

EXHIBIT A

EXHIBIT B

GROWTH MANAGEMENT AGREEMENT

THIS GROWTH MANAGEMENT AGREEMENT is made and entered into on the _____ day of _____, 2013, between **RING FINANCIAL, INC.**, a California corporation, ("Developer"), and the **CITY OF PLEASANTON**, a municipal corporation ("City").

RECITALS:

- A. Developer owns a legal or equitable interest in real property ("the Subject Property") in the City of Pleasanton.
- B. The City has granted to Developer development plan approval (PUD-87) for a high-density residential/commercial development ("the Project").
- C. The residential units are being developed consistent with the Housing Site Development Standards and Design Guidelines.
- D. City may enter into growth management agreements with project developers under the City's Growth Management Ordinance.
- E. City and Developer wish to enter into a growth management agreement in order to achieve the benefits of the Project to City and its residents and in accordance with the purposes of the City's Growth Management Ordinance.

NOW, THEREFORE, in consideration of the mutual promises expressed herein, City and Developer hereby agree as follows:

I. GROWTH MANAGEMENT APPROVAL

- A. City hereby grants growth management approval to the Project for 345 units in 2014. If Developer does not pull building permits for all 345 units in 2014, Developer may pull building permits in the year or years following 2014 until Developer has pulled building permits for all 345 units.
- B. Developer will use its best efforts to project the year or years in which it will obtain building permits as provided in this Agreement and will keep the City informed of the year or years in which Developer estimates that it will obtain such building permits so that the City may allocate growth management approvals for other developers in order to accommodate Developer's development schedule.

II. PROJECT CONDITION

Nothing herein shall reduce any obligation of Developer required as a condition of any other approvals granted by the City.

III. SUCCESSORS IN INTEREST

This Agreement shall run with the land and be binding upon and inure to the benefit of Developer and its heirs, assigns, and successors in interest that have an interest in the Subject Property, except for the purchasers of individual units within the Project.

THIS AGREEMENT is entered into as of the day and year first above written.

DEVELOPER:

RING FINANCIAL, INC.,
a California corporation

By: _____

CITY:

CITY OF PLEASANTON,
a Municipal Corporation

By: _____
Nelson Fialho, City Manager

ATTEST:

Karen Diaz, City Clerk

APPROVED AS TO FORM:

Jonathan P. Lowell, City Attorney

Recorded at the Request of
and when recorded, return to:

City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

EXHIBIT B

Exempt per Gov. Code §27383

AFFORDABLE HOUSING AGREEMENT

This **AFFORDABLE HOUSING AGREEMENT** ("Agreement") is made this _____ day of _____, 2013, by the **CITY OF PLEASANTON**, a Municipal Corporation ("City"), and **RING FINANCIAL, INC.**, a California corporation ("Developer").

Recitals

- A. Developer currently owns a legal or equitable interest in a 16-acre site at 3150 Bernal Avenue, Pleasanton, California, more particularly described in Attachment 1 attached hereto and incorporated herein by reference (the "Property").
- B. For the Property, Developer has obtained all necessary entitlements to develop a mixed use project including 345 apartment units, approximately 38,781 square feet of commercial/retail development, parking areas and related on-site and off-site improvements (collectively the "Project").
- C. Developer and the City wish to make a certain number of the apartment units within the Project available to households with incomes between one hundred percent (100%) (median income) and fifty percent (50%) (very-low income) of the Area Median Income.
- D. Area Median Income (AMI) shall mean the area median income for the San Francisco-Oakland-Fremont Metropolitan Statistical Area adjusted for household size in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development (HUD) pursuant to Section 8 of the United States Housing Act of 1937 or any successor statute.
- E. Execution of this Agreement meets the requirements of the City's Inclusionary Zoning Ordinance and shall be in lieu of paying the City's Lower Income Housing Fee for this Project.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, City and Developer agree as follows:

1. Of the 345 apartment units, 52 shall be "Affordable" units. Developer shall make ten (10) Affordable units available for rent to households at or below 50% of the Area Median Income, seventeen (17) Affordable units available for rent to households at or below 80% of the Area Median Income, and twenty-five (25) Affordable units available for rent at or below 100% of the Area Median Income as set forth herein. The Affordable units shall be consistent with the following:

- A. The Affordable unit mix shall be as follows:

Unit Type	Very Low Income (50% of AMI)	Low Income (80% of AMI)	Median Income (100% of AMI)
Studio	6	2	8
1 Bedroom	3	4	5
2 Bedroom	1	6	7
3 Bedroom	0	5	5
Total	10	17	25

- B. Affordable unit rents shall be based on the following household sizes:

Unit Type	Household Size
Studio Unit	One (1) person household
1 Bedroom Unit	Two (2) person household
2 Bedroom Unit	Three(3) person household
3 Bedroom Unit	Five (5) person household

- C. The monthly rent for each of the Affordable units shall be calculated based on the following:

- (i) The twenty-five (25) Affordable units at Median Income shall not exceed one-twelfth of 100 % of the Area Median Income adjusted for the household sizes listed in Section B above multiplied by 30%.
- (ii) The seventeen (17) Affordable units at Low Income shall not exceed one-twelfth of 80 % of the Area Median Income adjusted for the household sizes listed in Section B above multiplied by 30%.
- (iii) The ten (10) Affordable units at Very Low Income shall not exceed one-twelfth of 50 % of the Area Median Income adjusted for the household sizes listed in Section B above multiplied by 30%.

- D. Rent for Affordable units shall be based on the AMI at the time of the City issues Certificate of Occupancy and shall adjust consistent with adjustment in the AMI. If HUD fails to issue revised Area Median Income/ household income statistics for the San Francisco-Oakland-Fremont Metropolitan Statistical Area within 15 months of the previous revision, rents for the Affordable units may be adjusted based on the annual percentage increase in the San Francisco-Oakland Consumer Price Index for urban wage earners and clerical workers.

- E. The rents described herein shall exclude utilities in the broadest sense, including, but not limited to gas, electricity, water, garbage, television cable, telephone, and internet service; provided, however, that if any or all of such utilities are offered at no cost to market rate units they shall also be offered at no cost to the Affordable units.
 - F. The Affordable units shall be dispersed throughout the Project unless otherwise approved by the City. The Affordable units shall not be fixed in the Project and may change depending on vacancies.
 - G. The Affordable units shall have the same interior standards of quality (e.g., appliances, interior features/amenities, services, etc.) as the market rate units.
 - H. All Affordable units shall be rented to qualified applicants in accordance with the City's Preference System, as may be amended, with the most current version set forth in Attachment 2.
 - I. Once each year, the Developer (or the Developer's successor in interest) shall provide the City a report detailing the average annual income of tenants occupying the Affordable units for each of the income categories listed in Section 1(A) above, the number persons in each household occupying the Affordable units, the number of vacancies and new rentals during the year for the Affordable units.
 - J. All Affordable units shall be subject to this Agreement for perpetuity.
2. The Developer, with City consultation, shall assume all responsibility to market the Affordable units. Marketing shall be in accordance with City eligibility and income guidelines in-conformance with the City's Preference System. Marketing material, leases, rent-up schedules and-other printed material related to the Affordable units is subject to City approval.
 3. One of the Affordable 1-bedroom units, one Affordable 2-bedroom unit, and one Affordable 3-bedroom unit as included in 1(A) above shall be fully accessible for the physically disabled. Unit design shall include amenities such as grab bars in bathrooms, modified case work, wide doors, sufficient clear floor space for wheelchairs, lower countertop segments, seats at bathing fixtures, knee space under sinks and counters, switches and controls in easily reached locations, entrances free of steps and stairs, an accessible route through the units, and other amenities deemed significant for disabled access. Developer may utilize adaptable design features such as removable grab bars, concealed knee space under sinks and adjustable counterparts as approved by City to facilitate non-disabled tenants. Developer shall market the availability of these units to disability support groups and maintain an active waiting list of interested disabled persons, but may rent to any applicant if a qualified disabled applicant is not available for a period of twenty-one (21) days after the initial marketing. If the disabled unit is rented to a non-disabled person, Developer shall attempt to facilitate relocation to a non-disabled unit should a qualified disabled applicant become available.

4. Developer shall accept Section 8 vouchers as a means of assisting qualified applicants/residents.
5. In lieu of providing any Affordable units required hereunder and in full satisfaction of all requirements of Developer under this Agreement, City may elect, not later than the first to occur of one year after the effective date of this Agreement or forty-five (45) days after Developer notifies City in writing of its intent to apply for a building permit, to require a one time in-lieu fee in the amount of Four Million Five Hundred Thousand Dollars (\$4,500,000), which shall be payable upon certificates of occupancy.
6. This Agreement shall be recorded in Alameda County and shall run with the land.

THIS AGREEMENT is executed the date and year first above written.

CITY:

CITY OF PLEASANTON, a Municipal Corporation

By: _____
 Nelson Fialho
 City Manager

ATTEST:

 Karen Diaz, City Clerk

APPROVED AS TO FORM:

 Jonathan P. Lowell, City Attorney

DEVELOPER:

RING FINANCIAL, INC., a California corporation

By: _____
 Name: _____
 Title: _____

Attachments:

1. Legal Description
2. City of Pleasanton Preference System

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 2013 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)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 2013 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)

ATTACHMENT 1

LEGAL DESCRIPTION

Real Property in the City of Pleasanton, County of Alameda, State of California, described as follows:

ATTACHMENT 2
CITY'S PREFERENCE SYSTEM
[Attached]