

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-3

Urgent

Routine

AGENDA DATE July 1, 2008

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Fund an Economic Development Bank Proposal from Fiscal Year 2007-2008 for the City of Riverbank for a Job Generating and Retention Project

STAFF RECOMMENDATIONS:

1. Approve funding an Economic Development Proposal from the Economic Development Bank for Fiscal Year 2007-2008 in the amount not to exceed \$500,000 for a job generating and retention project in Riverbank.
2. Authorize the Chief Executive Officer, or his designee, to execute an agreement with the jurisdiction receiving funding from the Economic Development Bank for the 2007-2008 Fiscal Year funding cycle.
3. Authorize the Auditor-Controller to establish any and all necessary accounting protocols for the administration, tracking, disbursement and reimbursement of funds.

FISCAL IMPACT:

The Economic Development Bank program earmarked \$1.5 million dollars annually for five years (Fiscal Year 2001-2002 - Fiscal Year 2005-2006) for community development projects. Over that five-year period, the appropriation was decreased three of those years (total appropriation \$6,211,950). The Board approved an additional \$1.5 million for Fiscal Year 2006-2007 as part of the annual budget approval process. For Fiscal Year 2007-2008, \$1.5 million was again approved for the Economic Development Bank but redirected to establish the Community Development Fund under the existing program. For the

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2008-502

On motion of Supervisor Grover, Seconded by Supervisor DeMartini and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT (Continued):

current year, no funding was approved for the Economic Development Bank as a result of the County's current fiscal position and as part of the budget balancing recommendation approved by the Board through the adoption of the Fiscal Year 2008-2009 Proposed Budget.

To date, the Economic Development Bank has committed \$6,230,011 for 25 projects (3 previously funded economic development projects have withdrawn their proposals and others have used only those funds necessary for implementation) and associated administrative costs. Project areas have varied from road infrastructure and water system improvements to business park development, renovation efforts and workforce development projects. 56% of committed funds have been distributed to date (due in part to individual project phasing). 8% of total funds have been allocated to grant based projects.

On November 6, 2007, the Board of Supervisors approved the funding of two Economic Development Bank proposals for Fiscal Year 2007-2008 from the cities of Patterson and Turlock. An application from the City of Riverbank was also received at that time but was sent back for additional information. Direction was provided to bring the Riverbank proposal back for consideration once the appropriate clarification had been provided. Since that time, the City of Riverbank has provided the necessary information and the Stanislaus Economic Development and Workforce Alliance has approved forwarding the proposal to the Board for funding.

The Economic Development Bank funding recommendation for this cycle – Fiscal Year 2007-2008 totals \$500,000 for one proposal. The current uncommitted balance available for future projects, should this project be awarded is \$2,864,479. This figure includes \$1,159,949 in loan repayments and \$728,720 in accrued interest.

DISCUSSION:

Background/Process

On February 13, 2001, the Stanislaus County Board of Supervisors approved the formation of an Economic Development "Bank" for the purpose of providing resources for economic development projects throughout the County. It was the Board's intent that the funds be used by the nine cities and the County to finance infrastructure projects that make possible greater opportunities for job retention, creation, and workforce development.

Eligible jurisdictions wishing to obtain funding from the "Bank" are required to complete an application and submit it to the Stanislaus Economic Development and Workforce Alliance (Alliance). The Chief Executive Officer of the Alliance and his designees review each application for completeness and eligibility and provide assistance in the application process if necessary. An Advisory Committee, consisting of representatives from each city and the County evaluate all applications and make recommendations to

the Alliance Board. The Alliance Board acts on the Advisory Committee's recommendation. A majority vote of the Alliance Board members is required before an application is forwarded to the Board of Supervisors for their formal concurrence. If concurrence on a project cannot be achieved, County funds will not be used to fund the project.

Funding is not made available to an applicant prior to the execution of a written agreement between the County and the applicant's jurisdiction. The jurisdiction must assume full fiscal responsibility for the appropriate use of the funding and is responsible for disallowed expenditures. The jurisdiction draws down "Bank" funds by invoicing the County for work performed on its project. The project is managed by the jurisdiction entity (ies). A progress report(s) must be submitted to the County on a schedule that is identified in the written agreement at the time the project is approved for funding.

Riverbank Downtown Beautification

On November 6, 2007 the County Board of Supervisors approved Economic Development Bank applications for the communities of Patterson and Turlock. In that item, a City of Riverbank (City) application was referred back to the City pending a request for additional information.

On November 19, 2007 the Alliance Board reviewed the modified Riverbank application and voted unanimously in approval of the loan application. At that juncture, the Alliance staff did not request that the item be placed on the County Board agenda for concurrence and final approval, due to staff changes at the City of Riverbank and the uncertainty of the leadership and project management transition.

Over the past six months, the City of Riverbank had proceeded with the development of the project, and neglected to confirm that the project had been approved and programmed. The project initially was scheduled for a March 2008 start date, however there was some slippage in the schedule for awarding the second construction bid award. Due to a recent funding drawdown request, it was brought to County's staff attention that this final approval process step had been overlooked.

This item requests that the Board review and concur with the Alliance Board approval of the Riverbank Downtown Beautification Economic Development Bank loan application.

The Project

The City of Riverbank has been working for the last several years to revitalize the downtown and stimulate economic growth for the downtown and the community of Riverbank. The City has received planning grants (State Housing and Community Development HCD) and a jobs housing grant for conceptual design work for aesthetic improvements to the downtown.

In addition, the City has adopted a Redevelopment Project Area that encompasses the downtown and the Redevelopment Agency has bonded using tax-increment financing for repayment. Six million dollars of the bond financing has been set aside for

implementation of the Downtown Beautification Project including infrastructure and aesthetic improvements.

The City of Riverbank is seeking a \$500,000 Economic Development Bank loan to be paid back through tax-increment over a five-year period beginning in January 2009. With the infrastructure component (Phase 1) nearing completion, and the streetscape and Plaza (Phase 2) out to bid, the City of Riverbank has spent \$2.2 million in its \$3.1 million contract for Phase 1. Phase 2, is anticipated to cost another \$4 million. The Economic Development Bank funding will supplement the construction costs already budgeted, and partially expended.

The project consists of infrastructure improvements throughout the downtown, including new and larger water and sewer pipes, increased storm drain capacity, and improved alleys that had enabled significant annual flooding of businesses. The beautification efforts, focused along 3rd Street and Santa Fe include the reconstruction of streets, sidewalks, lighting, landscaping, and the new Plaza Del Rio.

Currently, the downtown suffers from nearly 35% vacancy rate, with rents ranging from \$.35 - \$1.50 a square foot. Some of the vacancy has resulted from the insufficient infrastructure and the annual alley flooding. It is anticipated that the revitalized features of infrastructure and aesthetics in Riverbank's downtown will create approximately 25 new jobs in the retail and office sectors within two years of the completion of the construction. In addition to the 25 "permanent" jobs, there is also the indirect job creation from the construction work estimated to be another 35 jobs currently ongoing.

POLICY ISSUE:

The Board should decide whether the purpose and intent of the Economic Development "Bank" is sufficiently achieved in this applicant's proposal and whether the stated Board priorities of facilitating a strong local economy and developing effective partnerships are being realized.

STAFFING IMPACT:

The Workforce Alliance administers the Economic Development Bank program and monitors protocol, applications, project implementation and repayment of loan amounts for all approved projects. The Chief Executive Office, County Counsel and the Auditor Controller provide technical assistance as needed for the development of contractual agreements, project accounting and contract management.

Attachment

Riverbank Economic Development Bank Application: Downtown Beautification Project

ECONOMIC DEVELOPMENT BANK
APPLICATION FOR FUNDING

1. General Information

Applicant

City of Riverbank
6707 Third Street
Riverbank, CA 95367

Contact Person

Margaret Silveira
Director of Housing & Economic Development
(209) 863-7129
msilveira@riverbank.org
Fax: 209-869-7044

Project Information

Name of Project: Downtown Beautification Project (DT Project)

Project Description: The City of Riverbank has been working for the last several years to revitalize the downtown and stimulate economic growth for the downtown and the Community of Riverbank. The City has received planning grants from the State of California Department of Housing and Community Development for a conceptual design for the downtown and a jobs/housing grant for the Plaza Del Rio conceptual design. The City also adopted a Redevelopment Project Area encompassing the downtown, and the Redevelopment Agency has bonded using tax-increment financing for repayment. \$6,000,000 of the bond financing has been set-aside for implementation of the Plaza Del Rio, the Downtown Beautification Design, and infrastructure to complete the project.

In order to fully complete the DT Project, the Agency is seeking additional \$500,000 from the Stanislaus County Economic Development Bank to be paid back through tax-increment.

Project Location

This project will be located on Third Street from Atchison to Patterson, and on Santa Fe Street from Fourth to First Street. See attached maps.

Total Project Cost

\$7,500,000.

Six million (\$6,000,000) was set-aside from bond proceeds to complete the downtown project. The extent of the infrastructure was expanded from the main core streets of Third and Santa Fe to include additional streets and alley ways to alleviate flooding in the downtown. See attached map. The Plaza Del Rio at the N.E. corner of Third & Santa Fe Streets is also included in the project cost, see attached conceptual design. The estimated project costs are \$7,500,000 with the additional infrastructure costs.

Infrastructure bids are due: September 30, 2007
Streetscape and Plaza Del Rio will be out for bid in January 2008.

Estimated Jobs Created

It is estimated that over 25 jobs would be created within two year of completion. This would include new businesses, services, and maintenance jobs. There would be an approximate 50 construction and construction related jobs for the 18 months of construction.

The benefits of the this DT Project will be measured not only in jobs, but also in sales tax revenues created from the new and expanded business in the downtown.

II. Fiscal Information

Loan Amount Requested: \$500,000

Total Project Cost: \$7,500,000.

Source of Funds for Repayment: The funds will be repaid from the Redevelopment Project Area tax-increment. The amount of \$100,000 per year would be repaid over a 5-year period.

Desired Date for Draw Down of Funds: The Funds would be used in March 2008.

Date of Project Commences: The project would begin in March, 2008.

Resolution: See attached Resolution.

Additional funding will be procured through transportation funds, and other grant applications.

RIVERBANK REDEVELOPMENT AGENCY

Resolution No. 2007-016

**A Resolution of the Riverbank Redevelopment Agency
Supporting an Application for Funding through the
County of Stanislaus Economic Development Bank**

Whereas, The Riverbank Redevelopment Agency is desirous of enhancing local economic and employment development opportunities; and

Whereas, The Riverbank Redevelopment Agency desires to improve the infrastructure in the downtown; and

Whereas, The Riverbank Redevelopment Agency desires to beautify the downtown streetscape, and the Plaza Del Rio; and

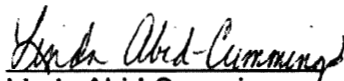
Whereas, Funds through the Economic Development Bank would assist in the deliverance of these projects; and

Now, Therefore, Be It Resolved that the Riverbank Redevelopment Agency does hereby support an application for funding through the Economic Development Bank and approves the project and terms and conditions of the loan and furthermore designates the City Manager to act on behalf of the city concerning any other documents, agreements, or contracts.

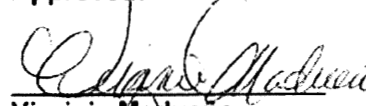
Passed and adopted by the Riverbank Redevelopment Agency at a regular meeting held on the 27th of August 2007, by the following vote:

AYES: Councilmembers: Anaya, Benitez, and Vice Mayor Madueño
NAYS: None
ABSENT: Councilmember White and Mayor Crifasi
ABSTAIN: None

Attest:

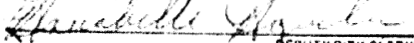

Linda Abid-Cummings
Secretary

Approved:


Virginia Madueño
Vice Chair

CERTIFICATION

I hereby certify the foregoing is a true and correct copy of the original document on file in the office of the City Clerk of the City of Riverbank.


DEPUTY CITY CLERK

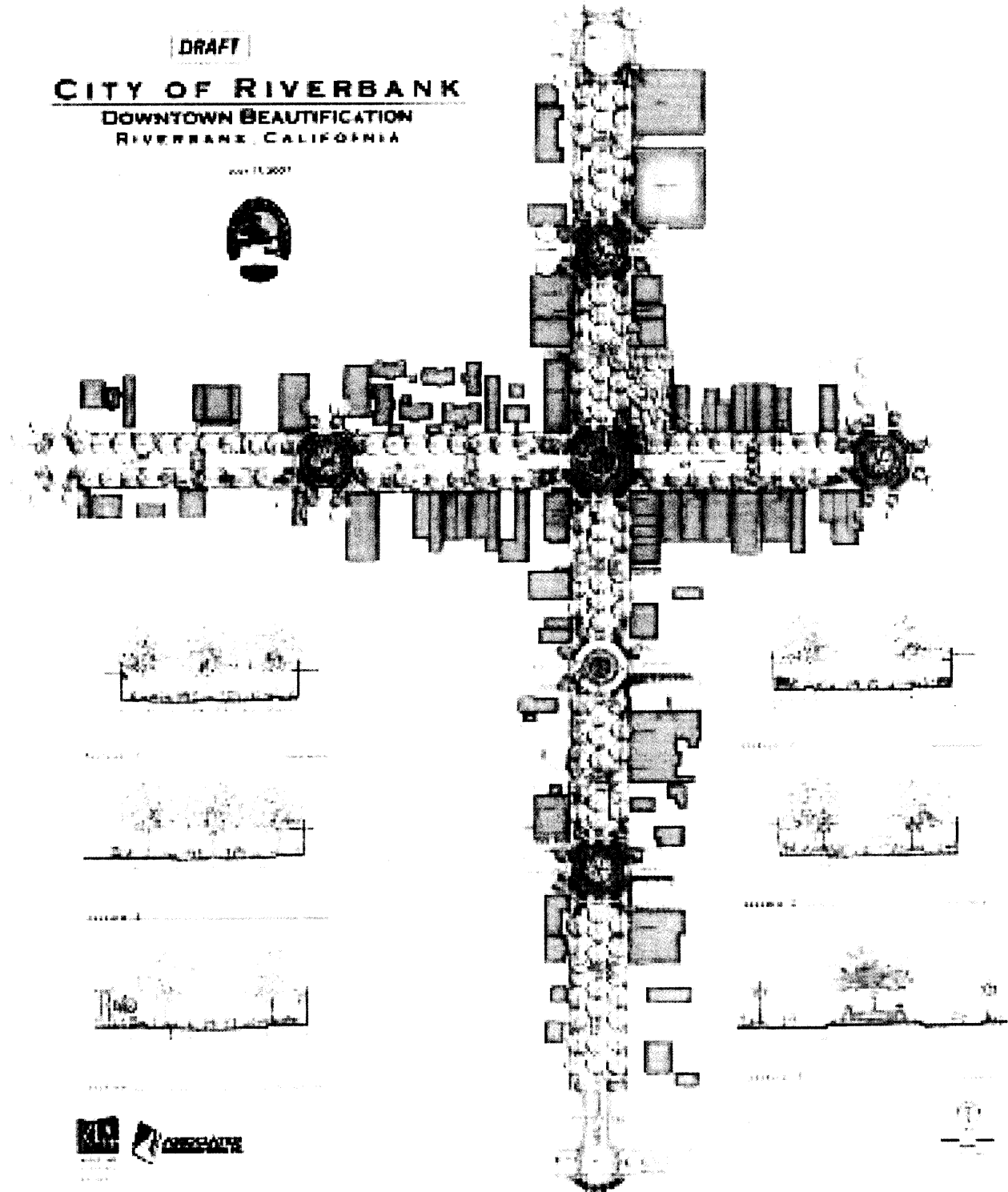
DATED 08/27/07

RDA Resolution No. 2007-016

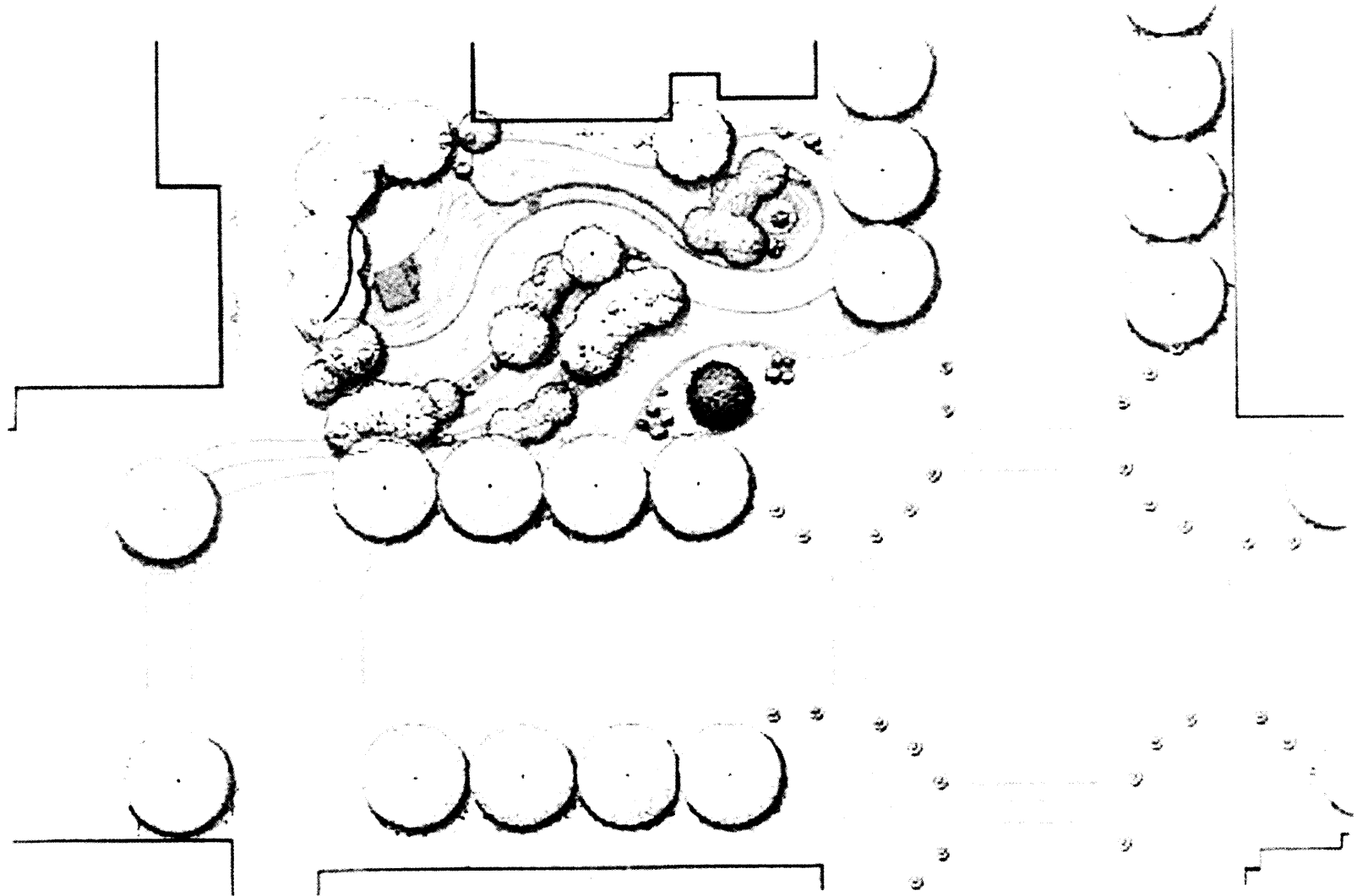
DRAFT

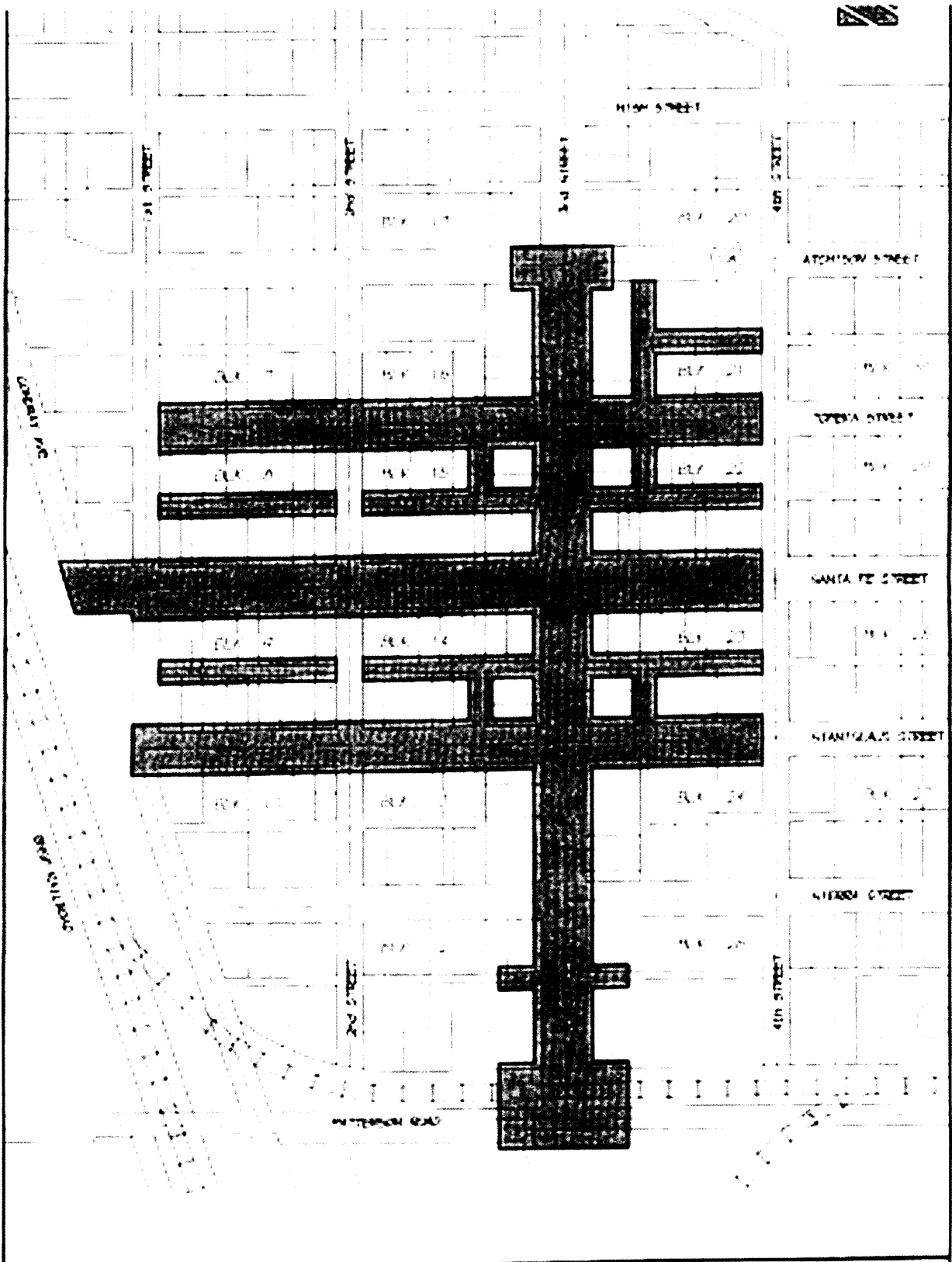
CITY OF RIVERBANK DOWNTOWN BEAUTIFICATION RIVERBANK, CALIFORNIA

July 11, 2007




PLAZA DEL RIO - CONCEPTUAL DESIGN





DATE	5.17.00
BY	2/20/01 TO 08
SCALE	AS SHOWN
PROJECT	5507-00
FILE	CONCRETE-LIMITS

PROJECT LIMITS
DOWNTOWN RIVERBANK
BEAUTIFICATION PROJECT



ASSOCIATED ENGINEERING, INC.
 Consulting Engineers, Planners
 and Environmental Scientists
 1000 N. 17th Street, Suite 100
 Phoenix, Arizona 85003
 Tel: (602) 944-1100 Fax: (602) 944-1101



CHIEF EXECUTIVE OFFICE

Richard W. Robinson
Chief Executive Officer

Patricia Hill Thomas
Chief Operations Officer/
Assistant Executive Officer

Monica Nino-Reid
Assistant Executive Officer

Stan Risen
Assistant Executive Officer

1010 10th Street, Suite 6800, Modesto, CA 95354
P.O. Box 3404, Modesto, CA 95353-3404
Phone: 209.525.6333 Fax: 209.544.6226

October 28, 2008

Tim Ogden, Economic Development and Housing Director
City of Riverbank
6707 Third Street
Riverbank, California 95367

Mr. Ogden:

Enclosed for your records is an original executed copy of the Economic Development Bank Project Funding Agreement for the Riverbank Industrial Park Loan Program. Thank you for your assistance in securing all the necessary signatures.

Per Section 1.3 of the Agreement, "payments from the Bank to the Applicant shall be made upon the Applicant presenting a copy of an executed, five-year minimum, business expansion loan agreement with the individual RBAAP tenant business indicating the amount requested and intended purchase which shall be within the scope of the program..."

Let me know if you have any questions regarding the payment process, as I would be glad to provide any necessary technical assistance. Please contact me at 652.1128 if I can answer any questions or if I can be of further assistance.

Regards,

Raul Mendez, Senior Management Consultant

**ECONOMIC DEVELOPMENT "BANK"
PROJECT FUNDING AGREEMENT**
Riverbank Industrial Park Loan Program

This Economic Development "Bank" Project Funding Agreement ("Agreement") is made and entered into on October 31, 2008 by and between the County of Stanislaus ("County") and the City of Riverbank (the "Applicant").

RECITALS

This Agreement is made with the reference to the following recitals:

A. On February 13, 2001, the County Board of Supervisors authorized the establishment of an economic development "Bank" with an annual appropriation of \$1.5 million dollars. The "Bank" funds are to be used for economic development within the County. The Board directed the Chief Executive Officer ("CEO") to meet with City Managers of the nine cities in the County to develop a structure for the "Bank" and a process for approving funding allocations from the "Bank." The County's CEO and City Managers recommended that the Workforce Investment Board (WIB) act as the "Board of Directors" for the "Bank"; and

B. On June 16, 2001, the WIB agreed to act as the Board of Directors of the "Bank" and established an advisory committee consisting of the nine City Managers and the County CEO; and

C. On September 17, 2001, the WIB approved guiding principles, application documents, an evaluation system and criteria that measures the public benefit of promoting economic development and providing jobs; and

D. The WIB and the Stanislaus County Economic Development Corporation formed a new combined nonprofit organization called the Stanislaus Economic Development and Workforce Alliance ("Alliance") and the Alliance has assumed the responsibility of the WIB to act as the "Board of Directors" of the "Bank"; and

E. In response to a Request for Proposals for economic development projects, the Applicant submitted an Economic Development "Bank" Application For Funding, a copy of which is attached hereto as Exhibit A, requesting support to infuse the existing Riverbank Army Ammunition Plant (RBAAP) manufacturing businesses with the necessary capital to expand and directly retain jobs; and

F. Upon the review and recommendation of proposals for use of the "Bank" funds for the current fiscal year, including the Applicant's proposal, by the Economic Development "Bank" Advisory Committee and the Alliance Board of Directors, the Board of Supervisors approved funding of the Project; and

NOW, THEREFORE, the Applicant and County enter into this Agreement pursuant to California Government Code section 6502 on the following terms and conditions.

TERMS AND CONDITIONS

1. OBLIGATIONS OF THE COUNTY

1.1 County agrees to advance sums as needed up to \$750,000 to the Applicant from the "Bank" for the purpose of completing the Project as described in the Applicant application, attached hereto and incorporated herein by reference as Exhibit A.

1.2 The County Auditor-Controller shall set up an account payable from the "Bank" to the Applicant in the amount of \$750,000.

1.3 Payments from the "Bank" to the Applicant shall be made upon the Applicant presenting a copy of an executed, five-year minimum, business expansion loan agreement with the individual RBAAP tenant business indicating the amount requested and intended purchase which shall be within the scope of the program as described in Exhibit A.

1.4 The payments of up to \$750,000 from the "Bank" to the Applicant shall be set up as an account receivable by the County Auditor-Controller which shall be retired over time by the Applicant. This receivable shall be entirely retired by the Applicant before the expiration of five (5) years after the date of this Agreement. The County shall designate that the County Auditor-Controller provide the Applicant with the status of the receivable account upon receiving a written request from the Applicant; otherwise, a statement showing the status of the account will be provided to the Applicant at the end of each fiscal year.

2 OBLIGATIONS OF THE APPLICANT

2.1 Applicant agrees to utilize the funds received from the County described in Section 1.1 exclusively for the purposes described in Exhibit A.

2.2 Applicant agrees that by November 1, 2013, the Project funded under this Agreement shall be complete, and the amount of the funds drawn by the City under this Agreement shall be repaid in full. The repayment obligation under this Agreement is an independent obligation of the City, and is not contingent upon the repayment of loans made by the City through this RBAAP Business Expansion Loan Program.

2.3 Applicant agrees that the Project described in Exhibit A will begin within one year of the commitment of funds by the "Bank" to the project, which will commence on the date the Board of Supervisors approves funding of the project. Should the project fail

to begin within one year from the date the funds are approved by the Board of Supervisors, the Applicant agrees to meet with the County to determine the status and/or feasibility of the project.

2.4 Applicant agrees to assume full fiscal responsibility for the appropriate use of the funds and assume responsibility for any disallowed expenditures.

2.5 Applicant, upon receiving a written request from the County's Chief Executive Officer or designee, shall provide proof that the Applicant has expended the funds received from the "Bank" as contemplated by this Agreement and is repaying funds received as required by the terms of this Agreement.

2.6 Applicant agrees that, as part of the footnotes of either its financial statement audit or single audit, it will include a schedule of project expenditures for the end of each fiscal year and will provide the County with an audit of project expenditures performed as a part of the Applicant's financial audit. The schedule shall include the total project expenditures broken down by funding source.

2.7 The Applicant agrees to submit the audit to the County no later than 30 days after the audit is received from the auditors.

2.8 Applicant agrees that it will provide the County with quarterly reports on the progress of the project, beginning three months following the commencement of the project, and continuing every three months thereafter until the project is completed.

2.9 Applicant agrees to timely (within 30 days) notify the County if, for any reason, the project is halted.

2.10 Applicant agrees to timely (within 30 days) notify the County, when the project has been completed.

2.11 Applicant agrees that the County will be the first to be repaid from the revenue stream or streams that materialize as a result of the project.

3. MUTUAL OBLIGATIONS:

3.1 Any notices or communications required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, return receipt requested, postage prepaid as follows:

County:

Chief Executive Officer, County of Stanislaus
1010 Tenth Street, Suite 6800
Modesto, CA 95354

Applicant:

Tim Ogden, Economic Development and Housing Director
City of Riverbank
6707 Third Street
Riverbank, CA 95367

3.2 The provisions of this Agreement shall constitute the entire Agreement between the parties and unless modified by written agreement duly executed by the parties hereto, shall continue in full force and effect.

3.3 Venue for any actions initiated by either party shall be in the Superior Court of Stanislaus County and California law shall apply to all the Agreement's terms and conditions.


3.4 Applicant and County further covenant to cooperate with one another in all respects necessary to ensure the successful consummation of the action contemplated by this Agreement, and each will take all actions within its authority to ensure cooperation of its officials, officers, agents and employees.

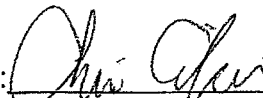
3.5 The parties agree to hold each other harmless from and against any and all claims, actions, lawsuits, losses, damages and liabilities arising from any contention, allegation, or negligent act or omission based on acts necessary to effectuate the purpose of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first written above.

COUNTY OF STANISLAUS

CITY OF RIVERBANK

By: 
Richard W. Robinson
Chief Executive Officer

By: 
Chris Crifasi
Mayor

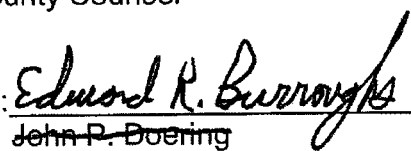
"County"

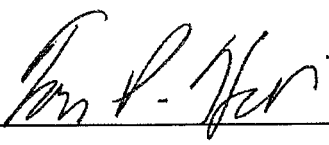
"Applicant"

APPROVED AS TO FORM:

John P. Doering
County Counsel

APPROVED AS TO FORM:

By: 
John P. Doering
~~Assistant~~ County Counsel

By: 
Attorney for Applicant

RIVERBANK INDUSTRIAL PARK
BUSINESS EXPANSION LOAN PROGRAM
(FOR THE CLOSING RIVERBANK ARMY AMMUNITION PLANT)

Economic Development Bank Application for Funding

Applicant: City of Riverbank
6707 Third Street
Riverbank, CA 95367

Federal I.D. Number:
94-6000-407

Project Summary: The City of Riverbank will use Economic Development Bank loan funding to create a Business Expansion Loan Program specifically to infuse existing Riverbank Army Ammunition Plant (RBAAP) manufacturing businesses with the necessary capital to expand and directly create approximately **439 new jobs**. These loans will fund the purchase, retooling, or retrofitting of new or existing equipment, the upgrading of manufacturing operations space, and the expansion of the existing short-line rail service.

Funding Request: **\$750,000** from the Economic Development Bank. Total project cost the program is \$950,000 including a match of \$200,000 from the city's CDBG Program Income Revolving Fund Program.

Submitted by:
Tim Ogden
Director of Economic Development
☎ 209/863-7129
📧 209/869-7044
togden@riverbank.org

Contact Person:
Debbie Olson
Economic Development Manager
☎ 209/863-7157
📧 209/869-7044
dolson@riverbank.org

PROJECT INFORMATION

Project Details: The approximate 150 acre RBAAP, located on the NE corner of Claus Road and Claribel Road, has been a prominent fixture in the City of Riverbank for more than six decades. During its history, it has provided city residents with thousands of jobs and contributed to the overall economy of the region. (See Figures A and B).

The RBAAP is a government-owned, contractor-operated (GOCO) industrial installation under the jurisdiction of the U.S. Army. The RBAAP was declared excess property by the U.S. Army and slated for closure under the Base Realignment and Closure (BRAC) Act of 2005. The Riverbank City Council, federally recognized under BRAC law as the Local Redevelopment Authority (LRA), is responsible for completing a Reuse Plan, which details the vision for the civilian reuse of the RBAAP.

Currently, the GOCO operating the plant employs approximately 70 full-time staff. As shell casing production waned, the GOCO was permitted to lease portions of the underutilized facility to local private companies. Today there are 10 industrial sub-tenants leasing space at RBAAP, providing high-wage manufacturing jobs for close to 400 employees. These private businesses conduct a variety of light to heavy industrial activities, ranging from a plastic recycling business to a firm that develops new, high-pressure alloys for the Department of Defense and N.A.S.A. (See Figure C for a complete list of RBAAP tenants).

Once the RBAAP was placed on the base closure list, the tenant's concern over their ability to expand or renew leases was tenuous. Seven of the ten existing tenants were prepared to expand and add jobs. Because of the uncertainty associated with the closure and transfer of the site to parties unknown, these same businesses were looking for new space outside of Riverbank and Stanislaus County to relocate and expand. Since then, the Army's ARMS program has agreed to allow existing tenants' leases to be renewed through 2010, with a negotiable option for additional years.

Expansion of the existing business tenants at the RBAAP represents an integral part of the draft RBAAP Reuse Plan. While each of the companies noted below had been in the process of looking for space outside of Riverbank, and in most cases, away from the Stanislaus River Valley, once assured of the City's support, the businesses have been prepared to expand their existing capacity and add jobs as soon as possible. With this capital investment loan program, Riverbank will retain the businesses, representing close to 400 full time employees, and enable them to expand another 439 new jobs.

Each tenant is an independent, entrepreneurial, environmentally friendly business with an immediate need for financing to expand. These businesses include:

Advanced Materials and Manufacturing Technologies, LLC (AM2T) (formerly Ceracon)

AM2T is a recognized cutting-edge company for developing engineered materials and custom designed products that solve immediate performance problems as well as those that will develop as technology demands evolve. The company holds numerous patents for their metallurgy and material science -- discoveries which have led them to produce engineered materials with significant commercial potential that are in demand by the military and the private sector. Currently holding contracts with N.A.S.A. and the Department of Defense, this funding will allow AM2T to expand its production of valuable, lightweight alloys by adding a new 3500-ton press and further develop, refine, and commercialize the innovation for use in new manufactured products for air craft carriers, oil refineries, medical implants, automotive parts, and snowmobiles. The jobs created will come from operation of the new press and the manufacturing needs associated with the new commercial contracts to produce the alloys.

Funding Request: \$100,000

Estimated Jobs: 75

Dayton Superior (formerly American Highway Technologies)

Dayton is a leading North American manufacturer and distributor of specialized metal products for non-residential concrete and masonry construction. Dayton has a network of 48 manufacturing centers around the country and huge contracts with the State of California to produce the rebar that goes into interstate roadways and airport projects. Currently, Dayton must produce the rebar for the California's interstate projects out of state. With the purchase of one significant piece of equipment, Dayton Superior will move the out-of-state production line for the California contract to Riverbank. California contracts producing jobs in California. Further, the expansion into new space will allow for expanded contracts and the addition of another shift of employees to operate the machinery.

Funding Request: \$475,000

Estimated Jobs: 15

Donaldson Company, Inc. (merged with existing firm LMC West)

Donaldson Company, Inc., is a leading worldwide provider of filtration systems and replacement parts. Donaldson serves customers in the industrial and engine markets, including dust collection, power generation, specialty filtration, compressed air purification, off-road equipment, industrial compressors, heavy trucks and light vehicles. Founded in 1915, Donaldson is a technology-driven company committed to satisfying customer needs for filtration solutions through innovative research and development. Expansion of their presence in Central California is dependent on our commitment of support. They are asking to upgrade existing manufacturing equipment and add a new paint spraying operation which will require new hires and additional shifts to keep up with expanded existing and new contracts.

Funding Request: \$ 70,000

Estimated Jobs: 20

Eco2Plastics

Eco2 is a publicly traded company engaged in PET plastic recycling. Unlike other plastic recyclers, Eco2's process eliminates the use of waste. This process respects and preserves the environment, while delivering the highest quality recycled plastic flake with up to a 50% lower operating cost. The Company's patented (and has additional patents-pending) process was developed through a research partnership with Honeywell FM&T and the US Department of Energy. Eco2's proprietary technology positions them as the lowest cost, highest quality producer of recycled plastic flake in the industry. Eco2 would like to more than double the size of its existing operation before the end of the year. They currently have over 150 employees and with the increased production lines, need to add new employees to run the new equipment in their new production space. Eco2 has also recently had success in attracting venture capital interest, and the future looks extremely bright for them.

Funding Request: \$150,000

Estimated Jobs: 204

Environmental and Lubrication Solutions (ELS)

ELS is a manufacturer and distributor of unique high performance lubricant and fuel improver solutions to all significant market segments. ELS is an environmentally sensitive company that takes their ecological stewardship very seriously, therefore their business methods and product technologies uniquely reduce emissions and toxic waste as well as conserve valuable natural resources. They need to better utilize the existing space they have by installing a racking system and purchasing a forklift. Additionally, if the rail service on site could be improved, they would increase their production volume at this facility by 50%. Most of the employees are paid by commission, but additional space allows for additional product storage on-site. Warehousing management and staff, running several shifts will be added to the existing operation.

Funding Request: \$35,000

Estimated Jobs: 5

Riverbank Oil Transfer

Riverbank Oil Transfer (ROT) is a recycler of oil, oily water and waste antifreeze. The company holds permits from CalEPA, Department of Toxic Substances Control and Air Resources Board to receive and recycle oil, such as the oily water from the recent San Francisco Bay tanker spill. Used oil substances are trucked in and transferred to rail cars for transport to authorized offsite treatment, recycling or storage. ROT will expand their recycling business to include diversion and recycling of plastic oil containers such as those in which automobile motor oil is packaged (e.g., STP, Valvoline). They need to expand rail service, add an additional rail spur onsite, apply for new permits and arrange for expanded distribution channels state-wide. New employees will be needed to market new services, receive, sort, load and unload, crush, pack and maintain new distribution centers.

Funding Request: \$120,000

Estimated Jobs: 120

Transitioning the RBAAP into a unique “green friendly” industrial park creates a diverse industrial and manufacturing center where entrepreneurship, opportunity, environmental consciousness and local economic growth can thrive. Instead of a blighted, vacant military facility should the businesses leave, a vibrant group of sustainable businesses will be creating new jobs for the community and leading the way to a new niche employment cluster.

Snapshot of the funding requests by business:

Business	Description of Need	Amount	Resulting Jobs
AM2T	Retrofit Existing Presses; Install Equipment	\$100,000	75
Dayton Superior	Purchase and Install New Equipment	\$475,000	15
Donaldson	Upgrade and repair Existing Equipment	\$70,000	20
Eco2Plastics	Double Existing Production Line	\$150,000	204
Environmental and Lube Solutions	Racking and Forklift	\$35,000	5
Riverbank Oil Transfer	Expand Oil Recycling Business State-wide	\$120,000	120
TOTAL		\$950,000	439

Estimated Jobs Created Within 24 Months of Distribution of Funds: If the funding is approved, 439 new jobs would be created in the ensuing 24 months, most within the first year.

Taken altogether, this could be the most direct and immediate jobs-producing project the Economic Development Bank has funded to date.

Economic Benefit to the Community: The Riverbank Business Expansion Loan Program would fund tenants located at the RBAAP and qualifies as an eligible Economic Development Bank request since the loans will facilitate economic development by both promoting retention of the businesses and by allowing significant expansion of the businesses and direct job creation.

The proposed program’s outcomes and goals meet the definition for providing a “public benefit” and should not be viewed as a gift of public funds. While the California constitution (Article XVI § 6) prohibits any public agency from making “any gift of any public money or thing of value to any individual, municipal or other corporation whatever,” the determining factor in whether there has been an illegal gift of public funds is whether the expenditure was for a “public purpose.” Public agencies are given wide discretion in determining what constitutes a public purpose (Schettler v. County of Santa Clara (1977) 74 Cal.App.3d 990).

Of utmost concern is the need to support new job creation. Since January 2008, two Riverbank businesses have lost approximately 900 jobs. The City’s estimated unemployment rate is 16.1%, well above the County’s unemployment rate of 10.9% and almost triple the State’s unemployment rate of 6.9%.¹ Further job loss would be devastating to Riverbank’s economy. Declines in retail and property taxes are natural outcomes of job losses, and further impair the economy. Additionally, the increased vacancy rate at a transitioning military installation would add to the blight of the facility and hinder the attraction of new businesses or development in the surrounding vicinity.

¹ California Employment Development Department June 2008 Labor Force Data Report

Expansion of the businesses located at the RBAAP has multiple benefits to the Riverbank community and the County at large. Economic Development Bank funds will accelerate the business expansion efforts by helping in the purchase of equipment, and allowing the businesses to leverage other expansion capital. The loan program would offer low- or no-interest loans to the RBAAP businesses, with the proviso that they commit to 5-year leases and create new jobs within the first 12 months of funding. This program is modeled after other micro-business loan programs, such as the federal Community Development Block Grant Small Business Loan Program, the Rural Small Business Loan Program and the Armament Retooling and Manufacturing Support program. Increased revenues from the expanding businesses will offset City funds for necessary upgrades to infrastructure at RBAAP and increase the City and County tax sales tax base. Keeping the tenants at the RBAAP also makes the site more attractive for future growth and private investment.

The project will also support the need for new goods and services to businesses and residents through the increased income produced by both the business and the employees, a majority of which are targeted income group persons residing in the areas served by the assisted businesses.

The assistance provided to the existing RBAAP tenants assures that not only the expansion of jobs occur in Riverbank, but will also create and foster community loyalty, leading to future business and community investment.

Increased business activity will help eliminate the blight of an underutilized military facility in the city limits and attract additional like-minded "green-friendly" businesses. For example, the plastic recycler, Eco2 Plastics, may bring in businesses who are the end users of the recycled plastic flake they produce.

Other Political Subdivisions or Partnerships Involved In This Project: Base closures are inherently unique and inevitably costly. For this reason, there are a multitude of agencies involved in the reuse planning process, and in the retention of the RBAAP manufacturing tenants. Below are just a few of the agencies involved to date:

Federal Agencies: U.S. Army
Department of Defense
Environmental Protection Agency
Office of Economic Adjustment
Housing and Urban Development
Economic Development Administration

Elected Officials: Supervisor Bill O'Brien
Congresswoman Nancy Pelosi
Congressman George P. Radanovich
Senator Dianne Feinstein
Assembly member Tom Berryhill

State Agencies: Governor's Office of Planning and Research
Department of Business, Housing and Transportation
California Environmental Protection Agency
Department of Toxic Substances Control
Integrated Waste Management Board

Public Utilities Commission

Private Companies: BNSF
PG&E
Design, Community & Environment
Bay Area Economics
EarthTech

Other Organizations: Stanislaus Alliance
Associated Defense Communities

Approximate Commencement or Staging of the Project: Funding is requested immediately upon approval and will be disbursed to companies upon staff review and approval of documentation related to the specific business request and budget.

FISCAL INFORMATION

Total Project Cost: \$950,000 Total Project Cost

- \$750,000 requested from the Economic Development Bank
- \$200,000 funded through CDBG Economic Development Program Income Revolving Loan Program

Additional Funding Sources: The Riverbank Economic Development Department has committed \$200,000 from Community Development Block Grants (CDBG) Program Income Revolving Loan Program. Additional sources of funding for individual tenants are being explored. Potentially additional funding may come from Integrated Waste Management Board Used Oil Grants, State Reuse Assistance Grants, and future Riverbank revenue from RBAAP operations or sale.

Source of Funds for Repayment: The funds will provide an expansion loan fund for existing tenants, therefore full repayment of borrowed funds will be required from the business by November 30, 2011.

While each tenant loan agreement will be structured individually, based on need, loan amount and ROI, the City will begin repaying the funds sooner. The proposed repayment schedule is as follows:

September 2010	25% repayment	\$188,000
September 2011	25% repayment	\$188,000
January 2012	50% repayment	<u>\$374,000</u>
Total Repayment Amount		\$750,000

The city will structure each agreement individually, and ensure stringent loan requirements, and could retain title or hold liens against the newly purchased equipment until the loan is repaid. A claw back option will be included in the tenant's loan agreements so that repayment of funds will occur immediately if the loan funds are used in a manner inconsistent with the agreements or should the tenants relocate from the RBAAP site.

The loan document application yet to be formalized will include the following information:

- o Business information (name, contacts, DBA, tax ID, etc.)

- Management/Ownership (name, title, ownership)
- Business financials (assets, liabilities, sales last year, credit, account deposits, other loans and terms)
- Loan Guarantee (equipment lien, personal assets, business license, minimum five year lease agreement)
- Job creation metrics (semi-annual verification of job creation will be requested, as well as deadlines for job creation to begin)
- Repayment schedule & terms

Desired Date for Drawdown of Funds: Drawdown of entire amount is requested upon approval. In order to assure retention of businesses noted above, we respectfully request a confirmation on the commitment of loan funds as soon as possible.

Date Project Commences: Project will commence upon approval and receipt of appropriate documentation from participating RBAAP business tenants. Individual businesses will begin expansion process, as described, upon receiving funds. The requests of each business are anticipated to be completed in less than 6 months. Monitoring for business compliance and accountability for use of funds and confirmation of job creation will be ongoing by the Riverbank Economic Development Department staff.

Letters from existing tenants requesting assistance in their expansion efforts are attached.

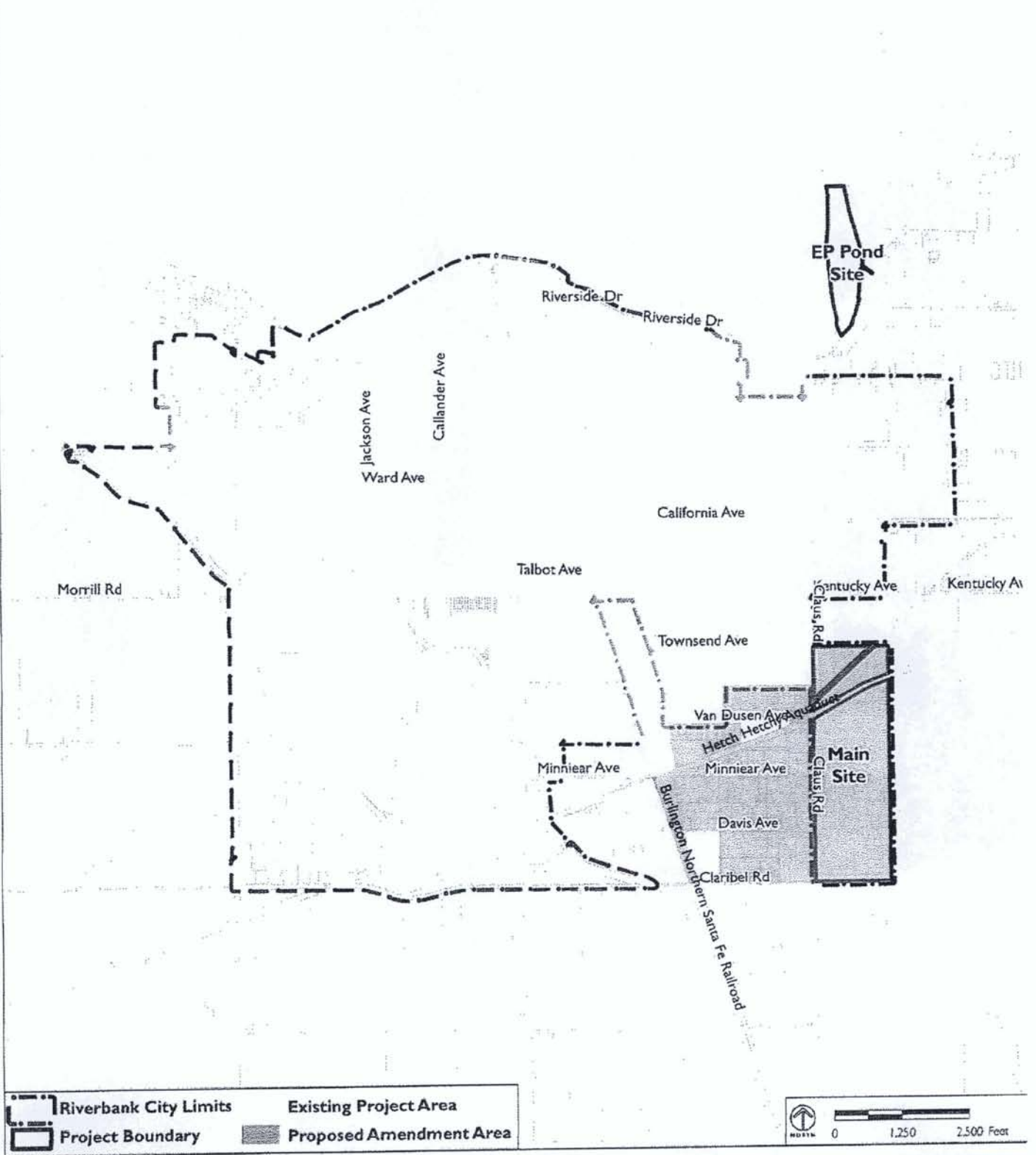


Figure A - Project Location

Riverbank Industrial Park
Riverbank Army Ammunition Plant

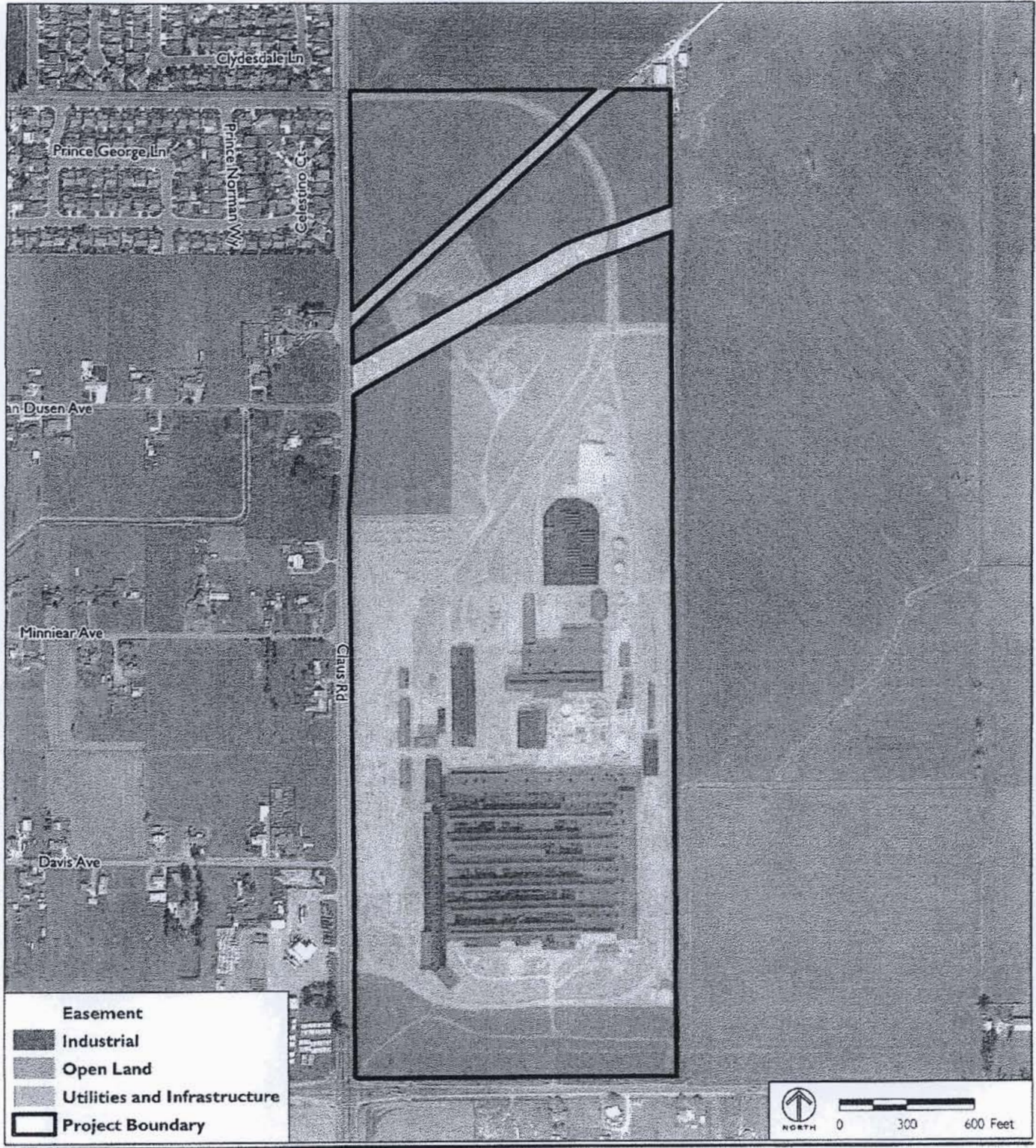


Figure B - Project Location
 Riverbank Industrial Park
 Riverbank Army Ammunition Plant

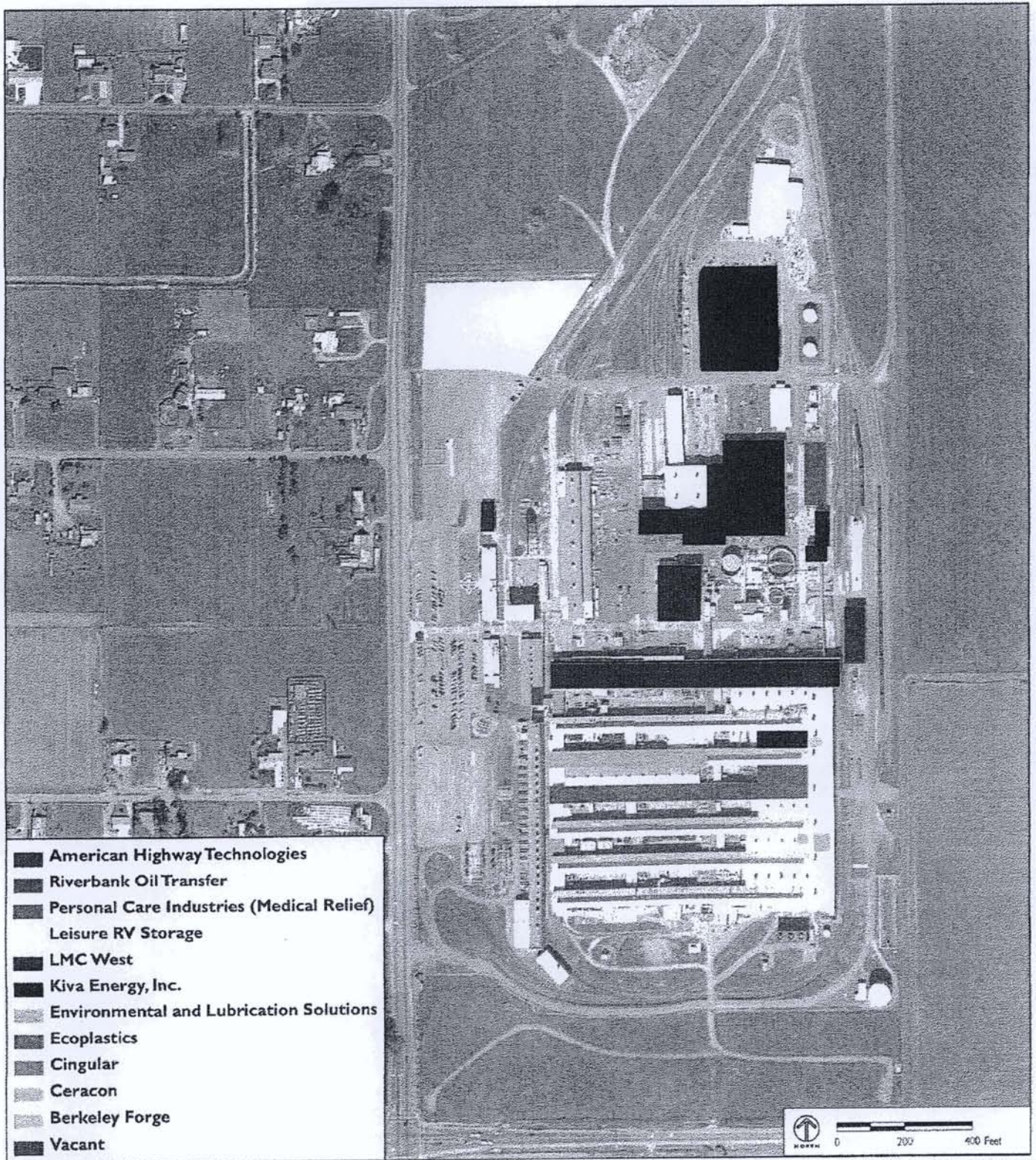


Figure C - Existing Business Tenants

Riverbank Industrial Park
 Riverbank Army Ammunition Plant

AM²T, LLC

Advanced Materials & Manufacturing Technologies, LLC

Materials, Science and Engineering for the 21st Century

June 18, 2008

Ms. Debbie Olson
Economic Development Manager
City of Riverbank
Delivered via email

***Request for Assistance to Grow the Business at
Riverbank Army Ammunition Plant***

Dear Ms. Olson,

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination to advance and support the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to request assistance in funding the growth of my Hi-Tech DoD related business, Advanced Materials and Manufacturing Technologies, LLC (AM2T), currently located at the RBAAP. Your help will reduce significant growth obstacles for AM2T and ensure critical short-term expansion, and enable the long-term growth and success of my business, as well as our combined interests to significantly revitalize the City of Riverbank's commercial and defense related industrial base. An equally important benefit will be the National recognition of the City of Riverbank as a primary focal point for Missile Defense and Space oriented manufacturing within California.

AM2T can provide immediate employment opportunities and training in a hi-technology materials research and product development business actively servicing DoD Agencies such as Missile Defense Agency (MDA), NAVAIR, and NASA. Similarly, Prime Defense Contractors such as Raytheon, Lockheed and BAE Systems as well as Private Sector companies are currently integrating our proprietary, Patent Pending family of *nanocrystalline materials* into their guidance and control systems, structural members, as well as general production environments for oil field equipment.

Based upon discussions with both DoD Prime Contractors and Private Sector companies the expected demand for our products will translate into an estimated \$30 to \$50 million in gross revenues over the next 5 years.

Specifically, we ask that you assist in the procurement of specialized manufacturing equipment such as pick-and-place robotics for part handling at elevated temperatures, fluidized bed furnaces, atmosphere controlled furnaces, computer controlled milling and turning centers (CNC), and other required support equipment. Support for the custom design and engineering phases of several pieces of this equipment would also be required.

Your support will not only allow us to solidify our expansion plans in Riverbank, but would enable us to increase our production and create 50 to 75 general labor, semi-skilled, engineering and scientific jobs over the next 36 months, increase personal incomes, and expand the local tax base for the community as a whole.

Thank you for considering our request and, on behalf of Advanced Materials and Manufacturing Technologies, LLC, we'd like to thank you in advance for your efforts.

We look forward to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Henry Meeks", written in black ink.

Henry Meeks

Executive Director/Managing Member



June 20, 2008

Ms. Debbie Olson
Economic Development Manager
City of Riverbank
Delivered via email

***Request for Assistance to Grow the Business at
Riverbank Army Ammunition Plant***

Dear Ms. Olson,

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination to advance and support the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to request assistance in funding the growth of ECO₂ Plastics, Inc.'s business currently located at the RBAP. Your help will reduce significant obstacles for our business and ensure significant job growth in Riverbank.

Specifically, we ask that you assist in the procurement of our continuous flow, liquid carbon dioxide processing equipment, which is currently under development. Your support will not only allow us to solidify our expansion plans in Riverbank, but would increase our production and create up to 200 jobs over the next 24 months, increase incomes, and expand the local tax base for the community as a whole.

Thank you for considering our request and, on behalf of the 92 of employees at ECO₂ Plastics, Inc., we'd like to thank you in advance for your efforts.

We look forward to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,


Rodney S. Rougelot
Chief Executive Officer



June 17, 2008

Debbie Olson
Economic Development Manager
6707 Third Street
Riverbank, CA 95367

Dear Ms. Olson:

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination in supporting the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to share our concerns regarding our future business growth at the RBAAP and to enlist the help of the City of Riverbank in securing funding for equipment essential to moving Dayton Superior to an expanded level of production.

Specifically, we ask that you assist in the procurement of a full epoxy basket coating line, which would allow us to fulfill our contracts with the State of California with Riverbank employees. Currently, our California contracts to produce the rebar needed to restore California's Interstate infrastructure system are being filled out-of-state.

On behalf of the twenty-five plus employees at Dayton Superior in Riverbank, we would like to thank you in advance for your efforts. Your support will not only allow us to retain jobs in Riverbank, but gives us the potential to create fifteen plus jobs over the next 24 months which will in turn increase incomes, and expand the local tax base for the community as a whole.

We look forward to continuing to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,

DAYTON SUPERIOR CORPORATION

A handwritten signature in cursive script, appearing to read "Joseph C. Moses".

Joseph Moses, Operation Manager
Riverbank, California Facility



Donaldson
Filtration Solutions

Donaldson Company, Inc.
PO Box 825
5500 Claus Road
Riverbank, CA 95567
www.lmcwest.com

Phone 209-869-0286
Toll Free 800-562-0072
Fax 209-869-0258
www.donaldsoncorp.com

Corporate Headquarters
P.O. Box 1299
Minneapolis, MN
55440-1299 U.S.A.
www.donaldson.com

June 20, 2008

Ms. Debbie Olson
Economic Development Manager
City of Riverbank
Delivered via email

***Request for Assistance to Grow the Business at
Riverbank Army Ammunition Plant***

Dear Ms. Olson,

Many thanks to the City of Riverbank and to the Local Redevelopment Authority (LRA) for their leadership and determination to advance and support the businesses located at the Riverbank Army Ammunition Plant (RBAAP).

The reason for this letter is to request assistance in funding the growth of the Donaldson Company filtration business currently located at the RBAP. Your help will reduce significant obstacles for our business and ensure short and long term job growth in Riverbank.

Specifically, we ask that you assist in the procurement of a larger and improved paint booth and wash bay as well as additional space. Your support will not only allow us to solidify our expansion plans in Riverbank, but would increase our production and create 10-20 jobs over the next 24 months, increase incomes, and expand the local tax base for the community as a whole.

Thank you for considering our request and, on behalf of the 45 employees at Donaldson Company, we'd like to thank you in advance for your efforts.

We look forward to work with you and other city staff to see that redevelopment and business growth at the RBAAP continues. Please let me know if there is any additional information you need to complete our request for assistance.

Sincerely,

Ellen Wersan
Integration Director
Donaldson Company, Inc

Riverbank Business Park
Tenant Loan and Security Agreement

**RIVERBANK BUSINESS PARK
TENANT LOAN AND SECURITY AGREEMENT**
Single Grantee

TENANT LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement, by and between the City of Riverbank (Lender) and <NAME OF BORROWER, BUSINESS OR nonprofit> (Borrower), <DEFINE BUSINESS OR NON-PROFIT>, with its principal place of business at <GIVE COMPLETE ADDRESS>, is effective this _____ day of _____, <YEAR> _____, the first day on which all parties hereto have executed it.

PART I DEFINITIONS

A) As used in this document, the words and phrases set forth below shall have the following meanings:

- 1) "**Administration Fee**" means the fee of 1% of current loan value the Lender will collect on demand from the borrower at closing and each year thereafter on that same date.
 - 2) "**Borrower**" means <COMPLETE LEGAL NAME AND DESCRIPTION>.
 - 3) "**Clawback**" means the specific goals and purposes of this project set forth in Term Sheet.
 - 4) "**Collateral**" means <DEFINE COLLATERAL BORROWER IS OBLIGATING>.
 - 5) "**Conversion**" means changing the form of financing of a project, e.g. from line of credit to term loan or from bridge financing to permanent financing, that does not increase the amount of debt.
 - 6) "**Debt**" means the Loan which this document secures, any and all renewals thereof, the indebtedness represented thereby, and any other indebtedness which is now or may hereafter become due and owed from Borrower to Lender.
 - 7) "**Encumbrances**" means those liens and encumbrances <IF ANY> described in Appendix 1 to this Loan Agreement, listed in the order of their priority. <IF APPLICABLE>
 - 8) "**Job creation requirement**" means that for every \$35,000 loaned by the Lender, the Borrower must provide one full time equivalent job and retain that job for 9 consecutive months.
 - 9) "**Lease commitment**" means the business entity borrowing the funds agrees to retain the business interest in the City of Riverbank for 5 years from the date of closing.
 - 10) "**Lender**" means City of Riverbank.
 - 11) "**Lender Procedures**" means the procedures of the Lender for the Riverbank Business Park Tenant Loan Program, as they may be amended from time to time. A copy may be accessed by emailing or writing to the Riverbank Economic Development Department. Consult Riverbank Economic Development staff for current language of the procedures.
 - 12) "**Loan Agreement**" means this Loan and Security Agreement.
-

Riverbank Business Park
Tenant Loan and Security Agreement

LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

13) "**Personal guarantee**" means the guarantee of a principal of Borrower that, in the event of Borrower's default with respect to this Loan, the principal shall repay any overdue installment or installments, or the entire amount of principal and interest, that are due and payable. If the principal of Borrower is married, the principal's spouse shall also sign and be bound by the personal guarantee.

14) "**Personal property**" means the personal property owned or to be acquired by Borrower for the project as described in Appendix 2 attached hereto and to be described in the UCC-1.

15) "**Project**" means the project as described in Appendix 2 attached hereto.

16) "**Real property**" means the real property (including improvements) described in Appendix 3 attached hereto, subject to the Encumbrances described in Appendix 1 if applicable.

17) "**RBP**" means Riverbank Business Park

18) "**Refinancing**" means the restructuring of all or a portion of a debt.

19) "**Sale**" means the transfer, exchange, or other disposition, in consideration of something of value, of all or substantially all of the real property, personal property or both, which transfers title and possession of the property.

20) "**Security Interest**" means the UCC-1, evidencing the interest in the Personal Property, and the mortgage, evidencing the interest in the real property, that Borrower gives to Lender pursuant to this Loan Agreement.

21) "**Standby Agreement**" means an agreement signed by Lender, Borrower and all persons who own 20% or more of Borrower, or to whom Borrower owes a debt and who have agreed to forego repayment of that debt without prior written permission of Lender.

22) "**Term Sheet**" means the mutually agreed upon, fully-negotiated terms of the loan agreement presented in synopsis.

23) "**TLP**" means Tenant Loan Program

<ADD ANY OTHER TERMS APPLICABLE TO THIS DOCUMENT HERE>

PART II CONSIDERATION AND INCORPORATION OF AGREEMENT

A) Lender makes this Loan to Borrower pursuant to, and as consideration for Borrower's activities as set forth in, the Agreement, which is incorporated herein by reference, and a copy of which Borrower and Lender maintain in their respective files.

B) Borrower agrees to repay the Loan under the terms of Borrower's Promissory Note to Lender in the amount of _____ dollars (\$_____) dated _____, <in accordance with the Revolving Loan Fund policies and procedures, and in accordance with the negotiated term sheet>.

Riverbank Business Park
Tenant Loan and Security Agreement

LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

PART III SURVIVAL OF THIS LOAN AGREEMENT

A) This Loan Agreement shall survive the closing contemplated hereunder, and all obligations pursuant to this Agreement of each party hereto shall continue until the Loan has been repaid in full.

PART IV PURPOSE OF THE LOAN

A) The purpose of this loan shall be to support the business objectives, as described in Attachment B. The proceeds of this Loan shall be used solely for Borrower's specific activities in connection with the project.

PART V TERMS OF THE LOAN

A) This Loan is in the amount of _____ dollars (\$_____.00), at ___% <simple> interest per year, <or compounded annually, monthly>, for a period of ___ years.

B) Payments of principal and interest in the amount of \$_____, payable on the _____ day of each <MONTH/OR IF ANNUAL, ON THE DAY/MONTH OF EACH YEAR>, shall begin on _____, <YEAR>_____, and the Loan shall be fully repaid no later than <DATE> _____.

C) Deferred payment loan: spell out the exact terms, including:

- 1) whether interest accrues during the period of deferred payments;
- 2) whether there are any payments during period of deferral, such as either principal or interest only, but not both;
- 3) dates and amounts of payments, including month and year when they begin and end;
- 4) whether, and if so, under what conditions (such as failure to use for original purpose), Lender can unilaterally terminate deferral of loan and/or declare loan to be in default (coordinate with default provisions in Part XIV of this Loan Agreement)
- 5) result of termination of deferral, such as total principal and interest due, and any advances by lender, becoming due and payable in full within x period of time.>

PART VI PREPAYMENT

A) Borrower may prepay any portion or all of this Loan at any time without penalty. Any amounts paid in excess of the regular payment due shall be applied to reduce the principal amount of the Loan.

PART VII SECURITY

A) Borrower hereby grants to Lender as security for this loan:

- 1) <a mortgage deed of approximately even date herewith mortgaging the real property>;
 - 2) <a security interest in the personal property>;
-

Riverbank Business Park
Tenant Loan and Security Agreement

LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

- 3) <the personal guarantee of _____ and
_____;>
- 4) <a standby agreement if applicable>

PART VIII OTHER CONDITIONS AND TERMS

- A) Borrower agrees to a 5-year commitment to retain business entity in Riverbank for a minimum of five-years.
- B) Borrower agrees to produce one full-time job equivalent and retain that job for 9 consecutive months for every \$35,000 requested from the TLP.
- C) Borrower agrees to maintain adequate records and comply with requests for inspection, audit or review all relevant materials relation got the receipt and disbursement of the TLP funds by Lender.
- D) Borrower understands and agrees to abide by federal and state labor standards and provisions and agrees to allow the Lender to monitor the business for compliance with Federal prevailing wage rates.
- E) Borrower agrees to a clawback of the entire loan balance on demand if the business is unable to meet any of the conditions of the agreement.

PART IX SECURITY

The priority of each security interest set forth above shall be as follows:

<SET FORTH IN ORDER OF PRIORITY ALL SECURITY INTERESTS WITH RESPECT TO THE REAL PROPERTY AND THE PERSONAL PROPERTY, RESPECTIVELY, INCLUDING ALL SENIOR SECURITY INTERESTS AND ALL SECURITY INTERESTS INCIDENT TO THIS PROJECT.>

PART IX LENDER'S COVENANTS

- A) **LOAN:** Lender shall, in accordance with the terms and conditions of the is agreement, make this Loan to Borrower.
 - B) **DISBURSEMENTS:** Disbursements shall be made up to the loan maximum, upon request by Borrower, outlining the purposes for which the funds shall be used, so long as the request is in accordance with applicable federal and state law, regulation, and procedure.
 - C) **PAYMENTS BY LENDER:** Lender shall have the right, in Lender's sole discretion, to make payments to protect this Loan. All such payments shall be added to the principal of this Loan, and interest at the rate of this Loan shall accrue thereon from the date the payment is made.
-

Riverbank Business Park
Tenant Loan and Security Agreement

LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

PART X BORROWER'S REPRESENTATIONS

A) **BUSINESS:** Borrower certifies that, as of the date of execution of this Agreement, Borrower has provided to Lender a copy of a currently effective City of Riverbank business license.

B) **OTHER RESOURCES:** Borrower hereby certifies that Borrower has provided to Lender documentation of firm commitments of the Other Resources attached, if applicable, including the purpose for which they are to be used and any conditions attached to their expenditure.

C) **CERTIFICATIONS:** Borrower hereby makes the following additional certifications, in form satisfactory to Lender, that, as of the date of execution of this Agreement:

1) Borrower is in good standing with respect to, or in full compliance with a plan to pay, any and all federal, state and local taxes;

2) Borrower is current on or is in full compliance with a plan to pay, any and all debt financing;

3) there are no liens, judgments or encumbrances, or disclosed to the Lender prior to execution of, or disclosed no later than at the execution of this Loan Agreement; and

4) Borrower's representations with respect to the financial and operational aspects of the business in the written documents previously provided to Lender remain accurate and not misleading.

PART XI BORROWER'S COVENANTS

A) **LENDER'S OBJECTIVES:** Borrower commits to achieve the Lender's objectives, and to maintain documentation as may be required and otherwise necessary to clearly demonstrate that Borrower has achieved the Lender's objectives.

B) **NOTICE OF CHANGE:** Borrower, for a period of five years from the date of this agreement, shall give timely notice to the Lender should there be the anticipation of a sale of all or a portion of the equipment or facility assisted using RBP TLP funds to any person or entity who will use it for any changed purpose; of discontinuance of operation of all or a portion of the facility; or of material alteration or expansion of its purpose or function. All such actions shall constitute a default, in which case Lender may exercise all options available at law as may be required to protect or recapture the funds made available through the RBP TLP.

C) **INSURANCE:** For the duration of the Loan, or for a period beginning with the date of this agreement and continuing for at least 5 years after, Borrower shall take out, pay for and keep in full force, insurance on the Collateral against such risks, in such amounts, with such insurance carrier, and with such loss payable clause as shall be satisfactory to Lender, and shall furnish Lender with the satisfactory evidence of such insurance <if applicable>.

D) **PERMITS:** Borrower shall secure all federal, state and local permits that are necessary, and shall comply with any conditions related to the disbursement of funds imposed by agencies requiring them. Borrower has identified all permits necessary for the project, and has secured those necessary to commence activities.

Riverbank Business Park
Tenant Loan and Security Agreement

LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

- E) **EMPLOYMENT AGREEMENT:** Borrower shall enter into and comply with the terms of an Employment Agreement if required.
- F) **REPORTS:** Borrower shall submit financial and operational reports to Lender as Lender may reasonably request, and Lender shall have access to the records of the business during normal business hours or as arranged in advance. Borrower's failure to provide such information as requested within <LENDER SETS TIME FRAME, OR STATES AMOUNT OF TIME CONSISTENT WITH LENDER'S LOAN POLICY, IF ANY> and/or the provision of information that appears to be inaccurate or incomplete, unless remedied within 15 days, shall constitute an event of default.
- G) **NO FINANCIAL CHANGE:** Borrower shall make no material change in the financial or operational aspects of the business, specifically including but not limited to the borrowing of additional money, the granting of additional liens significantly altering the plan for capital expenditures, salaries of partners or employees, or Borrower's product or service, without the prior written consent of Lender, except as otherwise provided for in this Loan Agreement.
- H) **OTHER LIENS AND ENCUMBRANCES:** Borrower shall use no proceeds of this Loan to discharge any lien or other encumbrance.
- I) **REFINANCING:** Borrower shall not refinance the loan or restructure Borrower's debt without the prior written approval of Lender. RBP TLP funds shall not be used to restructure debt in any way, except where the project involves the use of RBP TLP funds to convert temporary bridge or construction financing to permanent financing.
- J) **TITLE INSURANCE:** Promptly after the closing Borrower shall provide Lender with proof that Borrower has a policy for title insurance in no less than the sum of the full amount of this Loan and the amounts of all mortgages, liens and other encumbrances having a higher priority than this Loan <if applicable>.

PART XII PASS THROUGH PROVISIONS

- A) In addition to binding Borrower, the following provisions shall be included in all contracts between Borrower and any other contractor related to the project, and shall bind all such other contractors.
- B) **CONFLICT OF INTEREST:** Borrower agrees to comply with federal and state requirements relative to conflict of interest codes.
- 1) In addition, in order to avoid both a conflict of interest and the appearance of undue influence, no officer of Borrower nor any member of Borrower's Board of Directors employed by Lender or holding any elective or appointive municipal office in Lender shall participate in any discussions with any decision makers of Lender or attend any public hearing concerning, vote upon or take any action with respect to any matter involving this Agreement or the Project for the longer period of:
- a) from the date of execution of this Agreement until five years after the date set forth herein, or
 - b) while the loan is outstanding, or
-

Riverbank Business Park
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c) during a person's tenure with Lender and for one year thereafter.

LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

2) No person described in paragraph 1 of this section, or any person with whom such a person has family or business ties, may participate in a decision making process or gain inside information with regard to the activities funded by RBP TLP, obtain a financial interest in or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, for the applicable time period set forth in paragraph 1.

C) RETENTION OF AND ACCESS TO RECORDS: Borrower agrees to comply with the following requirements:

1) Financial records, supporting documents, statistical records, and all other records pertinent to this RBP TLP project shall be retained and accessible upon request by Lender.

2) Authorized representatives of the Lender, or the U.S. General Accounting Office shall have access to all books, accounts, records, reports, files, papers, things, or property belonging to, or in use by the Borrower or other subrecipients, if any, pertaining to the receipt and administration of RBP TLP, as may be necessary to make audits, examinations, excerpts, and transcripts.

D) EQUAL OPPORTUNITY: Borrower agrees to comply with federal and state requirements relating to fair employment and housing practices.

E) INTERPRETATION: This Agreement shall be governed by and construed in accordance with the laws of the State of California and the laws of the United States of America, where applicable.

PART XIII MISCELLANEOUS PROVISIONS

A) REVISIONS AND AMENDMENTS: Revisions and amendments to this Loan Agreement shall only be made with the expressed permission of the Lender. All amendments to this Loan Agreement shall be reduced to writing and shall be executed by all parties to the document. Borrower acknowledges that the Lender may require an amendment to this Agreement to ensure, or enhance the possibility of, Borrower's achieving the Lender's program goals. A copy of any amendment to this document shall be submitted to the Lender for its approval prior to execution of the amendment. Any amendment to this Agreement shall survive the closing with respect thereto.

B) ENVIRONMENTAL REVIEW: There shall be no reimbursement using RBP TLP funds for any expenses incurred for activities commenced prior to the closing date of this agreement.

C) PARAGRAPH TITLES: The titles to the paragraphs of this Agreement are used solely for purposes of identification, and are not to be construed as affecting the meaning of the language of the paragraphs.

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LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

D) NOTICE ADDRESSES: Borrower and Lender shall give one another notice pursuant to this Agreement at the addresses set forth below for each, and shall keep the other informed in any change of address for notice purposes:

Lender: _____ Borrower: _____

<LIST ANY OTHER CONDITIONS ON THE LOAN OR GENERAL CONDITIONS OR PROVISIONS>

PART XIV DEFAULT AND REMEDIES

A) DEFAULT: If any of the following events of default shall occur without being cured within <NUMBER OF DAYS> days from the date that written notice of such default is received by Borrower from Lender, the Debt secured by this Loan Agreement shall immediately become due and payable <LENDER SETS TIME FRAME OR STATES AMOUNT OF TIME CONSISTENT WITH LENDER'S LOAN POLICY, IF ANY>.

B) The following events shall constitute events of default:

- 1) failure to comply with any applicable provisions of the TLP Agreement;
- 2) failure to perform any of Borrower's obligations under this Loan and Security Agreement;
- 3) failure to perform as required by any document that secures this Loan.

<ADD ANY OTHER SPECIFIC DEFAULT PROVISIONS HERE.>

C) REMEDIES: If Borrower fails to pay the Debt or cure any breach or default prior to the expiration of the <# DAYS> day notice period, Lender may invoke foreclosure of this Loan Agreement, or any other remedy allowed by this Agreement or any other document related to this Loan, or by law.

D) REMEDIES CUMULATIVE: All remedies provided in this agreement are distinct and cumulative to any other right or remedy under this agreement, or otherwise available by law, and may be exercised concurrently, independently or successively.

E) FORBEARANCE NOT A WAIVER: Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

PART XV APPROVAL

A) This Agreement, and all amendments hereto, must be approved by the Lender prior to execution. Performance hereunder is subject to and suspended until such approval.

IN WITNESS WHEREOF this Agreement is executed on the date noted for each party.

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LOAN AND SECURITY AGREEMENT- Single Grantee (continued)

BY LENDER:

THE CITY OF RIVERBANK

Authorized Signature

Place of execution

Typed name and title

Date

BY BORROWER:

Typed name of business or nonprofit

Authorized Signature

Place of execution

Typed name and title

Date
