				<b>TOTAL</b>	<b>\$ 455,100.00</b>

## **EXCLUSIONS**

The items listed below are not included in this Estimate. These items should be reviewed and considered prior to determining total construction costs.

1. Land Costs.
2. Construction loan processing and interest points.
3. Any right-of-way and/or easement and property acquisition and/or processing.
4. Any unforeseen underground structures, which will be removed or abandoned.
5. Refundable deposits and construction cost reimbursements.
6. Any Assessment District fees and/or processing.
7. Construction Staking/Construction Management/ Engineering Design
8. Soils report & Phase one or two
9. Alta Survey
10. S.W.P.P. Plan & installation
11. Compaction Test
12. Asbestos report & abatement
13. Fees not included:
  - a. City of Merced Fees (sewer, water, drainage, plan checks, inspection, etc.)
  - b. Railroad or Highway Encroachment Permit fees and insurance, if any.
  - c. Title Company fees, Recording fees, etc. (if any)
  - d. Utility Company fees
  - e. Merced Irrigation District fees, (if any)
  - f. Any other fees required for processing of this development by the local agency and/or any other agency having jurisdiction over this project.
  - g. MID pipeline & transition box
  - h. Offsite utilities
  - i. Engineering & Surveying fees

## **NOTES:**

1. This estimate is preliminary and the items and quantities shown may be changed to accommodate final development conditions, which may be required, by City of Merced, Merced Irrigation District, and/or any other agency, which will have jurisdiction over this project.
2. Gas and Electric system to be installed by P.G. & E. Co or Merced Irrigation District., Telephone system to be installed by Pacific Bell, Cable T.V. by the Cable T.V. Company. All utility companies will furnish their own estimate when requested by the owners. All gas, electric, telephone, and cable T.V. relocations, if any, are not included in this estimate. Contact appropriate utility companies for cost estimate.
3. Unit prices used in this Estimate are subject to change.
4. This Estimate is prepared only as a guide and is subject to change. It has been prepared to an accuracy which is, to the best of our knowledge and judgement, sufficient for our understanding of the use of the Estimate. Golden Valley Engineering and Surveying, Inc. makes no warranty, either expressed or implied, as to the accuracy of this Estimate.
5. This Estimate was developed by this office from the Preliminary Conceptual Plans for this project without a design and is therefore subject to change.
6. This most probable construction cost estimate is provided by Golden Valley Engineering and Surveying, Inc. acting as the Civil Engineering Consultant for this project. The Consultant's estimates of construction cost represent the Consultant's judgement as a design professional. Since the Consultant has no control over the cost of labor, materials, equipment or over the methods bidders use to determine price, Consultant does not represent, warrant or guarantee that bids for construction may not vary from Consultant's estimate.

## EXHIBIT C

6 December 6, 2019

OFFSITE CIVIL IMPROVEMENTS FOR GATEWAY TERRACE No. 2  
A.P.N. 031-323-002 (On 'K' Street between 12<sup>th</sup> & 13 Streets)

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### Description of Work:

Offsite improvements for Gateway Terrace No. 2 will consist of a new 8" water line (replacing existing 6" water line) from west right-of-way line of 'K' Street extending approximately 475 linear feet (+/-) to the east where it will tie into existing 6" water line. There will also be a new 8" sewer line that will extend from west right-of-way line of 'K' Street, 475 linear feet (+/-) where it will tie into existing sewer manhole on west side of Martin Luther King right-of-way. Prior to using this sewer line an 8" bypass line will be bored below Martin Luther King and connected to a sewer pump east of Martin Luther King right-of-way which will be tied into existing sewer manhole in northbound lane of Martin Luther King which is to be installed by boring below street to the west. Provide new water & sewer service connections at all existing removed services to new sewer and water lines.

Once sewer line has been disconnected from manhole and bypass line is being used, 66 linear feet of Pipeliner will be inserted into existing 8" sewer pipe from manhole on west side of Martin Luther King right-of-way thru to sewer manhole in northbound right-of-way of Martin Luther King. Once sewer line is activated, bypass line will be abandoned and bypass pump will be removed.

Provide new 20' wide alley to be reconstructed per City of Merced Standards from 'K' Street to end of Alley to the East. Also provide new ADA ramps and replace sidewalk as shown on plans.