



CITY COUNCIL MEETING

Tuesday, November 18, 2025

Regular Meeting - 6:00 PM

City Hall – City Council Chambers

425 Webster Street, Colusa, CA 95932

AGENDA

Mayor – Ryan Codorniz

Mayor Pro Tem – Denise Conrado

Council Member – Daniel Vaca

Council Member – Greg Ponciano

Council Member – Dave Markss

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENTS *(The public to address any item of City business NOT appearing on this Agenda. Speakers must limit their comments to three (3) minutes each. Please note that per Government Code Section 54954.3(a), the City Council cannot take action or express a consensus of approval or disapproval on any public comments regarding matters which do not appear on the printed agenda)*

CONSENT CALENDAR - All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.

1. Approve - Council draft minutes from November 5
2. Receive and File - Police Dept. October report
3. Receive and File - Code Enforcement October report
4. Adopt - Ordinance 569 amending Appendix A - Chapter 12-17 Sidewalk Vending of the Colusa Municipal Code and finding the Ordinance exempt from the California Environmental Quality Act
5. Adopt - Ordinance 570 adding Appendix A - Article 50 - Home Occupancy Permit and finding the Ordinance exempt from the California Environmental Quality Act
6. Adopt - Ordinance 571 authorizing the implementation of a Community Choice Aggregation Program in the City of Colusa under Public Utilities Code Section 366.2
7. Adopt - Resolution committing the City of Colusa as the Presenting Sponsor for the Levitt AMP Colusa Music Series for the 2026-2028 seasons, with an annual sponsorship of \$15,000 per year, to be budgeted within the Economic Development department for fiscal years 2025/26 - 2027/28

8. Adopt - Resolution approving the Commercial Cannabis application window to open from December 1, 2025, through January 31, 2026

COUNCIL MEMBER /CITY MANAGER REPORTS AND STAFF COMMENTS

COUNCIL CONSIDERATION

9. Consideration of City Loan to Amar Cheema

Recommendation: Staff recommends Council approve a \$2.5 million loan from the General Fund Reserves to Colusa Town and Country at 10% interest for a term of four (4) years. The loan is to be used solely for the construction and improvement of City-owned streets and public infrastructure within the Wescot road realignment project area. The City of Colusa will be first on title until the project is completed and accepted by the city and the loan is fully repaid and;

Council to adopt the Resolution authorizing the City Manager to execute the Promissory Note and Deeds of Trust to secure the loan for Amarjit Mandeep Cheema

DISCUSSION ITEM

Update on city projects

FUTURE AGENDA ITEMS

ADJOURNMENT



SHELLY KITTLE, CITY CLERK

Notice of Meetings and Agendas

The Regular Colusa City Council meetings are held the first and third Tuesdays of each month at 6:00 pm in the Colusa City Council Chambers located at 425 Webster Street, Colusa California unless otherwise noted above. Copies of open session agenda packets, which are distributed to the City Council, are on file at the front desk of the City at 425 Webster Street, Colusa, California, and are available for public inspection beginning 72 hours in advance, during normal business hours (7:00 am – 5:00 pm., Monday through Thursday except for City holidays). Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection at the front desk of the City and on the day of the meeting in the Council Chambers.

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, persons requiring accommodations for a disability at a public meeting should notify the City Clerk at least 48 hours prior to the meeting at (530) 458-4941 in order to allow the City sufficient time to make reasonable arrangements to accommodate participation in this meeting.

“This institution is an equal opportunity employer and provider”



CITY COUNCIL MEETING

Tuesday, November 04, 2025

Regular Meeting - 6:00 PM

City Hall – City Council Chambers

425 Webster Street, Colusa, CA 95932

MINUTES

CALL TO ORDER- Mayor Codorniz called the meeting to order at 6:01 pm.

ROLL CALL – Council Members Ponciano, Vaca, Markss, Conrado and Mayor Codorniz were present.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA –There was council consensus on the approval of the agenda.

PUBLIC COMMENTS – None.

PRESENTATIONS

1. Mayor Codorniz presented Darren Ram with a 5-Year Service Award.
2. General Manager Denise with Premier Mushrooms provided an update on their compost building.
3. Jackie Olivares with the County Sheriff's Office and the Office of Emergency Services (OES) provided a presentation on the Evacuation Zone Map (located on the county's website).
4. Pioneer Community Energy representatives provided an update on Pioneer expansion efforts and the administrative process should the city be interested in joining their expansion in 2027.

CONSENT CALENDAR - All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.

5. Approve - Council draft minutes of October 7
6. Receive and File - Police Dept. September report
7. Receive and File - Finance Dept. September report
8. Receive and File - Treasurer's August report
9. Receive and File - September Warrants List
10. Adopt - Resolution authorizing the City Manager to sign the Regional Housing Authority's amended contract.

11. Adopt - Resolution to authorize the Police Chief to purchase a ductless mini split heater/air conditioning unit and pay for related installation

ACTION: Council Member Ponciano requested Item 10 be pulled. Motion by Mayor Pro-Tem Conrado, seconded by Council Member Markss, to approve all items except Item 10. Motion passed unanimously.

Item 10: Council Member Ponciano asked questions. After further discussion, no action taken. The consensus of council was to bring this item back for consideration at the next meeting.

COUNCIL MEMBER /CITY MANAGER REPORTS AND STAFF COMMENTS

Council Members provided updates on meetings and events they attended.

City Attorney Jones will provide additional information on the upcoming Senate Bill -707

Finance Director Aziz-Khan provided updates in the Finance Department.

City Treasurer Kelly – nothing to report.

Police Chief Fitch provided updates in the Police Department.

Fire Chief Conley provided updates in the Fire Department.

City Planner Morley provided updates in the Planning Department.

PUBLIC HEARING

12. Consideration of an Ordinance entitled “An Ordinance of the City Council of the City of Colusa adding Appendix A – Chapter 12-17 – Sidewalk Vending to the Colusa Municipal Code and finding the Ordinance Exempt from the California Environmental Quality Act”

City Planner Morley provided the report. He noted a few changes to be corrected.

Public Hearing opened at 7:08 pm with the following comments:

Jack Cunningham agreed to strike the “amplified sound”

Public Hearing closed at 7:09 pm.

ACTION: Motion by Council Member Ponciano, seconded by Mayor Codorniz, to introduce and read by title only (with corrections noted) **Ordinance 569** amending Appendix A - Chapter 12-17 - Sidewalk Vending of the Colusa Municipal Code and finding the Ordinance exempt from CEQA. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Vaca, Markss, Conrado and Codorniz.

NOES: None.

13. Consideration of an Ordinance entitled “An Ordinance of the City Council of the City of Colusa adding Appendix A – Article 50 – Home Occupancy Permit and finding the Ordinance Exempt from the California Environmental Quality Act”

Council Member Markss recused himself, stating he has a home occupancy permit and stepped out of the chambers.

Planner Morley provided the report.

Public Hearing opened and closed at 7:17 pm with no comments.

ACTION: Motion by Council Member Ponciano, seconded by Council Member Vaca to introduce and read by title only **Ordinance 570** adding Appendix A - Article 50 Home Occupancy Permits to the Colusa Municipal Code and finding the Ordinance exempt from CEQA. Motion passed 4-0 by the following roll-call vote:

AYES: Ponciano, Vaca, Conrado and Codorniz.

NOES: None.

Council Member Markss returned to the chambers

COUNCIL CONSIDERATION

14. Consideration of an alternate member to serve on the Citizens Oversight Committee.

City Clerk Kittle provided the report.

ACTION: With no public comments, motion by Council Member Vaca, seconded by Mayor Pro-Tem Conrado, to appoint Johnny Barnette to the Citizens Oversight Committee. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Vaca, Markss, Conrado and Codorniz.

NOES: None.

15. Consideration of a Resolution requesting membership in Pioneer Community Energy and approving the amended and restated joint exercise of Powers Agreement, and an Ordinance authorizing the implementation of a community choice aggregation program in the City of Colusa to accept the findings of the Impact Assessment Study; and;

City Attorney Jones reported on behalf of the City Manager, who was excused/absent. Council asked questions for Pioneer representatives.

ACTION: With no public comments, motion by Mayor-Pro Tem Conrado, seconded by Council Member Vaca to introduce and read by title only **Ordinance 571** authorizing the implementation of a Community Choice Aggregation Program in the City of Colusa under Public Utilities Code section 366.2. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Vaca, Markss, Conrado and Codorniz.

NOES: None.

ACTION: With no public comments, motion by Mayor Pro Tem Conrado, seconded by Council Member Vaca to adopt **Resolution 25-64** requesting membership in Pioneer Community Energy and approving the Amended and Restated Joint Exercise of Powers Agreement. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Vaca, Markss, Conrado and Codorniz.

NOES: None.

16. Consideration of a motion to enter into a new Employment Services Agreement with City Manager Jesse Cain

City Attorney provided the report.

ACTION: With no public comments, motion by Mayor Pro-Tem Conrado, seconded by Council Member Vaca to grant the Mayor authority to execute a new Employment Services Agreement with Mr. Cain. Motion passed 5-0 by the following roll-call vote:

AYES: Ponciano, Vaca, Markss, Conrado and Codorniz.

NOES: None.

DISCUSSION ITEM

Update on city-wide projects – **PULLED**

FUTURE AGENDA ITEMS

Update on Girl Scouts discussion

Update on Pirelli building projects

Update on city-wide projects

ADJOURNED at 7:44 pm

RYAN CODORNIZ, MAYOR

Shelly Kittle, City Clerk

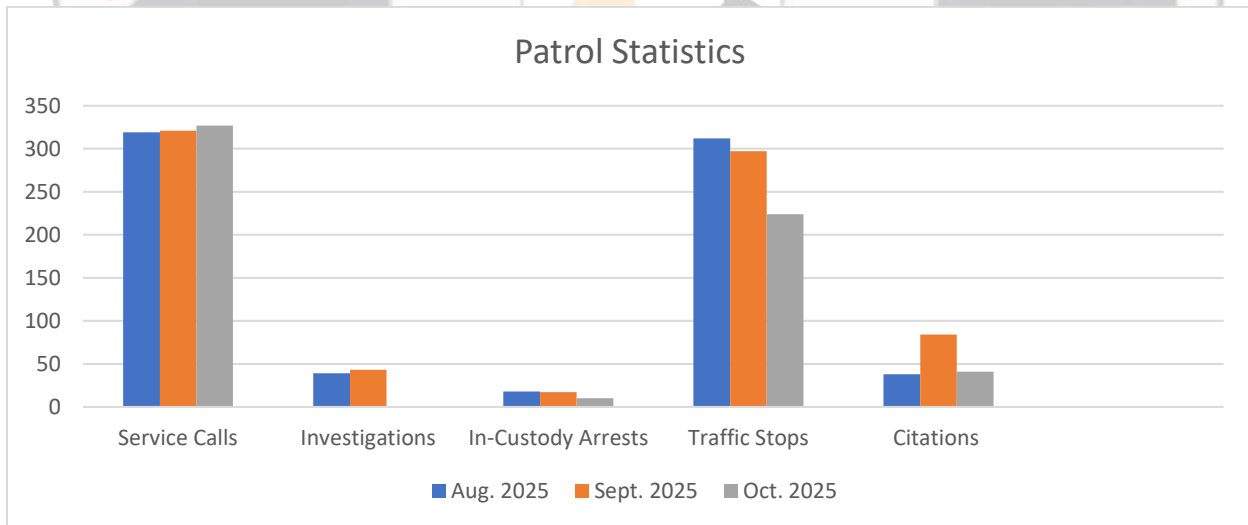
Colusa Police Department

Monthly Report for October 2025

Monthly Activities

- City Council Meetings
- Conducted CCW interviews
- Met with Endemic Architecture for Police Department Design
- Attended Colusa Community Partners meeting
- Met with District Attorneys office for case investigation protocol updates
- Met with CCSO Jail administrators reference PRCS, Parole, and Probation violations
- Attended the School Attendance Review Board
- Assisted with the Assistant City Manger interview panel

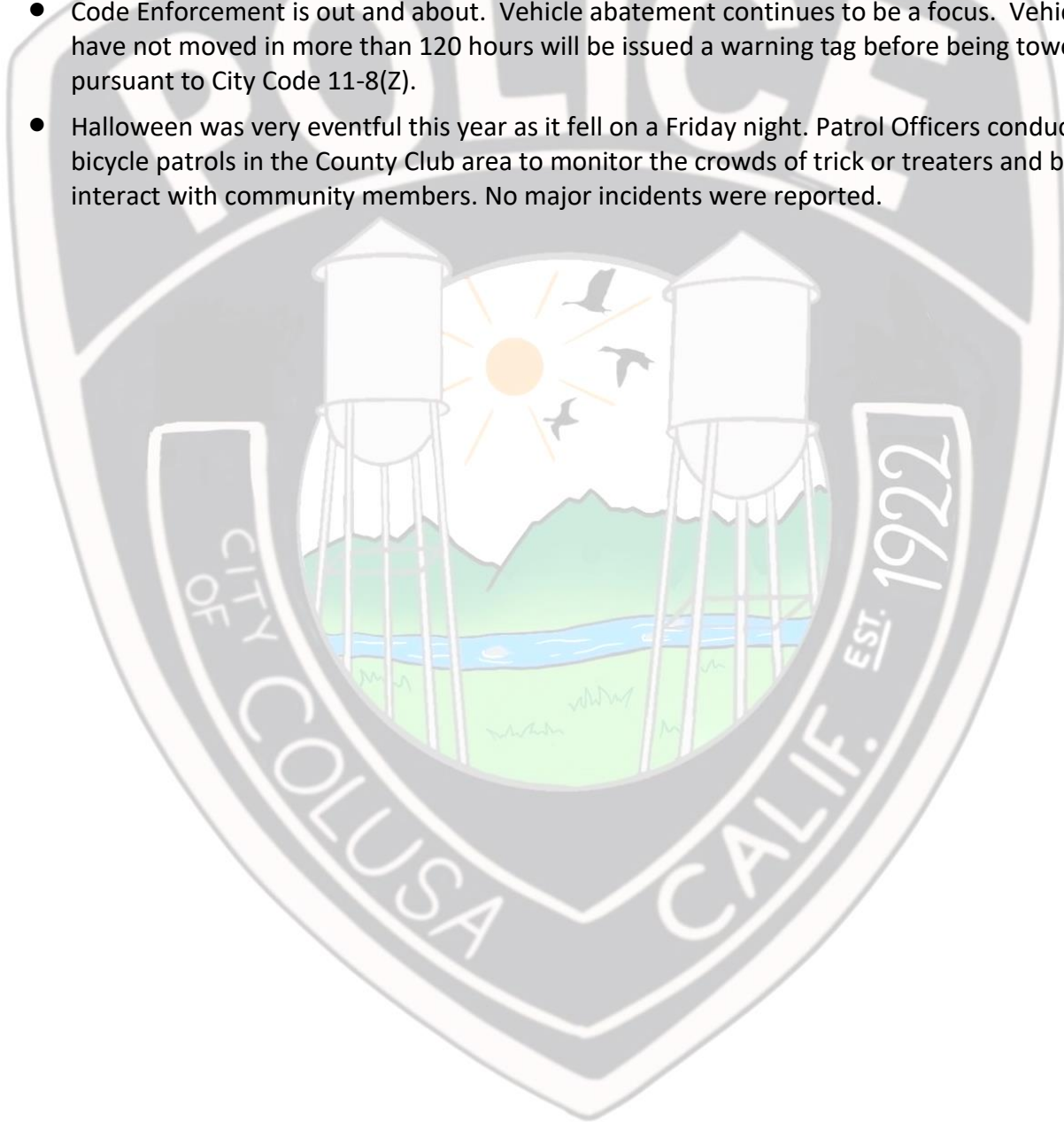
Monthly Statistics



- There were 327 calls for service for patrol officers with 16 agency assists. The call volume in September was slightly higher than September.
- During September, there were 10 in-custody arrests. There was 1 citation issued in lieu of a subject being booked in jail. There was 1 domestic violence related incident reported. This does not include calls for service involving verbal altercations. There were 37 reports initiated.
- During the month of September, officers initiated 224 traffic enforcement stops. There were 40 citations issued. The were a variety of citations issued which included cell phone use violations, speed violations, stop sign violations, and window tint violations. There were 2 reportable traffic collisions. 'Hit and Run' collisions are not included in these statistics but instead are included in crime statistics. There were 3 DUI related arrests.
- The Police Services Manager handled 72 calls for service during the month of September. These calls for service don't include telephone calls handled by the Police Services Manager.

Items of Interest

- *The Colusa Police Department responded to a local trailer park for a reported domestic incident. The investigation revealed that one of the parties involved had been stabbed with a knife during the altercation. The victim received only minor injuries to their torso and hand as a result of the stabbing. The suspect was later located in Williams and taken into custody for assault with a deadly weapon among other charges and was booked into the county jail.*
- Code Enforcement is out and about. Vehicle abatement continues to be a focus. Vehicles that have not moved in more than 120 hours will be issued a warning tag before being towed pursuant to City Code 11-8(Z).
- Halloween was very eventful this year as it fell on a Friday night. Patrol Officers conducted bicycle patrols in the County Club area to monitor the crowds of trick or treaters and better interact with community members. No major incidents were reported.



Code Enforcement Monthly Report**10/01/2025 to 10/31/2025****Total Alleged Violations: 5****Active: 0****Pending: 1****Compliance / Closed - 4 (resolved in the field)****Complaints Received: 2 (via landline) / 2 (email portal) / 1 (In Person)****To Be Noted:** Numbers do not reflect proactive field findings

Letters Sent: 1**In the field findings:****Shopping Carts: (4)** (Sav Mor / **(5)** Dollar General**Note: Business(es) advised to pick up carts as needed****Tagged Vehicle(s) (7) – Towed **(0)** – Cited **(2)**, 120hr & Curbside Parking Violations****Continuous Parking 11-8(z), Wrong Side Parking 11-8 (e), Expired Vehicles 4000 (a)(1) / Alley Parking 11-8(b)****Types of Violations:****Vehicle – Parking / Nuisance Junk -Overgrown Weeds – Fire Hazards /****Feeding of Cats (Written Warning(s) Issued - **0******Continuous Follow Ups Conducted Daily – *Compliance in Progress***

Training / Education**Continue Community & Resource Relations / Annual re-certification Less Than Full Access Operator, DOJ
/ Translating Codes & Ordinance(s) into Spanish while interacting with Hispanic Community**

Notes:**Daily drive-bys / Compliance walkthroughs of Cannabis Locations (odor inspections) - Equipment
Inspections / Cannabis Facility Walk Through's / Cannabis Partner relations / Continuous Research of
relevant trainings / Attended Staff Meetings & Cohort-3 Cannabis Grant -Project Meetings**



City of Colusa California

STAFF REPORT

DATE: November 18, 2025

TO: City Council – Final reading for the Sidewalk Vending Regulations - Ordinance

FROM: Jake Morley, Planning Consultant

AGENDA ITEM: Sidewalk Vending Regulations Ordinance

Report in Brief: This is the final reading and adoption of an ordinance to amending the Colusa Municipal Code by adding Appendix A – Chapter 12-17 – Sidewalk Vending related to SB 946 (2018) and SB 972 (2022).

Recommendation: The City Manager recommends that the City Council adopt the ordinance (Attachment 1) by reading the title only:

Ordinance of the City Council of the City of Colusa adding amendments to Appendix A – Chapter 12-17 – Sidewalk Vending to the Colusa Municipal Code

BACKGROUND:

At its November 4, 2015 meeting, the City Council voted (5-0) to adopt an ordinance adding Appendix A – Chapter 12-17 – Sidewalk Vending to the Colusa Municipal Code (CMC). The new ordinance will be in line with state regulations which allow both mobile and stationary sidewalk vendors.

PUBLIC CONTACT

A public notice is not required for final reading and adoption of an ordinance.

ENVIRONMENTAL REVIEW

At its November 4, 2015 hearing the Council determined that the ordinance amendment was exempt pursuant to the California Environmental Quality Act Section 15060(c)(2) and 15061(b)(3), which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. As a Municipal Code text amendment, it can be seen with certainty that the proposed action may result in a significant effect on the environment, and the proposed revisions to the Municipal Code are exempt from further review under CEQA.

BUDGET IMPACT

None Expected

ATTACHMENTS

1. Ordinance of the City Council - Chapter 12.17 – Sidewalk Vending Regulations

ORDINANCE NO. 569

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA ADDING APPENDIX A – CHAPTER 12-17 – SIDEWALK VENDING TO THE COLUSA MUNICIPAL CODE AND FINDING THE ORDINANCE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, this Ordinance adds Appendix A – Chapter 12-17 – Sidewalk Vending to the Colusa Municipal Code to allow ministerial review of sidewalk vending; and

WHEREAS, this Ordinance advances and provides important entrepreneurship and economic development opportunities, interest, diversity and base, while increasing desired goods, cultural significant foods and merchandise while contributing to a safe and dynamic public space through a series of regulations and standards as well as being in compliant with California Senate Bill 946 (2018) and Senate Bill 972 (2022); and

WHEREAS, this Ordinance has been found to be exempt from the California Environmental Quality Act (CEQA) pursuant to sections 15060(c)(2) and 15061(b)(3), which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. As a Municipal Code text amendment, it can be seen with certainty that the proposed action may not result in a significant effect on the environment, and the proposed revisions to the Municipal Code are exempt from further review under CEQA; and

WHEREAS, On October 1, 2025 the Planning Commission conducted a duly notice public hearing to consider the staff report, staff recommendation, and public testimony concerning the ordinance. Following the public hearing, the Planning Commission voted to recommend forwarding the ordinance to the City Council with a recommendation in favor of its adoption; and

BE IT ORDAINED by the Council of the City of Colusa find that:

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. The City Council finds that this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15060(c)(2) and 15061(b)(3) because it will not result in a direct or reasonably foreseeable physical change in the environment; and the activities is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

Section 3. In accordance with the State of California Government Code commencing with section 65800, the City of Colusa City Council finds that:

1. General Plan: The ordinance amendments to the Colusa Municipal Code (CMC) are

consistent with the General Plan and are found to be consistent with and advances economic related policies for the City of Colusa as outlined in the Land Use (LU-8, LU-10, LU-10-1) and Community Character (CCD-1 and CCD-4.2) Elements portions of the General Plan. Further, the ordinance amendments are in compliance with California Senate Bill 946 (2018) which sought to encourage sidewalk vending across the state and Senate Bill 972 (2022) which also encouraged sidewalk vending while limiting local authority ability to penalize sidewalk vending.

2. Health, Safety, and Welfare; Illogical Land Use Pattern Adoption of this ordinance will not adversely affect the public health, safety and welfare as it updates the Colusa Municipal Code to allow ministerial review of home occupation permits that sets up standards and regulations. This ordinance will not result in an illogical land use pattern as it is not amending the City's zoning map.
3. Consistency with Appendix A. This ordinance is consistent with the purpose and intent of the Colusa Municipal Code as it does not alter or revise the type of intensity of allowed uses in the both commercial and residential zoning districts and ensures that the provisions thereof are consistent with the City's General Plan and State regulations and requirements.

Section 4 Code Amendment. Chapter 12.17 is hereby added in its entirety to Appendix A – Zoning of the Colusa Municipal Code to read as follows:

Chapter 12-17: Sidewalk Vending Regulations

Sec. 12-17.01 – Purpose

The purpose of this article is to establish a sidewalk vending business license and regulatory program in compliance with Senate Bill 946. The provisions of this chapter allow the City of Colusa to encourage small business activities by removing sidewalk prohibitions on small-scale stationary and mobile vendors of goods, wares, merchandise, or food items under a regulatory and enforcement program that protects the public's health, safety, and welfare. This chapter applies only to vending on public property and does not regulate activity on private property.

Sec. 12-17.02 – Definitions

As used in this chapter:

- **Administrator** means the City Manager or their designee responsible for implementing and enforcing this chapter.
- **Business license** refers to a valid City business license issued under Chapter 10, Section 26 of the Municipal Code.
- **Cart** includes any pushcart, pedal-driven cart, stand, rack, showcase, wagon, or other non-motorized equipment used for vending, whether stationary or mobile.
- **California Retail Food Code** means Part 7 of Division 104 of the California Health and Safety Code (§113700 et seq.).
- **Colusa County health permit** means permits, licenses, or certifications issued by Colusa County Environmental Health for vending food in the city.
- **Food** means any edible substance or beverage intended for consumption.
- **Goods or merchandise** refers to any item that is not food.
- **Health Department** means the Colusa County Department of Environmental Health.
- **Person** includes an individual, partnership, corporation, association, group, or entity, whether for-profit or nonprofit.
- **Roaming vending cart** means a cart that is moved continuously and only stops to conduct sales, used by a roaming sidewalk vendor.
- **Roaming sidewalk vendor** is a sidewalk vendor who moves from place to place and stops only to complete transactions, as defined in Government Code §51036(b).
- **Rules and regulations** means policies established by the Administrator and adopted by City Council resolution to implement this chapter.
- **Sidewalk** means any paved pedestrian path or public walkway in the City's right-of-way.
- **Sidewalk vending** means the sale of food or goods from a cart or from one's person on public sidewalks or pedestrian paths.
- **Sidewalk vending program** refers to the City of Colusa's permit and compliance system for sidewalk vendors under this chapter.
- **Sidewalk vendor** means a person who vends on public pedestrian areas as described in Government Code §51036(a).
- **State seller's permit** means a permit issued by the California Department of Tax and Fee Administration for sales tax collection.

- **Stationary vending cart** means a vending cart that remains at a fixed location during operating hours.
- **Stationary sidewalk vendor** is a vendor who operates from a fixed location, as defined in Government Code §51036(c).
- **Vending permit** refers to a permit issued by the Administrator to authorize sidewalk vending within the City of Colusa.

Sec. 12-17.03 – Vending Permit Required

No person may engage in sidewalk vending within the City without first obtaining a vending permit issued by the Administrator. Vendors must comply with all permit terms and applicable laws.

Sec. 12-17.04 – Application Requirements

- (a) To obtain or to renew a vending permit, a sidewalk vendor must provide the following as part of the application:
1. Valid identification, such as a State of California driver's license or identification number, an individual taxpayer identification number, or a municipal identification number, or any other similar government-issued identification card.
 2. The name, address and telephone number of the sidewalk vendor.
 3. Proposed hours and days of operation.
 4. Whether the sidewalk vendor intends to operate a stationary vending cart or a roaming vending cart.
 5. Proposed location of operation.
 - i. An application for placement of a stationary vending cart in a commercial or industrial area of the city must contain the proposed location, marked by major cross streets, and a photo or sketch of such location.
 - ii. An application for a roaming vending cart in a residential area of the city must contain a sketch or description of the route the sidewalk vendor will travel.
 - iii. If a cart will be used, a description of the cart, including dimensions.
 6. The type of merchandise or food offered for sale or exchange.
 7. Proof of a valid business license issued pursuant to Title 10.

8. The application or renewal fee, in an amount established by resolution of the City Council.
 9. A valid state seller's permit and any additional licenses from state or local agencies to the extent required by law.
 10. A county health permit for food-related vending, if applicable.
 11. A certificate of completion of a food handler course, if applicable.
 12. A declaration that the information provided to the city is true and correct.
- (b) Vending permits will expire one year after the date of issuance.
 - (c) Vending permits are not transferable.
 - (d) A person whose vending permit is revoked may not renew their vending permit for one year.
 - (e) In accordance with Government Code section 51038(c)(4), identification numbers, including social security numbers, will be confidential and will not be disclosed.
 - (f) The Administrator may require inspection of the cart as a condition of permit issuance.
 - (g) If there is any prior history of violations under this chapter, the Administrator may review any such violations in its review of renewal requests and consider those violations when imposing conditions on a renewal permit.

Sec. 12-17.05 – General Operational Requirements

Applicants, Operators and Vendors must:

- (a) Display a valid city vending permit and any other required permits that are issued by other public agencies, such as a county health permit.
- (b) Operate only within the approved hours and locations of the vending permit.
- (c) A vendor must keep and maintain a clean and trash-free 20-foot radius from the sidewalk vendor's stationary cart during hours of operation and must leave the area clean by the approved closing time.
- (d) Provide customer trash bins no larger than 20 gallons in capacity (if vending food).
- (e) Not exceed cart size: 72" (L) x 54" (W) x 78" (H), plus small condiment table (max 48" x 24") and trash can (max 20 gal).
- (f) Operate food carts within 200 feet of approved restrooms (if stationary).
- (g) Use no amplified sound or unpermitted electricity.

- (h) Comply with local and state laws, including the Americans with Disabilities Act (ADA) and food packaging rules.
- (i) No signs that are not attached to the vending cart may be used or displayed.
- (j) No vending cart, condiment table or trash receptacle, or other operational equipment may be left at the vending location after closing.
- (k) Sidewalk vendors may not set up tables, chairs, or other structures.
- (l) Sidewalk vendors must comply with all applicable federal, state, and local laws, regulations, and ordinance

Sec. 12-17.06 – Vending in Residential Areas

- (a) Stationary vending is prohibited in residential zones.
- (b) Roaming vendors may operate but must keep moving except to complete a sale.

Sec. 12-17.07 – Prohibitions on placement of stationary or roaming carts

Stationary vending carts may not be placed:

- (a) No sidewalk vendor may place or leave any vending cart or supporting equipment that is:
 1. Within 10 feet of a marked crosswalk or Americans with Disabilities Act (ADA) access ramps.
 2. Within 10 feet of a curb return for an unmarked crosswalk.
 3. Within 5 feet of hydrants or driveways.
 4. Within 12 inches of the edge of the curb.
 5. Within 5 feet of any driveway or driveway apron.
 6. Within marked bus zones or within 5 feet of a designated bus stop.
 7. Within any color curbed zones, such as red, blue, yellow, green, and white zones.
 8. Where placement impedes the flow of vehicle traffic, such as on public streets or public highways, or any roadway (as defined by Vehicle Code section 530).
- (b) No vending cart may be chained or fastened to any utility pole, sign, tree, or other object in the public right-of-way or left unattended.
- (c) No vending cart may impede the flow of pedestrian traffic by reducing the path of travel to less than 4 feet or impede access to or restrict the use of abutting property, including, but not limited to, residences and places of business, in accordance with the Americans with Disabilities Act (ADA).

- (d) Notwithstanding any specific regulations in this chapter, no sidewalk vendor may install, use or maintain a vending cart where placement endangers the safety of persons or property.

Sec. 12-17.08 – Vending in Parks and Recreation Areas

- (a) Only allowed on paved/decomposed granite pedestrian paths.
- (b) Prohibited within 25 feet of another vendor.
- (c) Prohibited where exclusive concession or event contracts exist.
- (d) Sidewalk vendors may not possess, utilize, or provide any person with any bottle, cup, dish, tumbler jar, or container having any glass.

Sec. 12-17.09 – Proximity to Events

Vending is prohibited:

- (a) Within 50 feet from all borders of a city-sponsored or city-permitted event within the time period commencing of the event and from one hour before until one hour after the event.
- (b) Within 50 feet from all borders of a farmers' market or swap meet during operational hours.
- (c) The Administrator will maintain a list of permitted event areas and notify vendors upon request.

Sec. 12-17.10 – Administration

- (a) The Administrator is authorized to issue a permit in accordance with this chapter. The Administrator shall maintain a list of parks and facilities with an exclusive concession agreement and provide a copy of such list with the issuance of any vending permit.
- (b) The Administrator is authorized to develop, and enforce, the rules and regulations regarding the licensing, permitting, and operation of sidewalk vending, in accordance with this chapter.

Sec. 12-17.11 – Enforcement

- (a) Sidewalk vending in violation of this chapter will not be punishable as a criminal infraction or misdemeanor, but will be subject to an administrative citation as follows:
 1. For vending without a valid vending permit
 - i. An administrative fine of two hundred fifty and no/100th (\$250.00) dollars for a first violation

ii. An administrative fine of five hundred and no/100th (\$500.00) dollars for a second within one year of the first violation

iii. An administrative fine of one thousand and no/100th (\$1,000.00) dollars for a third violation and each subsequent violation, within one year of the first violation. Upon proof of a valid permit issued by the city before such fines are due, the city will reduce the amount of the fines to one hundred and no/100^{ths} (\$100.00) dollars for the first violation, two hundred and no/100^{ths} (\$200.00) dollars for the second violation, and five hundred and no/100^{ths} (\$500.00) dollars for each violation thereafter.

2. For all violations of this chapter other than vending without a valid vending permit as outlined in subsection (a) above:

- i. An administrative fine of one hundred and no/100^{ths} (\$100.00) dollars for a first violation
- ii. An administrative fine of two hundred and no/100^{ths} (\$200.00) dollars for a second violation within one year of the first violation.
- iii. An administrative fine of five hundred and no/100^{ths} (\$500.00) dollars for a third violation within one year of the first violation.
- iv. An administrative fine of five hundred and no/100^{ths} (\$500.00) dollars for a fourth and each subsequent violation, and revocation of the vending permit. Revocation proceedings will be conducted in accordance with the rules and regulations established by the city

Citations follow the City's administrative appeal process. Fines may be reduced (20%) or waived with proof of financial hardship per Gov. Code §51038(f).

Sec. 12-17.12 – Cart Removal

The City may require removal of any non-compliant cart and require the vendor to cease operations and obtain necessary permits before resuming operations. If the vendor fails to comply or if the cart is abandoned, the City may impound and dispose of it after reasonable notice, including any food or merchandise

Sec. 12-17.13 – Impounding of Vending Equipment

(a) Impoundment Conditions: The City of Colusa reserves the right to impound vending equipment and associated goods for violations of this article, specifically under conditions including but not limited to:

1. Leaving vending equipment or goods unattended in violation of Section 12.17-07(b) poses a fire risk or other safety hazards.
2. Vending without a valid license as stipulated in Section 12.17-04.
3. Operating in a manner that obstructs the free movement of pedestrians or fails to maintain a minimum accessible path of travel as stipulated in Section 12.17-04 (c).
4. Vending in a manner that creates an imminent and substantial danger or environmental hazard to the public or the property, such as the use of unapproved portable cooking equipment or open flames.

(b) Handling of Impounded Property: Vending equipment or goods that serve as evidence of a crime or are booked as property after the arrest of a sidewalk vendor for violation of local, state, or federal laws may be impounded following Colusa Police Department's policies and procedures.

(c) Disposition of Impounded Goods: The City may immediately dispose of impounded goods that cannot be safely stored or are perishable.

(d) Right to Administrative Hearing: Any owner of impounded vending equipment or goods may, within 10 days, request an administrative hearing before a hearing officer appointed by the City.

(e) Receipt and Retrieval Instructions: The Administrator shall provide the person from whom the goods or vending equipment were impounded with a receipt and instructions for retrieval. These instructions shall be provided at the time of impoundment or mailed within two business days to the address provided by the vendor.

(f) Release of Impounded Equipment and Goods: Impounded vending equipment and goods will be released to the vendor or owner upon presentation of proper proof of ownership and full payment of all administrative costs incurred due to the violation. Any unclaimed items will be considered abandoned and forfeited to the City after 90 days following impoundment.

Section 5. This ordinance shall become effective 30 days following the date of its adoption.

THE FOREGOING ORDINANCE was adopted by the City Council of the City of Colusa at its meeting held on November 18, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

RYAN CODORNIZ, MAYOR

ATTEST:

Shelly Kittle, City Clerk



City of Colusa California

STAFF REPORT

DATE: November 18, 2025

TO: City Council – Final reading for the Home Occupation Regulations - Ordinance

FROM: Jake Morley, Planning Consultant

AGENDA ITEM: Home Occupation Regulation Ordinance

Recommendation: Council to adopt the Ordinance (**Attachment 1**):

Ordinance of the City Council of the City of Colusa Adding Appendix A - Article 50 – Home Occupation Permit to the Colusa Municipal Code

BACKGROUND AND ANALYSIS:

At its November 4, 2025, meeting, the City Council voted (4-0-1) to adopt an Ordinance adding Appendix A – Article 50 – Home Occupancy Permit. The new ordinance will remove the requirement of a minor use permit, which is a discretionary process and result in ministerial process with operational standards, while striving to ensure neighborhood compatibility.

PUBLIC CONTACT

A public notice is not required for final reading and adoption of an ordinance.

ENVIRONMENTAL REVIEW

At its November 4, 2025 public hearing the Council determined that the ordinance amend was exempt pursuant to the California Environmental Quality Act Section 15060(c)(2) and 15061(b)(3), which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. As a Municipal Code text amendment, it can be seen with certainty that the proposed action may result in a significant effect on the environment, and the proposed revisions to the Municipal Code are exempt from further review under CEQA

BUDGET IMPACT

None Expected

ATTACHMENTS

1. Ordinance of the City Council – Appendix A - Article 50 – Home Occupation Permit

ORDINANCE NO. 570

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA ADDING APPENDIX A – ARTICLE 50 – HOME OCCUPATION PERMITS TO THE COLUSA MUNICIPAL CODE AND FINDING THE ORDINANCE EXEMPT FORM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, this Ordinance adds Appendix A – Article 50 to the Colusa Municipal Code to allow ministerial review of home occupation permits; and

WHEREAS, the attached Ordinance advances the economic interest, diversity and base for the city while also ensuring neighborhood compatibility through a series of regulations and standards; and

WHEREAS, this Ordinance has been found to be exempt from the California Environmental Quality Act (CEQA) pursuant to sections 15060(c)(2) and 15061(b)(3), which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. As a Municipal Code text amendment, it can be seen with certainty that the proposed action may not result in a significant effect on the environment, and the proposed revisions to the Municipal Code are exempt from further review under CEQA; and

WHEREAS, On October 1, 2025 the Planning Commission conducted a duly notice public hearing to consider the staff report, staff recommendation, and public testimony concerning the ordinance. Following the public hearing, the Planning Commission voted to recommend forwarding the ordinance to the City Council with a recommendation in favor of its adoption; and

BE IT ORDAINED by the Council of the City of Colusa find that:

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. The City Council finds that this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15060(c)(2) and 15061(b)(3) because it will not result in a direct or reasonably foreseeable physical change in the environment; and the activities is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

Section 3. In accordance with the State of California Government Code commencing with section 65800, the City of Colusa City Council finds that:

1. General Plan: The ordinance amendments to the Colusa Municipal Code (CMC) are consistent with the General Plan and are found to be consistent with and advances economic related policies for the City of Colusa as outlined in the Land Use (LU-8, LU-10, LU-10-1) and Community Character (CCD-1 and CCD-4.2) Elements portions of the General Plan.

2. Health, Safety, and Welfare; Illogical Land Use Pattern Adoption of this ordinance will not adversely affect the public health, safety and welfare as it updates the Colusa Municipal Code to allow ministerial review of home occupation permits that sets up standards and regulations. This ordinance will not result in an illogical land use pattern as it is not amending the City's zoning map.
3. Consistency with Appendix A. This ordinance is consistent with the purpose and intent of the Colusa Municipal Code as it does not alter or revise the type of intensity of allowed uses in the residential zoning districts and ensures that the provisions thereof are consistent with the City's General Plan.

Section 4 Code Amendment. Article 50 is hereby added in its entirety to Appendix A – Zoning of the Colusa Municipal Code to read as follows:

ARTICLE 50 Home Occupation Permits

50.01 Purpose.

The following provisions are intended to permit limited business activities in a manner that maintains the character and integrity of residential neighborhoods, ensures compatibility with surrounding uses, and provides a path for legal operations of home-based businesses.

50.02 Applicability.

(a) Home Occupation Permit Required. A home occupation permit shall be obtained prior to the establishment or operation of any of the activities listed in Section 50.04 (Allowable Home Occupations) and are subject to approval by the Fire Authority and must comply with all applicable requirements of the current California Fire Code.

The activities regulated by this chapter shall not include those that solely involve the use of a desk, personal computer, and/or telephone, which are considered permitted uses in all residential zoning districts.

(b) Business License Required. In addition to securing a home occupation permit from the Planning Director, a business license shall be obtained and posted, in compliance with Chapter 10 (Licenses) of the Municipal Code. A statement of compliance with the operating standards contained in Section 50.08 (Operating Standards) shall be signed prior to issuance of the business license.

50.03 Definitions

'Home Occupation' means a business or commercial activity conducted entirely within a residential dwelling or accessory structure by one or more occupants of the home, which is incidental to the primary residential use and meets the standards set forth in this Chapter.

50.04 Allowable home occupations.

Allowable home occupations shall include the following activities:

- (a) On-site tutoring, teaching, art, music, dance, and similar lessons, provided no more than one student or client is being served at a time;

- (b) Hairdresser or barber, provided no more than one client is being served at a time
- (c) Crafts and hobby uses, such as (but not limited to) photography, artwork, and home crafts;
- (d) Cottage Food Operation (Class A or B) as defined by Section 113758 of the California Health and Safety Code
- (e) Any other use of the same general character as those listed above.

50.05 Specifically, in-eligible business types

- (a) Automobile and mechanical work including small engine repair or sales;
- (b) Restaurant, tavern, wine-tasting or similar uses;
- (c) Clubs, gyms or membership organizations;
- (d) Animal harboring, boarding, training or veterinary services and raising dogs, cats, birds or other animals;
- (e) Small and Large family day care; (see Daycare Regulations)
- (f) Any use that generates excessive traffic, noise, odor, or visual impacts.

50.06 Application filing, initial processing

An application for a home occupation permit shall include all information specified in the Department handout for home occupation permits. A completed Home Occupancy Permit form, affirming compliance with all applicable requirements (including limits on signage, traffic, parking, noise, and use of space), must be submitted to the City before home-based business operations commence.

50.07 Action by the Planning Director.

The Planning Director shall review and act upon a home occupation permit application after all required information has been submitted. Since the permit is nondiscretionary, no formal public notice is required. In reviewing the application, the Planning Director shall determine if the proposal is in compliance with the standards and criteria listed in Section 50.08 (Operating standards).

Other and additional business types may be permitted pursuant to the specific zoning designation.

50.08 Operating standards.

Home occupations shall comply with all of the following operating standards:

- (a) The location of the home occupation is the principal residence of the applicant and is clearly incidental and secondary to the use of the property for residential purposes;
- (b) No major structural changes are proposed which would significantly alter the character of the residence, or change its occupancy classification, in compliance with the Uniform Building Code;

- (c) The proposed home occupation shall not create levels of new glare and light inconsistent with existing amounts of glare and light within the surrounding neighborhood;
- (d) The proposed home occupation shall not adversely increase noise levels beyond permissible residential noise levels within the surrounding neighborhood;
- (e) The proposed home occupation shall not generate electrical interference, dust, heat, odor, solid waste, vibration, or other characteristics in excess of those customarily associated with similar residential uses in the surrounding neighborhood;
- (f) Employment shall be limited to persons residing on the premises and up to one additional employee;
- (g) Is confined completely within a legal structure and occupies not more than twenty-five percent of the floor space of a dwelling or fifty percent of that of an accessory building, whichever is less;
- (h) No equipment, materials, or products associated with the use shall be stored or displayed where visible from off the premises;
- (i) The proposed home occupation shall not involve the storage or use of explosive, flammable, or toxic materials, specifically defined as hazardous materials;
- (j) Any proposed home occupation affording access by use of a private road easement shall be conducted in a manner that shall not overburden the vehicular use of the private road easement;
- (k) The home occupation activity shall not generate more than 10 additional pedestrian or vehicular trips in excess of that customarily associated with the zoning district in which it is located, and no more than 2 deliveries each day. Any traffic generated by the home occupation shall be consistent with the existing traffic levels and patterns of the surrounding residential neighborhood;
- (l) No customers or clients shall be allowed to patronize the home occupation business between the hours of 10:00 p.m. and 6:00 a.m.
- (m) One service or company vehicle associated with the home occupation can be stored on the premises;
- (n) Any home occupation that was existing, open, and operating within the City as of December 31, 2025, must file an application with the City for a Home Occupancy Permit; and
- (o) The Home Occupancy Permit constitutes a revocable privilege, which shall be subject to suspension or revocation if the terms and conditions are not maintained.

50.09 Revocation and Enforcement

Permits may be revoked if the home occupation violates any part of this Chapter or creates a nuisance. The Planning Director may require discontinuation, modification, or conditional use review as needed.

50.10 Amendments to Permits Changes to a home occupation permit.

Changes in use, business expansion, or changes of ownership shall require re-evaluation by the Planning Department. Minor modifications may be approved administratively.

Section 5. This ordinance shall become effective 30 days following the date of its adoption.

THE FOREGOING ORDINANCE was adopted by the City Council of the City of Colusa at its meeting held on November 18, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

RYAN CODORNIZ, MAYOR

ATTEST:

Shelly Kittle, City Clerk

ORDINANCE NO. 571

AN ORDINANCE OF THE COLUSA CITY COUNCIL AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM IN THE CITY OF COLUSA

THE CITY COUNCIL OF THE CITY OF COLUSA, STATE OF CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION I:

The Colusa City Council hereby finds and determines as follows:

1. On September 24, 2002, the Governor of California signed into law Assembly Bill 117 (Statute 2002, Chapter 838; see California Public Utilities Code section 366.2; hereinafter referred to as the “Act”), which authorizes any California city or county, whose governing body so elects, to combine electricity load of its residents and businesses in a Community Choice Aggregation program (“CCA”). The Act expressly authorizes participation in a CCA through a joint powers authority; and
2. On September 9, 2015, the County of Placer and the City of Colfax entered into the original Joint Exercise of Powers Agreement for the purpose of establishing the Sierra Valley Energy Authority as a joint powers authority under the Joint Exercise of Powers Act, Government Code section 6500, et seq.; and
3. The California Public Utilities Commission certified the “Implementation Plan” of the Sierra Valley Energy Authority, confirming compliance with the requirements of the Act; and
4. On February 22, 2017, the Amended and Restated Joint Powers Agreement became effective and authorized the Cities of Auburn, Lincoln, Rocklin, and the Town of Loomis to become Voting Members of the Sierra Valley Energy Authority and established a CCA program within the jurisdictions of all Voting Members; and
5. Resolution No. 2017-3 of the Sierra Valley Energy Authority approved a name change from Sierra Valley Energy Authority to Pioneer Community Energy (“Pioneer”), as it is known today; and
6. Subsequent amendments to the Amended and Restated Joint Powers Agreement have authorized the following to become voting members: Counties of El Dorado, Butte, Glenn, Nevada, Sutter, and Tuolumne; and the Cities of Placerville, Grass Valley, Nevada City, Chico, Live Oak, Orland, Oroville, Sonora, Willows, Yuba City, and the Town of Paradise.
7. Currently electricity is generated and provided to the residents of the City of Colusa by Pacific Gas and Electric Company (PG&E) with no alternative provider for the City of Colusa.

8. The City of Colusa finds it important that its residents, businesses and public facilities have alternative choices to energy procurement beyond PG&E.
9. In October 2025 the City of Colusa and Pioneer began an impact assessment study to consider the financial feasibility and assessed risk of the addition of the City of Colusa into the service area of Pioneer.
10. Contingent on completion of those discussions and study, the City of Colusa finds joining Pioneer will provide financial and other advantages to businesses and residents of the City.
11. The Amended and Restated Joint Exercise of Powers Agreement requires a prospective member to individually adopt a resolution of intent expressing desire to become a member of the Joint Powers Authority and adopt an ordinance electing to implement a CCA within its jurisdiction under California Public Utilities Code section 366.2.
12. The City of Colusa finds that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” since it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Reg. § 15378.) Further, the ordinance is exempt from CEQA, as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Reg. § 15061(b)(3).)

SECTION II:

The City Council of the City of Colusa authorizes the implementation of a Community Choice Aggregation program within the areas currently served by PG&E through participation in the Community Choice Aggregation program of the Pioneer Community Energy Joint Powers Authority, contingent on all of the following: (a) completion of the impact analysis by Pioneer, (b) adoption of a resolution of intent by the City of Colusa expressing the City’s desire to become a member of Pioneer, (c) approval by the City of Colusa of Pioneer Community Energy’s Amended and Restated Joint Exercise of Powers Agreement, as amended, (d) approval by the Governing Board of Pioneer Community Energy of the membership of City of Colusa and (e) the certification by the California Public Utilities Commission of the Implementation Plan filed by Pioneer to include the City of Colusa.

SECTION III:

The provisions of this Ordinance are separate and severable. If any provision of this Ordinance is for any reason held by a court to be invalid, the City Council of the City of Colusa that it would have passed this Ordinance irrespective of the invalidity of the provision held to be invalid and such invalidity shall therefore not affect the remaining provisions of this Ordinance which shall remain in full force and effect or the validity of its application to other persons or circumstances.

SECTION IV:

This Ordinance shall take effect and be in full force thirty (30) days from and after introduction and adoption, and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members of the City Council voting for and against same in the newspaper of general circulation printed and published in the City of Colusa.

THE FOREGOING ORDINANCE was adopted by the City Council of the City of Colusa at its meeting held on _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RYAN CODORNIZ, MAYOR

ATTEST:

Shelly Kittle, City Clerk



City of Colusa California

STAFF REPORT

DATE: November 18, 2025
TO: City of Colusa Mayor and Council Members
FROM: Jesse Cain, City Manager

AGENDA ITEM:

Consideration of a Resolution of the City of Colusa City Council authorizing the City of Colusa as Presenting Sponsor for the Levitt AMP Colusa Music Series (2026-2028)

Recommendation: Adopt Resolution 25- committing the City of Colusa as the Presenting Sponsor for the Levitt AMP Colusa Music Series for the 2026-2028 seasons, with an annual sponsorship of \$15,000 per year, to be budgeted within the Economic Development department for fiscal years 2025/26 - 2027/28.

BACKGROUND ANALYSIS:

Since 2023, the City of Colusa partnered with the Colusa County Arts Council to present the Levitt AMP Colusa Music Series, a nationally recognized free outdoor concert series funded in part through the Mortimer & Mimi Levitt Foundation. The city committed as presenting sponsor at \$15,000 each year, for the free and family friendly 10 concert season.

The program has successfully revitalized the Free Summer Concerts at Veterans Memorial Park as a vibrant gathering place, strengthened community connections, and provided significant economic benefits to Colusa through increased visitor activity. Over the past three years, attendance and local engagement have grown steadily, with more than 450 attendees each week in 2025.

The Levitt Foundation has awarded Colusa the opportunity to continue the series through 2028, pending local matching commitments and continued city partnership. The Presenting Sponsor designation represents the city's leadership role and continued investment in community and economic development.

BUDGET IMPACT: \$15,000 annual commitment for a total of \$45,000 over three years.

STAFF RECOMMENDATION: Council to approve Resolution 25-

ATTACHMENT:

Resolution 25-
Levitt AMP Colusa Request

RESOLUTION NO. 25-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA COMMITTING TO THE ROLE OF PRESENTING SPONSOR FOR THE LEVITT AMP COLUSA MUSIC SERIES FOR THE 2026–2028 SEASONS

WHEREAS, the Levitt AMP Colusa Music Series has successfully provided free, family-friendly live music in Veterans Memorial Park since 2022, fostering community engagement, cultural enrichment, and economic activity in downtown Colusa; and

WHEREAS, the City of Colusa has partnered with the Colusa County Arts Council and the Levitt Foundation to present the concert series, contributing to the revitalization of public spaces and strengthening community pride and connection; and

WHEREAS, the first three-year sponsorship term (2023–2025) resulted in significant community benefits, including increased park usage, tourism, local business engagement, and expanded access to the arts for residents of all ages; and

WHEREAS, the City Council of the City of Colusa recognizes the Levitt AMP Colusa Music Series as an integral part of the City’s economic development, cultural vitality, and community-building goals; and

WHEREAS, the City of Colusa wishes to continue its commitment as the Presenting Sponsor for the 2026, 2027, and 2028 concert seasons, contributing \$15,000 annually toward the continuation and expansion of the program;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Colusa as follows:

1. The City of Colusa hereby commits to serving as the Presenting Sponsor for the Levitt AMP Colusa Music Series for the 2026, 2027, and 2028 concert seasons.
2. The City will allocate \$15,000 annually from available funds, to be designated in each fiscal year budget cycle, to support the production, promotion, and community engagement activities of the Levitt AMP Colusa Music Series.
3. City staff are authorized and directed to collaborate with the Colusa County Arts Council and the Levitt Foundation to execute sponsorship agreements, reporting requirements, and partnership communications as necessary.
4. This resolution shall take effect immediately upon its adoption.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this eighteenth day of November 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RYAN CODORNIZ, MAYOR

ATTEST:

Shelly Kittle, City Clerk

City of Colusa Council
 Attn: Mayor and Council Members
 425 Webster Street
 Colusa, CA 95932

Re: Continued Partnership and Sponsorship Request – Levitt AMP Colusa Music Series (2026–2028)

Dear Mayor Cordinz and City Council Members,

We, the Colusa County Arts Council and Levitt AMP Colusa team, wish to highlight the success of the Levitt AMP Colusa Music Series over its first three years (2023–2025). This free concert series has become a vibrant community event, celebrating music and culture downtown Colusa.

- First Season: Introduced Colusa to the Levitt program with 10 concerts and approximately 2,500 attendees, generating local revenue and civic pride.
- Second Season: Attendance doubled, averaging 350–500 per show, raising over \$15,000 for local nonprofits and boosting local businesses.
- Third Year: Estimated 10,000 attendees, creating a welcoming environment and attracting visitors from across the Sacramento Valley, while providing professional opportunities for local youth and artists.
-

Your support as Presenting Sponsor, with an annual investment of \$15,000, has leveraged nearly \$90,000 each year in funding and support. We respectfully request the City continue as Presenting Sponsor for the next three years (2026–2028), which will:

- Secure eligibility for national funding.
- Maintain free programming for the community.
- Support economic vitality in downtown.
- Enhance Colusa's reputation for arts and culture.

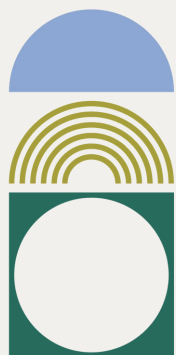
With your continued support, we can further transform our community spaces into places of joy and connection. Thank you for your vision and partnership.

Sincerely,



Millison Lee and Sadie Boggs Ash
 Co-Chairs Levitt AMP Colusa
 Colusa County Arts Council





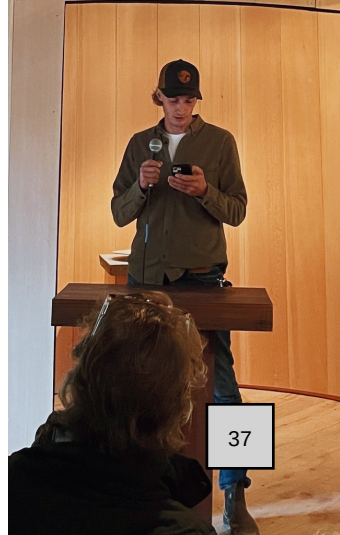
COLUSA
COUNTY
**ARTS
COUNCIL**

Together for the Arts: Celebrating 2025, Inspiring 2026

Help us reach our \$53,000 fundraising goal to bring even more
music & creativity to Colusa County in 2026



Item 7.



37

Dear Friends of the Arts,

Item 7.

2025 was an ambitious year for the Colusa County Arts Council. We took risks on new programs and reached higher heights with our legacy programming.

The inaugural Downtown Colusa Art Walk, an initiative spearheaded by our Arts & Economic Development subcommittee, created a platform for local artists and supported local business. Small Walls, Big Impact, a pilot program from the Public Art Advisory Committee, brought three stellar murals to Colusa County and proved that small towns can have big dreams, too.

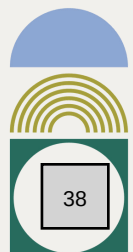
At the same time, Levitt AMP Colusa rang in its third year with ten fabulous concerts and earned us another three years of funding from the Levitt Foundation. We had more volunteers, more non-profit partners, and more fun than ever before! Our Summer Art Camp, which now offers Visual Art and Performing Arts, enrolled the biggest camper group yet. Performing Arts Camp, presented with our friends at SoundSpace, entered its second year and culminated in an incredible live performance at Levitt AMP Colusa.

It was a year of new partnerships and renewed creative energy that reminded us time and again of the generosity of our community. From the laughter of children at our Family Day workshops to the live music echoing through Veterans Memorial Park, we proved that public art and creative placemaking are and will continue to be a force that brings our community together.

As we anticipate new beginnings in 2026, we're focused on using this momentum to grow our programs and strengthen our role as a cultural hub for the county. We hope it will be an even more memorable year, with deeper community impact, better access to our services, new and improved programming that will nurture local artistic talent. With your support, we can make that vision real.

On behalf of the Colusa County Arts Council, we thank you for your generous contributions!

Sincerely,
The Board of Directors
Colusa County Arts Council



YOUR 2025 IMPACT AT A GLANCE

Item 7.

- 10K+ attendees at Levitt AMP Colusa
- 130 youth in summer camps
- 3 new public art projects across Colusa County
- 14 free community workshops
- \$16k raised for other local nonprofits through collaborative events
- 20+ community partnerships strengthened



"These programs helped my child find their creative voice. CCAC makes art feel like it belongs to everyone."

- Local parent, C



Item 7.

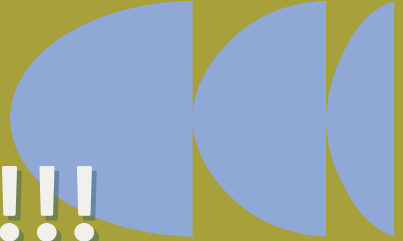




OUR 2026 VISION

Item 7.

ART FOR EVERYONE!!!



In 2026, CCAC will continue to expand opportunities for residents of all ages to create, experience, and connect through art!

Levitt AMP Colusa Music Series

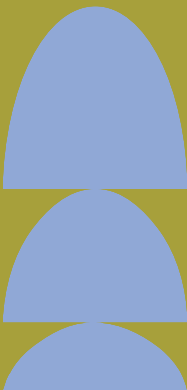
Youth Art Camps

Public Art

Community Events
(Art Walk, LIVE LIT)

Gallery Shows

Art Workshops



SPONSORSHIP OPPORTUNITIES

Item 7.

Become a 2026 Sponsor!

Corporate and individual sponsors make it possible for the Colusa County Arts Council to offer free and affordable programming all year long.

Levitt AMP Colusa Music Series

(Museum Lover, Business, and Director memberships included)

- Series Sponsor: \$14k
- Lawn Sponsor: \$5k
- Concert Sponsor: \$1k
- Co-Concert Sponsor: \$500
- Friend of Levitt: \$250
- Fan of Levitt: \$100

Public Art Project 2026

(Directors Circle membership included)

- Material Sponsor: \$1,000

Youth Art Camps 2026

(Directors Circle membership included)

- Materials & Instructor Sponsor: \$500

Community Events 2026 (Art Walk, LIVE LIT, Workshops)

(Directors Circle membership included)

- Sponsor: \$500

Sponsor benefits include logo placement, social media mentions, website recognition, and event banners.

We're proud to collaborate with local businesses that believe in creativity as a community investment!

HOW TO SPONSOR

Item 7.

Supporting the arts in Colusa County is easy and every contribution helps us inspire creativity, connection, and community across our region. You can become a sponsor in any of the following ways:

1. Give Online

Visit our secure donation platform at givebutter.com/ccac2026 to make your contribution instantly. You can choose a one-time gift or set up a recurring monthly donation.

2. Mail or Drop Off a Sponsorship Form

Complete the enclosed Sponsorship Form and return it with your check payable to Colusa County Arts Council.

Mail or hand-deliver to:

Colusa County Arts Council

151 5th Street

Colusa, CA 95932

3. Visit Us in Person

Stop by the Arts Council office during business hours to make your contribution, discuss sponsorship levels, or learn more about upcoming programs and events your support makes possible.



MEMBERSHIP

Item 7.

Join the Creative Community & Become a Member in 2026!

Memberships keep our gallery open, our programs FREE, and our community inspired. Every membership level helps sustain Colusa's creative life.

- **Individual/Artist - \$30/year**
 - Personalized membership card
 - Reduced ticket prices & gallery discount
- **Family Membership - \$50/year**
 - Individual/Artist membership benefits for two individuals
- **Museum Lovers - \$100/year**
 - Family membership benefits, *plus*
 - Free museum admissions through the North American Reciprocal Museum Association
- **Business - \$200/year**
 - Museum Lovers membership benefits, *plus*
 - Recognition on our website and in publications
- **Directors Circle - \$500/year**
 - Business membership benefits, *plus*
 - Recognition in our gallery and reduced prices on ticket bundles for friends, family, and clients



2025 Members

J.P. Powell
Elizabeth & Charles Yerxa
Mike and Cindy Cerney
Marie Myers
Stephanie Davis
Molly Knappen
Suellen Witham
Madison Martin
Sharon Reische
Marilyn Davison
Annie Hughes
Brenda Williams
Millison & Donovan Lee
Mary Spyres
Molly Knappen

Joella Guaraglia-Wheeler
John & Diane Vafis
Marissa & Adam Dragoo
Alison Yerxa
Denise & Ed Conrado
Carolyn Guild
Ross Roadruck
Sierra Reading
Susan & Mike Meeker
Roberta James
Judith Broderman
Claudia Buchanan
Trinity Montejano
Sadie Ash
Kaylee Cano

Lynn Weber
Lani Yoshimura
Thomas Geyer
Christine Gutierrez
Kelli Durham
Kim Konkle
Kirsten Montejano
Stacey Costello
Ronald Rector
Janice Bell
Mary Ann Nation
Fernanda Vanetta
Mayra Chavez
Victoria Anderson
Stephanie Davis

2025 Event & Program Sponsors



- Hickle & Hickle Farms
- Sadie Ash & Jay Ansley
- Four Oaks Farm
- Leo & Cindy Steidlmyer
- Denise & Ed Conrado
- Jon & Roberta James
- Davies Oil Company
- California Family Foods
- Westside Spreading LLC



**SALMON
BEND
ART
STUDIOS**



- Paula Ash
- Kelli Durham
- Stacey & Benji Costello
- Declan & Jack
- Nic & Betsy Weber
- Daniel Vaca Family
- JJ & Loni Gross
- Jim & Cynthia White
- Thomas Roach
- Andres Barajas
- Colusa Floor Covering
- Dick & Mary Ann Marvel



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hello@colusa-arts.org

(530) 458-2222

www.colusa-arts.org

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151 Fifth Street, Colusa, CA 95932

Tuesday/Wednesday/Thursday

10:00 a.m. - 4:00 p.m.





**Amplify Community
Through Music**
at
Levitt AMP Colusa
2025



Levitt AMP Colusa Finds Its Roots

Levitt AMP Colusa is part of the Levitt AMP Music Series, a program that brings free, high-quality live music to small and mid-sized towns across the United States. This series was created by the Levitt Foundation, a national nonprofit organization dedicated to supporting music and community-building in public spaces.

The Levitt AMP Colusa Music Series is supported in part by the Mortimer & Mimi Levitt Foundation, which partners with changemakers and nonprofits across the country to activate underused outdoor spaces through the power of free, live music-bringing people together, fostering belonging, and invigorating community life. Presenting high-caliber talent and a broad array of music genres and cultural programming, Levitt concerts are welcoming and inclusive destinations where people of all ages and backgrounds come together.

In 2025, the national Levitt network of music venues and concert sites is presenting 650+ free concerts in 45 towns and cities, with audiences over 750,000. In addition to supporting free concerts, the Levitt Foundation is dedicated to advancing equitable music ecosystems through research and partnerships.

Recognizing the potential to use music as a catalyst for community revitalization, local leaders applied for the Levitt AMP grant in 2022 and chose Veterans Memorial Park as the ideal venue. With its central location in downtown Colusa and ample space for families to gather and enjoy live music, Levitt AMP Colusa would bring new life to the park and bolster Colusa's sense of community by drawing residents of all ages and backgrounds together.

Levitt AMP Colusa launched in June 2023, embodying the Levitt Foundation's mission to bring free music to the public while creating a welcoming, vibrant space for all. The series has not only contributed to Colusa's cultural life but also created a sustainable model for community collaboration, fostering partnerships with local organizations, businesses, and city leaders. With every season, Levitt AMP Colusa deepens its roots in the community, making it more than just a concert series—it's a celebration of Colusa's unique spirit and commitment to coming together through the joy of music.



A Growing Legacy of Community Connection

The Levitt AMP Colusa Music Series has become an anchor for community engagement and joy, with attendance skyrocketing over the past two years. Thanks to the unwavering enthusiasm of our audience and support from sponsors like you, we have grown from hosting 100 attendees to welcoming over 400 people per concert! Each event is filled with music, laughter, and fellowship, proving that our community truly cherishes opportunities to come together.





Volunteer Crew

Item 7.

Calling on all Community Champions to be a part of the music magic and join the Volunteer Crew! Volunteers are fundamental in making this music series and unforgettable experience. On your selected date, you can play an integral role in creating a memorable experience for attendees by assisting with:

Set-Up and Break-Down: Prepare the park for the evening and ensure everything is packed away afterward.

Community Hospitality: Greet guests, hand out programs, and share information about the night's activities.



Make friends, have fun, and build your community!



A Powerful Boost for Local Nonprofits and Organizations

One of the greatest impacts of Levitt AMP Colusa is the revenue it generates for local nonprofits and community groups. By partnering with these organizations to serve dinners during each concert, we've helped raise an additional \$25,000 over the past two seasons for these valued groups. This effort not only funds their important work but also strengthens the fabric of our community, making each event a win for all.

We're looking for enthusiastic community groups, non-profits, and youth sports teams to help during our concert nights. Volunteering offers a fun and meaningful way to contribute to the community while showcasing your organization's commitment to Colusa.

In addition to volunteering, we're excited to offer **Bucket Challenge** fundraising! Your volunteers will circulate through the audience with donation buckets provided by the Levitt AMP Colusa crew. These buckets will have your organization name and a QR code where visitors can donate electronically or add some cash to the bucket. 100% of the funds collected go directly to your organization to support your programs and activities.

If your group is interested in volunteering and participating in the Bucket Challenge. We'll work with you to schedule a date that aligns with your availability and provide all the information you need to make the evening a success. To confirm your group's participation, please contact levittamp@colusa-arts.org.



This is a unique chance to engage with the community, promote your mission, and benefit your group financially while enjoying a free concert under the stars!



Item 7.

Levitt AMP Colusa 2025

Steering Committee

Item 7.

Sadie Boggs Ash, LK James, Millison Lee, Daniel LoPilato, & Fernanda Vanetta

Colusa County Arts Council

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Executive Director
LK James,
*Curator & Director of
Programing*



To learn more and support our 2021

Item 7.

Season, visit us at:



www.levittampcolusa.info



levittamp@colusa-arts.org



[levittampcolusa](https://www.instagram.com/levittampcolusa)

Levitt AMP Colusa Music Series

COLUSA COUNTY **ARTS COUNCIL**



www.colusa-arts.org



hello@colusa-arts.org



[colusacountyarts](https://www.instagram.com/colusacountyarts)

Colusa County Arts Council



www.levitt.org



info@levitt.org



[levittfoundation](https://www.instagram.com/levittfoundation)

Levitt Foundation



Support at any level is
much appreciated!

***Thank you for partnering
with us
to amplify community!***



City of Colusa California

STAFF REPORT

DATE: November 18, 2025
TO: City of Colusa Mayor and Council Members
FROM: Jesse Cain, City Manager

AGENDA ITEM:

Consideration of a Resolution of the City of Colusa City Council authorizing application window for Cannabis Permits to be considered and issued in 2026.

Recommendation: Council to adopt the Resolution approving the City to open Commercial Application Time to issue up to three (3) Cultivation Permits, two (2) Delivery Permit, and one (1) Dispensary Permit.

BACKGROUND ANALYSIS:

The November 2023 adoption of amendments to the City of Colusa's Cannabis Ordinance and Zone articles accounts for an Annual Application window to be approved by Council resolution each November. The application window is December 1 – January 31. During this time, applicants for specified permits may submit an application, with all the required information, for the City to review and bring forth to the Council for final approval.

The City Council voted to not open the application window in November of 2024, at the time our active and onboarded issued permits stood at:

Cultivation (3), Manufacturing (2), Delivery (0), and Dispensary (0)

Our current active issued permits stand at:

Cultivation (4), Manufacturing (2), Microbusiness (1), Delivery (0), and Dispensary (0)

BUDGET IMPACT: Increase to Cannabis Fund based on number of applications, as an application fee of \$5,000 is required, with no guarantee of application approval.

STAFF RECOMMENDATION: Council to approve Resolution 25-

ATTACHMENT: Resolution 25-

RESOLUTION NO. 25-

RESOLUTION OF THE CITY OF COLUSA CITY COUNCIL APPROVING THE COMMERCIAL CANNABIS APPLICATION WINDOW TO OPEN

WHEREAS, the City of Colusa is committed to the health and safety of its citizens;

WHEREAS, the City of Colusa will open the window to accept applications for commercial cannabis permits, and;

WHEREAS, the City of Colusa does not guarantee that applications received will be awarded in 2026, and;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Colusa as follows:

The City of Colusa City Council approves the Annual Commercial Cannabis Application window to open December 1, 2025, and remain open until January 31, 2026. The City will accept applications for Cultivation, Delivery, and Dispensary business only, and all applications must contain all documents set forth in City Code.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted on this 18th day of November 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RYAN CODORNIZ, MAYOR

ATTEST:

Shelly Kittle, City Clerk



City of Colusa California

STAFF REPORT

DATE: November 18, 2025
TO: City of Colusa Mayor and Council Members
FROM: Jesse Cain, City Manager

AGENDA ITEM:

Consideration of City Loan to Amar Cheema

Recommendation: Staff recommends the City Council approve a \$2.5 million loan from the General Fund Reserves to Colusa Town and Country at 10% interest for a term of four (4) years. The loan is to be used solely for the construction and improvement of City-owned streets and public infrastructure within the Wescot road realignment project area. The City of Colusa will be first on title until the project is completed and accepted by the city and the loan is fully repaid

BACKGROUND ANALYSIS:

The Wescot road realignment project is a development project with the potential to deliver significant economic benefits to the City of Colusa. The project includes residential and commercial components, and once completed, it is expected to create both temporary construction jobs and long-term employment opportunities, along with increased property and sales tax revenues for the City.

The project requires certain critical infrastructure improvements, including streets, curbs, gutters, storm drains, and other City-owned assets. To ensure these improvements are completed to City standards and on schedule, Colusa Town and Country has requested financial assistance from the City in the form of a loan from the General Fund Reserves

The proposed loan of \$2.5 million will be structured as follows:

- **Loan Amount:** \$2,500,000
- **Interest Rate:** 10%
- **Term:** 4 years
- **Repayment Structure:** Interest-only payments due quarterly, beginning January 31, 2026, with a balloon payment of the principal due at the end of the 4-year term
- **Use of Funds:** Restricted to costs directly related to the construction and improvement of City-owned streets and infrastructure within the project

- **Security:** The City of Colusa will be recorded as first on title until the project is completed, accepted by the City, and the loan is paid in full

The City will execute attached promissory note and deed of trust to secure the loan. All construction activities funded by this loan will be subject to City inspection and acceptance to ensure quality and compliance with municipal standards

ECONOMIC BENEFITS TO THE CITY:

This loan will enable the timely completion of critical infrastructure, thereby accelerating the overall development of the project. Economic benefits include:

- **Job Creation:** Construction and related trades will benefit from the immediate creation of jobs during the infrastructure phase
- **Increased Property Values:** New development will raise surrounding property values, enhancing the City's tax base
- **Sales and Property Tax Revenues:** Upon completion, the project will generate ongoing revenues from sales taxes (from commercial tenants) and property taxes (from new residential and commercial assessments)
- **Local Economic Stimulus:** The development will drive consumer traffic, potentially attracting additional businesses to the area

This loan represents a fiscally responsible way to support a strategic development project that aligns with the City's long-term economic goals. The investment will yield both direct financial returns through interest and broader community benefits through job creation, infrastructure improvements, and enhanced tax revenues.

Fiscal Impact

The loan will be drawn from the City's General Fund Reserves, which currently have sufficient capacity to fund the loan without compromising existing obligations or operations.

The City's priority lien on the project ensures that the public investment is well protected until the loan is satisfied in full

BUDGET IMPACT:

STAFF RECOMMENDATION: Staff recommends the adoption of the resolution as presented.

ATTACHMENTS:

Resolution 25
 Cheema Infrastructure Loan Agreement
 Cheema Infrastructure Deed of Trust
 Cheema Promissory note
 1601 State HWY 20 Preliminary report

RESOLUTION NO. 25-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA
AUTHORIZING THE CITY MANAGER TO EXECUTE THE PROMISSORY NOTE AND
DEEDS OF TRUST TO SECURE THE LOAN FOR AMARJIT MANDEEP CHEEMA

WHEREAS, the City of Colusa City Council authorizes the City Manager to execute all documents needed to ensure that the City of Colusa is protected and

WHEREAS, the City of Colusa City Council agrees that this is an economic benefit to the City of Colusa; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:

1. Recitals. The foregoing recitals are true and correct and made a part of this Resolution.
2. The City Council of the City of Colusa hereby authorizes the City Manager to execute any and all documents to protect the City of Colusa.
3. Effective Date. This Resolution shall be effective immediately.

Passed and adopted this 18th day of November 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RYAN CODORNIZ, MAYOR

Attest:

Shelly Kittle, City Clerk

LOAN AGREEMENT

by and between

THE CITY OF COLUSA,
a California municipal corporation

and

Amarjit and Mandeep Cheema

_____, 2025

THIS LOAN AGREEMENT (this “Agreement”) is entered into effective as of _____, 2025 (“Effective Date”) by and between the **City of Colusa**, a California municipal corporation (“City”) and **Amarjit and Mandeep Cheema** (“Developer”). City and Developer are hereinafter collectively referred to as the “Parties.”

RECITALS

A. Developer owns a fee interest in that real property located in in the City of Colusa, County of Colusa, State of California (the “Property”), as more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

B. Developer intends to rehabilitate and or construct a commercial development on the Property and related on-site and off-site improvements (the “Project”)

C. Developer has requested, and City has agreed, to provide a loan to Developer in the amount of Two Million, Five Hundred Thousand and 00/100 Dollars (\$2,500,000) from the City’s General Fund Reserves (the “Loan”) to assist in the development of the Project pursuant to the terms and conditions set forth herein.

D. A material inducement to City to enter into this Agreement is the agreement by Developer to develop the Property within the time periods specified in a Development Agreement between the Parties and in accordance with the provisions thereof, and the City would be unwilling to enter into this Agreement in the absence of an enforceable commitment by Developer to complete the Project in accordance with such provisions and within such time periods.

E. Concurrently herewith: (i) Developer shall execute a secured promissory note (the “Note”) in the amount of the Loan and a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “Deed of Trust”), which shall provide City with a security interest in the Property and the Project. This Agreement, the Note, and the Deed of Trust are collectively hereinafter referred to as the “City Documents.”

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I DEFINITIONS

1. Definitions. The following terms shall have the meanings set forth in the Sections referenced below whenever used in this Agreement and any Exhibits attached hereto. Additional terms are defined in the Recitals and text of this Agreement.

1.1 “City Documents” is defined in Recital E.

1.2 “Development Agreement” is that certain Development Agreement between the parties approved by City ordinance number 544

- 1.3 “Environmental Laws” is defined in Section 9.4.
- 1.4 “Hazardous Materials” is defined in Section 9.3.
- 1.5 “Improvements” is defined in Section 3.7.
- 1.6 “Indemnitees” is defined in Section 9.2.
- 1.7 “Loan” is defined in Recital C and Article 4.
- 1.8 “Note” is defined in Article 4.
- 1.9 “Project” is defined in Recital B.

ARTICLE II REPRESENTATIONS; EFFECTIVE DATE AND TERM

2.1 Developer Representations. Developer represents and warrants as follows, and Developer covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.1 not to be true, Developer shall immediately give written notice of such fact or condition to City. Developer acknowledges that City shall rely upon Developer representations made herein notwithstanding any investigation made by or on behalf of City.

(i) Authority Developer (Collectively, Amarjit and Mandeep Cheema) has the full right, power and authority to undertake all obligations of Developer as provided herein, and Developer execution, performance and delivery of this Agreement and the other City Documents have been duly authorized by all requisite actions.

(ii) No Conflict. Developer execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(iii) No Litigation or Other Proceeding. No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of Developer to perform its obligations under this Agreement.

(iv) No Developer Bankruptcy. Developer is not the subject of a bankruptcy or insolvency proceeding.

2.2 City Representations. City represents and warrants to Developer and covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 2.2 not to be true, City shall immediately give written notice of such fact or condition to Developer. City acknowledges

that Developer shall rely upon City's representations made herein notwithstanding any investigation made by or on behalf of Developer.

(i) Authority. City is a California municipal corporation, duly organized and in good standing under the laws of the State of California. City has the full right, power and authority to undertake all of the respective obligations as provided herein, and the execution, performance and delivery of this Agreement by City has been duly authorized by all requisite actions on the part of each such entity. The persons executing this Agreement on behalf of City has been duly authorized to do so. This Agreement constitutes a valid and binding obligation of City.

(ii) No Conflict. City's execution, delivery and performance of their respective obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which either is bound.

(iii) No Litigation or Other Proceeding. No litigation or other proceeding (whether administrative or otherwise) is outstanding or has been threatened which would prevent, hinder or delay the ability of City to perform their obligations under this Agreement.

(iv) No Bankruptcy. City is not the subject of a bankruptcy or insolvency proceeding.

2.3 Effective Date. The obligations of Developer and City hereunder shall be effective as of the Effective Date.

ARTICLE III DEVELOPMENT OF THE PROJECT

3.1 The Property. Developer represents and warrants that as of the Effective Date: (i) Developer holds fee title to the Property, and (ii) to the best knowledge of Developer after reasonable inquiry, the Property is subject to no covenant, condition, restriction or agreement that would hinder or prevent Developer performance of its obligations under this Agreement, the Development Agreement, and the other City Documents. If at any time the foregoing statements become untrue, the City shall have the right after reasonable opportunity to cure is provided to terminate this Agreement upon written notice to Developer.

3.2 Project Approvals. Developer covenants that it shall: (i) obtain all necessary permits and approvals which may be required by City and any other governmental agency having jurisdiction over the construction of the Project or the development of the Property, (ii) comply with all mitigation measures, if any, imposed in connection with any environmental review of the Property or the Project, and (iii) not commence construction of the Project prior to issuance of building permits.

3.3 Fees. Developer shall be solely responsible for, and shall promptly pay when due, all customary and usual fees and charges of City in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any related approvals and

permits, environmental review, architectural review, historic review, and any subsequent approvals for the Project or the development of the Property.

3.5 Cost of Acquisition and Construction. Except as expressly set forth herein, Developer shall be solely responsible for all direct and indirect costs and expenses incurred in connection with the acquisition of the Property, the design, development and construction of the Project and compliance with any conditions of approval of the City, including without limitation the installation and construction of all off-site or on-site improvements required by City in connection therewith, and none of such costs and expenses shall be the obligation of the City.

3.6 Rights of Access; Books and Records. For the purpose of ensuring that the Project is developed in compliance with this Agreement, Developer shall permit representatives of the City to enter upon the Property to inspect the Project following 48-hours' written notice (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided). Upon request, Developer shall permit the City to inspect at reasonable times and on a confidential basis those books, records and all other documents of Developer necessary to determine Developer compliance with the terms of this Agreement.

3.7 City Disclaimer. Developer acknowledges that the City is under no obligation, and City does not undertake or assume any responsibility or duty to Developer or to any third party, to in any manner review, supervise, or inspect the progress of construction or the operation of the Project. Developer and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Project. Any review or inspection undertaken by the City is solely for the purpose of determining whether Developer is properly discharging its obligations under this Agreement, and shall not be relied upon by Developer or any third party as a warranty or representation by the City as to the quality of the design or construction of the Project and other improvements constructed on the Property (collectively, the "Improvements") or otherwise.

3.8 Intentionally Omitted.

3.9 Equal Opportunity. During the construction of the Project, there shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction of the Project, and Developer shall direct its contractors and subcontractors to refrain from discrimination on such basis.

3.10 Compliance with Laws. Developer shall carry out and shall cause its contractors to carry out the construction of the Project in conformity with all applicable federal, state and local laws, rules, ordinances and regulations, including without limitation, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code, the City zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*

3.11 Liens and Stop Notices. Until full repayment of the Loan, Developer shall not allow to be placed on the Property or any part thereof any lien or stop notice on account of materials supplied to or labor performed on behalf of Developer. If a claim of a lien or stop notice is given or recorded affecting the Project, Developer shall within thirty (30) days of such recording or service: (a) pay and discharge (or cause to be paid and discharged) the same; or (b) effect the release thereof by recording and delivering (or causing to be recorded and delivered) to the party entitled thereto a surety bond in sufficient form and amount or provide other assurance satisfactory to City that the claim of lien or stop notice will be paid or discharged.

3.12 Right of City to Satisfy Liens on the Property. If Developer fails to satisfy or discharge any lien or stop notice on the Property pursuant to Section 3.12 above, the City shall have the right, but not the obligation, to satisfy any such liens or stop notices at Developer expense and without further notice to Developer. In such event Developer shall be liable for and shall immediately reimburse City for such paid lien or stop notice. Alternatively, the City may require Developer to immediately deposit with City the amount necessary to satisfy such lien or claim pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against Developer. Developer shall file a valid notice of cessation or notice of completion upon cessation of construction of the Improvements for a continuous period of thirty (30) days or more, and shall take all other reasonable steps to forestall the assertion of claims or liens against the Property or the Improvements. The City may (but has no obligation to) record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Property and the Improvements.

ARTICLE IV CITY FINANCIAL ASSISTANCE

4.1 Loan. The City shall provide a loan to Developer in the amount of Two Million, Five Hundred Thousand and 00/100 Dollars (\$2,500,000) (the “Loan”) upon the terms and conditions and for the purposes set forth in this Agreement. The Loan shall be evidenced by a promissory note (the “Note”) secured by the Deed of Trust executed by Developer as Trustor and recorded against the Property subordinate only to such liens as City shall approve in writing. The outstanding principal balance of the Note will accrue ten percent (10%) simple annual interest commencing upon the date of disbursement. Interest shall accrue only on amounts disbursed from the date of each disbursement

Provided that Developer has complied with all conditions precedent to disbursement of the Loan set forth in Section 4.5, the proceeds of the Loan (“**Loan Proceeds**”) shall be disbursed in accordance with Section 4.4 hereof. The Parties agree that City shall disburse Loan Proceeds only for the purposes set forth in Section 4.4.

4.2 Payment Dates; Maturity Date. All payments on the loan shall be made in accordance with the terms of the Note, and shall be due on the Maturity Date as defined in the Note.

4.3 Security. As security for repayment of the Note, Developer shall execute the Deed of Trust pursuant to which City shall be provided a lien against the Property and the Improvements. The Deed of Trust shall be recorded in the Official Records on the date of closing on the Loan. The Deed of Trust may be subordinated only to such liens and subject only to such title exceptions as City may approve in writing. The City acknowledges that Developer construction and permanent lender(s) may require the subordination of the Deed of Trust and the City shall subordinate the Deed of Trust to deeds of trust or other security instruments approved by the City.

4.4 Use and Disbursement of Proceeds. The Loan Proceeds shall be used exclusively for expenses related to the construction and installation of new street lights, roads, and intersections, all of which shall become the sole property of the City of Colusa upon completion.

4.5 Conditions to Disbursement of Loan Proceeds. City's obligation to fund the Loan and disburse the proceeds thereof is conditioned upon the satisfaction of all of the following conditions:

(a) Developer delivery to City of each of the following: (i) certificate indicating that Developer is properly organized, in good standing, and authorized to do business in the State of California, and (ii) a signed statement indicating that Developer has authorized this transaction and that the persons executing this Agreement and the City Documents on Developer behalf have been duly authorized to do so.

(b) Developer delivery to the City of evidence of insurance coverage in accordance with the requirements set forth in Section 11.2.

(c) Developer delivery of each of the City Documents, each fully-executed and acknowledged as applicable.

(d) Recordation of the Deed of Trust, in the Official Records.

(e) The issuance by an insurer satisfactory to City of a CLTA . lender's policy of title insurance ("Title Policy") for the benefit of City in the amount of the Loan, insuring that the lien of the Deed of Trust is subject only to such defects, liens, conditions, encumbrances, restrictions, easements and exceptions as City may approve in writing and containing such endorsements as City may reasonably require, with the cost of the Title Policy to be paid by Developer.

(f) The City's receipt of a written requisition for disbursement of funds from Developer specifying the amount and use of the requested funds.

4.6 No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the City shall have no obligation to disburse or authorize the disbursement of any portion of the Loan Proceeds following:

(i) the failure of any of Developer representations and warranties made in this Agreement or in connection with the Loan to be true and correct in all material respects;

(ii) the termination of this Agreement by mutual agreement of the Parties;

(iii) the conditions to disbursement of the Loan set forth in Section 4.5 have not been satisfied within the time frame set forth in Section 3.1, unless an extension of such date is approved by City in writing; or

(iv) the occurrence of an Event of Default under this Agreement, the Development Agreement or any of the City Documents which remains uncured beyond any applicable cure period.

4.7 Prepayment; Acceleration.

(a) Prepayment. Developer shall have the right to prepay the Loan at any time and from time to time, without penalty or premium, provided that any prepayment of principal must be accompanied by interest accrued but unpaid to the date of prepayment. Prepayments shall be applied first to accrued but unpaid interest and then to principal. Any such prepayment shall have no effect upon Developer obligations under the Development Agreement which shall survive for the full term of the Development Agreement.

(b) Due On Sale or Encumbrance. Unless City agrees otherwise in writing, such agreement not to be unreasonably withheld, the entire unpaid principal balance and all interest and other sums accrued under the Note shall be due and payable upon the Transfer (as defined in Section 7.2) absent the prior written consent of City of all or any part of or interest in the Property except for a Transfer permitted under Section 7.3 of this Agreement or as otherwise permitted pursuant to this Agreement.

ARTICLE V INTENTIONALLY OMITTED

ARTICLE VI USE OF THE PROPERTY

6.1 Use. Developer covenants and agrees for itself and its successors and assigns that the Property shall be used for the development and operation of the Project in accordance with the terms and conditions of this Agreement and the Development Agreement.

6.2 Maintenance. Developer shall at its own expense maintain the Property, the Improvements and related landscaping and common areas in good physical condition, in good repair, and in decent, safe, sanitary, conditions in conformity with all applicable state, federal, and local laws, ordinances, codes, and regulations. Without limiting the foregoing, Developer agrees to maintain the Project and the Property (including without limitation, the, common areas, landscaping, driveways, parking areas and walkways) in a condition free of all waste, nuisance, debris, unmaintained landscaping, graffiti, disrepair, abandoned vehicles/appliances, and illegal activity, and shall take all reasonable steps to prevent the same from occurring on the Property or at the Project. Developer shall prevent and/or rectify any physical deterioration of the Property and the Project and shall make all repairs, renewals and replacements necessary to keep the Property and the Improvements in good condition and repair.

6.3 Taxes and Assessments. Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Property and payable by Developer, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge, the Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest. Developer shall have the right to apply for all applicable tax exemptions, including, without limitation, the welfare exemption from property tax for low-income housing.

6.4 Obligation to Refrain from Discrimination. Developer shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Developer covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof. Developer shall include such provision in all deeds, leases, contracts and other instruments executed by Developer, and shall enforce the same diligently and in good faith.

ARTICLE VII

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF DEVELOPER

7.1 Change Pursuant to this Agreement. Developer has represented that it possesses the necessary expertise, skill and ability to carry out the development of the Project on the Property pursuant to this Agreement. The qualifications, experience, financial capacity and expertise of Developer is of particular concern to the City. It is because of these qualifications, experience, financial capacity and expertise that the City has entered into this Agreement with Developer. No voluntary or involuntary successor, assignee or transferee of Developer shall acquire any rights or powers under this Agreement, except as expressly provided herein.

7.2 Prohibition on Transfer. Prior to the expiration of the term of this Agreement, Developer shall not, except as expressly permitted by this Agreement, directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, assignment or lease (collectively, "Transfer") of the whole or any part of the Property, the Project, the Improvements, or this Agreement, without the prior written approval of City. Any such attempt to assign this Agreement without the City's consent shall be null and void and shall

confer no rights or privileges upon the purported assignee. In addition to the foregoing, prior to the expiration of the term of this Agreement, except as expressly permitted by this Agreement, Developer shall not undergo any significant change of ownership without the prior written approval of City. For purposes of this Agreement, a “significant change of ownership” shall mean a transfer of the beneficial interest of more than forty-nine percent (49%) in aggregate of the present ownership and /or control of Developer, taking all transfers into account on a cumulative basis; provided however, neither the admission of an investor, nor the transfer by the investor to subsequent investors shall be restricted by this provision.

7.3 Permitted Transfers. Notwithstanding any contrary provision hereof, the prohibitions set forth in this Article shall not be deemed to prevent: (i) the granting of utility easements or permits to facilitate development of the Property; (ii) the dedication of any property required pursuant to this Agreement; (iii) the lease of individual units to tenants; (iv) assignments creating security interests for the purpose of financing the acquisition, construction or permanent financing of the Project or the Property subject to the requirements of Article VIII, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; (v) and (vi) a Permitted Refinancing. Notwithstanding the foregoing or anything to the contrary in this Agreement, the removal and replacement of Developer manager in accordance with the terms of the Developer operating agreement shall not be prohibited or require the City’s consent and shall not constitute a default under any of the Loan Documents or accelerate the maturity of the Loan.

7.4 Requirements for Proposed Transfers. The City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Property or portion thereof if all of the following requirements are met (provided however, the requirements of this Section 7.4 shall not apply to permitted Transfers described in Section 7.3 or the last sentence of Section 7.2) (“Permitted Transfers”):

(i) The proposed transferee demonstrates to the City’s satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by the City to competently complete construction of the Project and to otherwise fulfill the obligations undertaken by the Developer under this Agreement.

(ii) The Developer and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to affect any Transfer of this Agreement, the Property or interest therein together with such documentation of the proposed transferee’s qualifications and development capacity as the City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Developer under this Agreement, the Development Agreement, the City Documents arising after the effective date of the Transfer and all obligations of Developer arising prior to the effective date of the Transfer (unless Developer expressly remains responsible for such obligations) and shall agree to be subject to and assume all of Developer obligations pursuant to any conditions of approval of the City and all other conditions, and restrictions set forth in this Agreement and the Development Agreement.

(iv) The Transfer shall be effectuated pursuant to a written instrument satisfactory to the City in a form recordable in the Official Records.

Consent to any proposed Transfer may be given by the City Manager unless the City Manager, in his or her discretion, refers the matter of approval to the City Council. If the City rejects a proposed Transfer, the City, as applicable, shall provide the reasons for such rejection in writing within thirty (30) days following receipt of written request by Developer, and representatives of the City shall meet with Developer and the proposed transferee to discuss in good faith the reasons for the rejection and Developer and transferee's responses thereto.

7.5 Effect of Transfer without City Consent. In the absence of specific written agreement and express approval by the City, no Transfer by Developer (excluding Permitted Transfers) shall be deemed to relieve the Developer or any other party from any obligation under this Agreement or the Development Agreement.

7.6 Recovery of City Costs. Developer shall reimburse City for all costs, including but not limited to attorneys' fees, incurred in reviewing instruments and other legal documents proposed to affect a Transfer under this Agreement and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee within ten days following City's delivery to Developer of an invoice detailing such costs. This Section 7.6 shall not apply to Transfers described in Section 7.3.

ARTICLE VIII SECURITY FINANCING AND RIGHTS OF MORTGAGEES

8.1 Mortgages and Deeds of Trust for Development. Mortgages and deeds of trust, or any other reasonable security instrument are permitted to be placed upon the Property only for the purpose of securing loans approved by City for the purpose of financing the acquisition of the Property, the design and construction of the Improvements, other expenditures reasonably necessary for development of the Property pursuant to this Agreement, and the rehabilitation and/or refinancing of the Project. Developer shall not enter into any conveyance for such financing without the prior written approval of the City Manager or his or her designee. As used herein, the terms "mortgage" and "deed of trust" shall mean any security instrument used in financing real estate acquisition, construction and land development.

8.2 Holder Not Obligated to Construct. The holder of any mortgage, deed of trust authorized by this Agreement shall not be obligated to construct or complete the Improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

8.3 Notice of Default and Right to Cure. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to each holder of record of any mortgage or deed of trust secured by the Property and to the Borrower's members provided that City has been provided with the address for delivery of such notice. City shall have no liability to

any such holder for any failure by the City to provide such notice to such holder. Each such holder shall have the right, but not the obligation, at its option, to cure or remedy any such default or breach.

8.4 City Right to Cure Defaults. In the event of a breach or default by Developer under a mortgage or deed of trust secured by the Property, City may (but has no obligation to) cure the default, without acceleration of the subject loan, following prior notice thereof to the holder of such instrument and Developer. In such event, Developer shall be liable for, and City shall be entitled to reimbursement from Developer for all costs and expenses incurred by City associated with and attributable to the curing of the default or breach and such sum shall constitute a part of the indebtedness secured by the Deed of Trust.

8.5 Holder to be Notified. Developer, for itself, its successors and assigns hereby warrants and agrees that each term contained herein dealing with security financing and rights of holders shall be either inserted into the relevant deed of trust or mortgage or acknowledged by the holder prior to its creating any security right or interest in the Property.

8.6 Modifications to Agreement. City shall not unreasonably withhold their consent to modifications of this Agreement requested by Project lenders or investors provided such modifications do not alter City's substantive rights and obligations under this Agreement.

8.7 Estoppel Certificates. Any Party shall, at any time, and from time to time, within thirty (30) days after receipt of written request from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature of any such defaults.

ARTICLE IX ENVIRONMENTAL MATTERS

9.1 No City Liability; Developer Covenants. City shall not be responsible for the cost of any soil, groundwater or other environmental remediation or other response activities for any Hazardous Materials, if any, existing or occurring on the Property or any portion thereof, and Developer shall be solely responsible for all actions and costs associated with any such activities required by any regulatory agency with jurisdiction over the Property and/or required for the development of the Project, the Property, or any portion thereof. Upon receipt of any notice regarding the presence, release or discharge of Hazardous Materials in, on or under the Property, or any portion thereof, Developer (as long as Developer owns the property which is the subject of such notice) agrees to timely initiate and diligently pursue and complete all appropriate response, remediation and removal actions for the presence, release or discharge of such Hazardous Materials within such deadlines as specified by applicable Environmental Laws. Developer hereby covenants and agrees that:

(1) Developer shall not knowingly permit the Project or the Property or any portion of either to be a site for the use, generation, treatment, manufacture, storage, disposal or

transportation of Hazardous Materials or otherwise knowingly permit the presence or release of Hazardous Materials in, on, under, about or from the Project or the Property with the exception of any previously disclosed existing conditions on the Property and cleaning supplies and other materials customarily used in construction, rehabilitation, use or maintenance of Commercial property and used, stored and disposed of in compliance with Hazardous Materials Laws, and

(2) Developer shall keep and maintain the Project and the Property and each portion thereof in compliance with, and shall not cause or permit the Project or the Property or any portion of either to be in violation of, any Hazardous Materials Laws.

9.2 Environmental Indemnification. Developer shall indemnify, defend (with counsel approved by City) and hold the City and its elected and appointed officials, officers, agents and employees (the “Indemnitees”) harmless from and against any and all claims including without limitation any expenses associated with the investigation, assessment, monitoring, response, removal, treatment, abatement or remediation of Hazardous Materials and administrative, enforcement or judicial proceedings resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal or the alleged presence, release, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Property, or (ii) the failure of Developer, Developer employees, agents, contractors, subcontractors, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws or the covenants set forth in Section 9.1. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Property or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. Developer indemnification obligation under this Section 9.2 shall not apply to acts described in clause (i) above caused by the gross negligence or willful misconduct of an Indemnitee.

9.2.1 No Limitation. Developer hereby acknowledges and agrees that Developer duties, obligations and liabilities under this Agreement, including, without limitation, under Section 9.2 above, are in no way limited or otherwise affected by any information the City may have concerning the Property and/or the presence in, on, under or about the Property of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations. It is further agreed that City does not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

9.3 Hazardous Materials. As used herein, the term “Hazardous Materials” means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a “hazardous substance”, “hazardous material”, “hazardous waste”, “toxic waste”, “toxic pollutant”, “toxic substance”, “solid waste” or “pollutant or contaminant” in or pursuant to, or similarly identified as

hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any “Superfund” or “Super lien” law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

9.4 Environmental Laws. As used herein, the term “Environmental Laws” means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as each of the foregoing now exist or are hereafter amended, together with any regulations promulgated thereunder.

ARTICLE X

DEFAULTS, REMEDIES AND TERMINATION

10.1 Event of Developer Default. The following events shall constitute an event of default on the part of Developer (“Event of Developer Default”):

(a) Developer fails to commence construction within 60 days of closing on the Loan, or Developer fails to complete construction of the Project within 36 months of closing on the Loan, or subject to force majeure, abandons or suspends construction of the Project prior to completion for a period of sixty (60) days or more;

(b) Developer fails to pay when due the principal and interest (if any) payable under the Note and such failure continues for thirty (30) days after City notifies Developer thereof in writing;

(c) A Transfer (excluding a Permitted Transfer) occurs, either voluntarily or involuntarily, in violation of Article VII;

(d) Developer fails to maintain insurance on the Property and the Project as required pursuant to this Agreement, and Developer fails to cure such default within ten (10) days;

(e) Subject to Developer right to contest the following charges pursuant to Section 6.3, if Developer fails to pay prior to delinquency taxes or assessments due on the Property or the Project or fails to pay when due any other charge that may result in a lien on the Property or the Project, and Developer fails to cure such default within 30 days of date of delinquency, but in all events upon the imposition of any such tax or other lien;

(f) A default is declared in writing under any loan secured by a mortgage; deed of trust or other security instrument recorded against the Property and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(g) Any representation or warranty contained in this Agreement or in any financial statement, certificate or report submitted to the City in connection with this Agreement or Developer request for the Loan proves to have been false in any material and adverse respect when made and continues to be materially adverse to the City;

(h) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (“Bankruptcy Law”), Developer (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Developer in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Developer; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(i) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging the Developer to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Developer or seeking any arrangement for Developer under bankruptcy law or any other applicable debtor’s relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the

Developer in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Developer;

(j) Developer shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(k) The Developer shall have voluntarily suspended its business or Developer shall have been dissolved or terminated;

(l) An event of default arises under this Agreement, the Development Agreement, or any City Document and remains uncured beyond any applicable cure period; or

(m) Developer defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 10.1 and unless a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or thirty (30) days in the event of a nonmonetary default after the date upon which City shall have given written notice of the default to Developer; provided however, if the default is of a nature that it cannot be cured within 30 days, a Developer Event of Default shall not arise hereunder if Developer commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than ninety (90) days after receipt of notice of the default or such longer period as the City may allow.

Developer members (the “Members”) shall have the right to cure any default of Developer hereunder and any of the Loan Documents upon the same terms and conditions afforded to Developer. Provided that City has been given written notice of the address for delivery of notices to the Members, City shall provide any notice of default hereunder to the Members concurrently with the provision of such notice to Developer, and as to the Members, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with Section 12.3.

10.2 City Default. An event of default on the part of City (“Event of City Default”) shall arise hereunder if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of thirty (30) days after written notice thereof from Developer to City, or in the case of a default which cannot with due diligence be cured within thirty (30) days, City fails to commence to cure the default within thirty (30) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

10.3 City’s Right to Terminate Agreement. If an Event of Developer Default shall occur and be continuing beyond any applicable cure period, then City shall, in addition to other rights available to it under law or this Agreement, have the right to terminate this Agreement. If City makes such election, City shall give written notice to Developer and to any mortgagee entitled to

such notice specifying the nature of the default and stating that this Agreement shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this Agreement and all rights of Developer under this Agreement, shall expire and terminate.

10.4 City's Remedies and Rights Upon an Event of Developer Default. Upon the occurrence of an Event of Developer Default and the expiration of any applicable cure period, City shall have all remedies available to them under law or equity, including, but not limited to the following, City may, at its election, without notice to or demand upon Developer, except for notices or demands required by law or expressly required pursuant to this Agreement, the Development Agreement, or the City Documents, exercise one or more of the following remedies:

- (a) Accelerate and declare the balance of the Note and interest accrued thereon immediately due and payable;
- (b) Seek specific performance to enforce the terms of the Development Agreement;
- (c) Foreclose on the Property pursuant to the Deed of Trust;
- (d) Pursue any and all other remedies available under law to enforce the terms of this Agreement, the Development Agreement, and the City Documents and City's rights thereunder.

10.5 Developer Remedies Upon an Event of City Default. Upon the occurrence of an City Event of Default, in addition to pursuing any other remedy allowed at law or in equity or otherwise provided in this Agreement, Developer may bring an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions, and/or seeking to obtain any other remedy consistent with the purpose of this Agreement.

10.6 Remedies Cumulative; No Consequential Damages. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party. Notwithstanding anything to the contrary set forth herein, a party's right to recover damages in the event of a default shall be limited to actual damages and shall exclude consequential damages.

10.7 Inaction Not a Waiver of Default. No failure or delay by any Party in asserting any of its rights and remedies as to any default shall operate as a waiver of such default or of any such rights or remedies, nor deprive any Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

ARTICLE XI INDEMNITY AND INSURANCE.

11.1 Indemnity. Developer shall indemnify, defend (with counsel approved by City) and hold Indemnitees (as defined in Section 9.2) harmless from and against any and all claims, including without limitation, claims arising directly or indirectly, in whole or in part, as a result of or in connection with Developer or Developer contractors, subcontractors, agents or employees development, construction, improvement, operation, ownership or maintenance of the Project or the Property, or any part thereof or otherwise arising out of or in connection with Developer performance under this Agreement. Developer indemnification obligations under this Section 11.1 shall not extend to claims resulting from the gross negligence or willful misconduct of Indemnitees. It is further agreed that City do not and shall not waive any rights against Developer that they may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

11.2 Liability and Workers Compensation Insurance.

(a) Developer and all contractors working on behalf of Developer on the Project shall maintain a commercial general liability policy in the amount of Two Million Dollars (\$2,000,000) combined single limit, Four Million Dollars (\$4,000,000) annual aggregate, or such other policy limit as City may require in their reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds.

(b) Developer and all contractors working on behalf of Developer shall maintain a comprehensive automobile liability coverage in the amount of One Million Dollars (\$1,000,000), combined single limit including coverage for owned and non-owned vehicles and shall furnish or cause to be furnished to City evidence satisfactory to City that Developer and any contractor with whom Developer has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Upon commencement of construction and continuing until issuance of a Certificate of Occupancy, Developer and all contractors working on behalf of Developer shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming City as a loss payee.

(d) Developer shall maintain property insurance covering all risks of loss (other than earthquake), including flood (if required) for 100% of the replacement value of the Project with deductible, if any, in an amount acceptable to City, naming City as a loss payee.

(e) Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A-VIII. The Commercial General Liability and comprehensive automobile policies required hereunder shall name the Indemnitees as additional insureds. Builder's Risk and property insurance shall name City as a loss payee.

(f) Prior to closing of the Loan, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal.

(g) If any insurance policy or coverage required hereunder is canceled or reduced, Developer shall, within fifteen (15) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Developer expense, and Developer shall promptly reimburse City for such expense upon receipt of billing from City.

(h) Coverage provided by Developer shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the City. Developer shall furnish the required certificates and endorsements to City prior to the commencement of construction of the Project, and shall provide City with certified copies of the required insurance policies upon request of City.

ARTICLE XII MISCELLANEOUS PROVISIONS

12.1 No Brokers. Each Party warrants and represents to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transactions contemplated by this Agreement. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this Section shall survive the expiration or earlier termination of this Agreement.

12.2 Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by any Party shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other Parties, acts or failures to act of any other public or governmental agency or entity (other than the acts or failures to act of City which shall not excuse performance by City), or any other cause beyond the affected Party's reasonable control. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Parties within thirty (30) days of the commencement of the cause and such extension is not rejected in writing by the other Parties within ten (10) days of receipt of the notice. None of the Parties shall unreasonably withhold consent to an extension of time pursuant to this Section.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Developer and City (acting in the discretion of its City Manager unless he or she determines in his or her discretion to refer such matter to the City Council). City and Developer acknowledge that adverse changes in economic conditions, either of the affected Party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing to complete the work of Improvements shall not constitute grounds of enforced delay pursuant to this Section. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

12.3 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service;

City:	City of Colusa 425 Webster Street Colusa, California 95392 Attention: City Manager
Developer:	Amarjit and Mandeep Cheema 1240 Gerald Court Yuba City, CA 9599

12.4 Attorneys' Fees. If any Party fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties concerning the meaning or interpretation of any provision hereof, then the prevailing party in any proceeding in connection with such dispute shall be entitled to the costs and expenses it incurs on account thereof and in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

12.5 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party. This Agreement may be amended or modified only by a written instrument executed by the Parties.

12.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VII, this Agreement shall bind and inure to the benefit of the Parties and their respective

permitted successors and assigns. Any reference in this Agreement to a specifically named party shall be deemed to apply to any permitted successor and assign of such party who has acquired an interest in compliance with this Agreement or under law.

12.7 Construction. The Section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since all of the Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

12.8 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to the City Council for consideration.

12.9 Entire Agreement. This Agreement, including any exhibits listed below, which are attached hereto and incorporated herein by this reference, together with the Development Agreement, and the other City Documents contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

12.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Amendment may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

12.11 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

12.12 No Third Party Beneficiaries. Nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

12.13 Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

12.14 Non-Liability of Officials, Employees and Agents. No officer, official, employee or agent of City shall be personally liable to Developer or its successors in interest in the event of

any default or breach by City or for any amount which may become due to Developer or its successors in interest pursuant to this Agreement.

12.15 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this Agreement, a “business day” means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of California.

12.16 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Colusa County, California or in the Federal District Court for the Eastern District of California.

12.17 Financial and Governmental Capacities. Developer agrees that the capacity of the City in this Agreement and the other City Documents shall be only as a lender (“Financial Capacity”), and that nothing herein or therein shall waive, supersede, condition, limit, modify or affect the City’s rights to take (or not take) any action in a governmental capacity, including without limitation enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions pursuant to federal, state or local law (“Governmental Capacity”). In addition, nothing in this Agreement and the other City Documents shall supersede or waive any discretionary or regulatory approvals required to be obtained from the City under applicable law.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

CITY:

CITY OF COLUSA,
a California municipal corporation

By: _____
Name: Jesse Cain
Its: City Manager

DEVELOPER:

Amarjit and Mandeep Cheema

By: _____
Name: **Amarjit Cheema**
Title: **Owner**
Date: _____

By: _____
Name: **Mandeep Cheema**
Title: **Owner**
Date: _____

Approved as to Form:

Ryan R. Jones, City Attorney

Attest:

Shelly Kittle, City Clerk

**EXHIBIT A
LEGAL DESCRIPTION**

Real property in the City of Colusa, County of Colusa, State of California, described as follows:

[INSERT LEGAL DESCRIPTION OF PROJECT PROPERTY]

APN:

PROMISSORY NOTE
Principal Amount: \$2,500,000.00
Date: November 18, 2025

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of the **City of Colusa**, a municipal corporation located at 425 Webster Street, Colusa, California 95932 ("Lender"), the principal sum of **Two Million, Five Hundred Thousand Dollars(\$2,500,000.00)**, with interest on the unpaid principal balance at the rate of **ten percent simple interest (10%) per annum**, on the terms and conditions set forth below.

1. Maturity Date. The maturity date shall be November 18, 2029 (the "Maturity Date").

2. Repayment Terms

a. Interest-Only Payments:

Borrower shall make the first interest-only payment on or before **January 31, 2026**. Thereafter, Borrower shall make regular **interest-only payments quarterly**, due on the **first (1st) day of each calendar quarter**, beginning **March 1, 2026**, and continuing every June 1, September 1, and December 1 through the term of the Note. Interest shall accrue only on **amounts** disbursed from the date of each disbursement.

b. Final Payment:

The entire principal balance, together with any and all accrued and unpaid interest, shall be **due and payable in full on November 18, 2029**.

3. Use of Proceeds. The loan proceeds shall be used **exclusively** for costs associated with the design, construction, and installation of **street lighting, roadways, and intersection improvements** related to the infrastructure project described in the Loan Agreement. All completed improvements shall become and remain the **property of the City of Colusa**.

4. Security. This Promissory Note (this "Note") shall be secured by that certain Deed of Trust with Assignment of Rents dated as of the date hereof and recorded concurrently herewith (the "Deed of Trust") against Borrower's interest in the Property. The **City of Colusa shall hold first position on the deeds** securing this Note on the Property throughout the term of this Note.

5. Payment of Principal upon Event of Default or Sale. In the event the Property is sold (except as permitted under the terms of the Loan Agreement) or upon an Event of Default, which continues beyond expiration of applicable notice and cure periods, payment of the principal amount of the Loan and accrued interest shall be due and payable.

6. Prepayment. Borrower may prepay this Note in whole or in part at any time without penalty. Any partial prepayments shall be applied first to accrued interest, then to principal.

7. Collection. This Note evidences the Loan and is secured by the Deed of Trust recorded against the Property. The terms of the Deed of Trust are incorporated herein by this reference.

Borrower agrees to pay all the reasonable collection and enforcement costs, reasonable expenses and reasonable attorneys' fees paid or incurred by the Lender of this Note or adjudged by a court in any litigation or controversy connected with this Note, or security for it, including but not limited to actions for declaratory relief that any such Lender is required to prosecute or defend and actions for relief based on rescission, or actions to cancel this Note that any such Lender is required to defend.

8. Default. The following shall constitute an event of default under this Note:

- a. Failure to make any payment when due;
- b. Use of loan proceeds for unauthorized purposes;
- c. Failure to complete the Project as agreed;
- d. Any action that would subordinate the Lender's deed position without prior written consent.

Upon the occurrence of any Event of Default which continues beyond expiration of applicable notice and cure periods, or at any time thereafter during the continuance of such Event of Default, at the option of Lender hereof and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time during the continuance of any such uncured Event of Default. Lender's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent Event of Default. Lender's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

Notwithstanding anything to the contrary in the Loan Agreement, this Note, or the Deed of Trust (collectively, the "Loan Documents") and except with respect to any obligation to make payments to Lender, Borrower shall have the right to cure any defaults under the Loan Documents and Lender agrees to accept cures tendered by Borrower within the period specified in the written notice from Lender to Borrower of such default, plus such additional time as is reasonably necessary to cure the default provided Borrower has commenced the cure within such cure period and is diligently prosecuting the cure to completion. Notwithstanding the foregoing, Borrower shall have no less than thirty (30) days to cure any defaults.

9. Governing Law. This Note shall be governed by and construed in accordance with the laws of the **State of California**.

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

11. Assignment. Lender may not assign, sell, transfer or convey voluntarily or by operation of law, this Note (or any interest in this Note) without the prior written approval of Borrower.

12. Attorney Fees. Borrower agrees to pay immediately upon demand all reasonable costs and expenses of Lender, including reasonable attorneys' fees, (i) after an Event of Default, should this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after an Event of Default hereunder or under the Deed of Trust, Lender finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Borrower, any guarantor or any other party liable therefore or to the protection of its rights under the Loan Documents, or (iii) if Lender seeks to have the Property abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Loan Documents or any other agreement evidencing or securing this Note lifted by any bankruptcy or other courts.

13. Integration. This Note, the Deed of Trust and the other Loan Documents relating to this Note, embody the agreement between Lender and Borrower for the Loan and its terms and conditions.

14. Amendments. This Note may not be modified or amended except by an instrument in writing executed by the parties sought to be bound thereby.

IN WITNESS WHEREOF, the undersigned has duly executed this Promissory Note as of the day and year first written above.

BORROWER:

Amarjit and Mandeep Cheema

By: _____

Name: **Amarjit Cheema**

Title: **Owner**

Date: _____

By: _____

Name: **Mandeep Cheema**

Title: **Owner**

Date: _____

Accepted and Agreed:

City of Colusa

By: _____

Name: **Jesse Cain**

Title: **City Manager**

Date:



855 Harter Parkway, Suite 130
Yuba City, CA 95993
(530) 673-8841 Fax: (530) 673-5607

PRELIMINARY REPORT

Our Order Number 4211022406-JS

1240 Gerald Cort
Yuba City, CA 95993

Attention: AMARJIT CHEEMA

When Replying Please Contact:

Jayne Silveira
jsilveira@ortc.com
(530) 673-8841

Property Address:

APN: 002-120-036-000, Colusa, CA 95932
[Unincorporated area of Colusa County]

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of June 27, 2025, at 8:00 AM

OLD REPUBLIC TITLE COMPANY
For Exceptions Shown or Referred to, See Attached

OLD REPUBLIC TITLE COMPANY
ORDER NO. 4211022406-JS

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Owner's Policy of Title Insurance - 2022; AND ALTA Loan Policy of Title Insurance - 2021. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee

Title to said estate or interest at the date hereof is vested in:

Amarjit Cheema And Mandeep Cheema, husband and wife as joint tenants

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

BEGINNING at a point on the Easterly right of way line of the State Highway for Colusa to Meridian and the Northerly property line of the Colusa Irrigation Company's main canal, and from which point of beginning, the Northeasterly corner of the Bedell Tract bears North 72° 54' 19" West, 118.15 feet distant, and running thence from said point of beginning the following courses and distances along the Easterly right of way line of said highway, South 04° 07' 20" West, 52.32 feet, South 06° 59' 00" East, 88.93 feet; thence South 23° 40' 00" East, 433.80 feet to a 3/4 inch iron pipe on said right of way; thence leaving said right of way, North 69° 15' 00" East, 648.90 feet; thence North 23° 40' 00" West, 10.43 feet to a point on the Southerly property line of the Colusa Irrigation Company's property; thence North 34° 10' 42" West, 54.83 feet to a point on the Northerly property line of said Company's property; thence running on and along said Northerly property line of the Colusa Irrigation Company, the following courses and distances: North 75° 54' 36" West, 193.66 feet; thence North 71° 15' 33" West, 302.22 feet; and thence North 68° 42' 36" West, 299.41 feet to the point of beginning.

EXCEPTING THEREFROM that certain portion conveyed to the State of California in Deed recorded April 27, 2017 in Official Records, under Recorder's Series No. [2017-0001499](#) and Correction Deed recorded May 3, 2023 in Official Records, under Recorder's Series No. [2023-0001116](#).

APN: 002-120-036-000

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2025 - 2026, a lien, but not yet due or payable.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 4211022406-JS

2. Taxes and assessments, general and special, for the fiscal year 2024 - 2025, as follows:

Assessor's Parcel No	:	022-120-036-000	
Code No.	:	001-018	
1st Installment	:	\$2,265.15	Marked Paid
2nd Installment	:	\$2,265.15	Marked Paid
Land Value	:	\$398,374.00	

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

4. The herein described property lying within the proposed boundaries of a Community Facilities District, as follows:

District No	:	2014-1
For	:	Clean Energy
Disclosed By	:	Assessment Map
Recorded	:	in Book 1 of Assessment Maps, Page 18

Further information may be obtained by contacting:
 County of Colusa

5. Water rights, claims or title to water, whether or not shown by the public records.

6. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To	:	City of Colusa
For	:	Water line
Recorded	:	March 8, 1983 in Book 526 of Official Records, Page 588
Affects	:	as described therein

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

7. Any rights, easements, interests or claims which may exist or arise by reason of or reflected by the facts shown on that certain Record of Survey filed [January 17, 2017 in Book 7 of Record of Survey, Page 87](#).

OLD REPUBLIC TITLE COMPANY
ORDER NO. 4211022406-JS

8. Waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of the public highway, as provided in the Deed;

From : Amarjit Cheema, et ux
To : State of California
Recorded : [April 27, 2017 in Official Records under Recorder's Serial Number 2017-0001499](#)

And Correction Deed recorded [May 3, 2023 in Official Records under Recorder's Serial Number 2023-001116](#).

9. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$200,000.00
Trustor/Borrower : Amarjit Cheema and Mandeep Cheema, husband and wife, as joint tenants
Trustee : Old Republic Title Company, a California corporation
Beneficiary/Lender : Kamaljit S. Takhar, a married man
Dated : February 26, 2021
Recorded : [March 4, 2021 in Official Records under Recorder's Serial Number 2021-0001021](#)

Modification/amendment of the terms of said Deed of Trust, by an instrument

Recorded : [February 3, 2022 in Official Records under Recorder's Serial Number 2022-0000520](#)

10. Matters as contained or referred to in an instrument,

Entitled : Development Agreement Relating to the Development Commonly Known as Colusa Town Center
Executed By : City of Colusa an Amarjit Cheema
Dated : February 2, 2021
Recorded : [April 29, 2021 in Official Records under Recorder's Serial Number 2021-0001805](#)

Note: Reference is made to said instrument for full particulars.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 4211022406-JS

11. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Easement Deed (Public Road)
Granted To : City of Colusa
For : Right of way for a public road and highway
Recorded : [December 5, 2024 in Official Records under Recorder's Serial Number 2024-0003079](#)

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

12. Any unrecorded and subsisting leases.

13. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.

----- Informational Notes -----

- A. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument
Entitled : Grant Deed
By/From : D & H, LLC, a California limited liability company who acquired title as D & H LLC
To : Amarjit Cheema And Mandeep Cheema, husband and wife as joint tenants
Recorded : [April 18, 2016 in Official Records under Recorder's Serial Number 2016-0001293](#)

OLD REPUBLIC TITLE COMPANY
ORDER NO. 4211022406-JS

NOTE:

The following statement is deemed attached as a coversheet to any declaration, governing document, or deed identified in the above exceptions:

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a “Restrictive Covenant Modification” form, together with a copy of the attached document with the unlawful provision redacted to the county recorder’s office. The “Restrictive Covenant Modification” form can be obtained from the county recorder’s office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Information for processing a “Restrictive Covenant Modification” form:

1. Print a complete copy of the document in question. Strike out what you believe to be unlawful restrictive language in the document.
2. Print and complete the “Restrictive Covenant Modification” (“RCM”) form. Note that the signature on the form must be acknowledged by a notary public or other qualified officer.
3. Submit the completed RCM form and the document with your strike-outs to the County Clerk-Recorder’s Office for the county where the property is located. No fee is required for this service.
4. The County Clerk-Recorder’s Office will forward the RCM form and the document with your strike-outs to the Office of the County Counsel, who will determine whether the document contains any unlawful restrictions.
5. The Office of the County Counsel will return the RCM form and the document with your strike-outs to the County Clerk-Recorder’s Office along with its determination. If approved, a Deputy County Counsel will sign the RCM, and the County Clerk-Recorder’s Office will record, image and index it. If the Office of the County Counsel determines that the document does not contain an unlawful restriction, the County Clerk-Recorder’s Office will not record the RCM.
6. The approved RCM will be returned to the submitter by mail.

The “Restrictive Covenant Modification” form is linked below:

[Restrictive Covenant Modification form](#)

ORDER NO. : 4211022406

EXHIBIT A

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

BEGINNING at a point on the Easterly right of way line of the State Highway for Colusa to Meridian and the Northerly property line of the Colusa Irrigation Company's main canal, and from which point of beginning, the Northeasterly corner of the Bedell Tract bears North 72° 54' 19" West, 118.15 feet distant, and running thence from said point of beginning the following courses and distances along the Easterly right of way line of said highway, South 04° 07' 20" West, 52.32 feet, South 06° 59' 00" East, 88.93 feet; thence South 23° 40' 00" East, 433.80 feet to a 3/4 inch iron pipe on said right of way; thence leaving said right of way, North 69° 15' 00" East, 648.90 feet; thence North 23° 40' 00" West, 10.43 feet to a point on the Southerly property line of the Colusa Irrigation Company's property; thence North 34° 10' 42" West, 54.83 feet to a point on the Northerly property line of said Company's property; thence running on and along said Northerly property line of the Colusa Irrigation Company, the following courses and distances: North 75° 54' 36" West, 193.66 feet; thence North 71° 15' 33" West, 302.22 feet; and thence North 68° 42' 36" West, 299.41 feet to the point of beginning.

EXCEPTING THEREFROM that certain portion conveyed to the State of California in Deed recorded April 27, 2017 in Official Records, under Recorder's Series No. 2017-0001499 and Correction Deed recorded May 3, 2023 in Official Records, under Recorder's Series No. 2023-0001116.

APN: 002-120-036-000

Exhibit I

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE OWNER'S POLICY OF TITLE INSURANCE – 2022**

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 b. any governmental forfeiture, police, regulatory, or national security power.
 c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
 Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PART I

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

Exhibit I

**AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY OF TITLE INSURANCE – 2021**

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 b. any governmental forfeiture, police, regulatory, or national security power.
 c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
 Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 13.b.
7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.
8. Any lien on the Title for real estate taxes or assessments imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

Exhibit I

**AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY OF TITLE INSURANCE – 2021
(Continued)**

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

NOTE: The 2021 ALTA Loan Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed as 1 through 7 below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

**FACTS****WHAT DOES OLD REPUBLIC TITLE
DO WITH YOUR PERSONAL INFORMATION?**

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Go to www.oldrepublictitle.com (Contact Us)

Who we are

Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.
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What we do

How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit https://www.oldrepublictitle.com/privacy-policy
How does Old Republic Title collect my personal information?	We collect your personal information, for example, when you: • Give us your contact information or show your driver's license • Show your government-issued ID or provide your mortgage information • Make a wire transfer We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • Sharing for affiliates' everyday business purposes - information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights section location at https://www.oldrepublictitle.com/privacy-policy for your rights under state law.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., and Mississippi Valley Title Services Company
Non-affiliates	Companies not related by common ownership or control. They can be financial and non-financial companies. • Old Republic Title does not share with non-affiliates so they can market to you
Joint marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. • Old Republic Title doesn't jointly market.

Affiliates Who May be Delivering This Notice				
American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.
Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company
Old Republic Title Company of Conroe	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis
Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.	RamQuest Software, Inc.	Republic Abstract & Settlement, LLC
Sentry Abstract Company	Surety Title Agency, Inc.	Trident Land Transfer Company, LLC		

Updated: January 1, 2025

Privacy Notice for California Consumers

This Privacy Notice for California Consumers supplements the information contained in the Master Privacy Notice for Old Republic Title and applies to consumers that reside in the State of California. The terms used in this Privacy Notice have the same meaning as the terms defined in the California Consumer Privacy Act (“CCPA”).

What Personal Information We Collect

In accordance with the CCPA, personal information is information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information does not include:

Information outside the scope of the CCPA such as:

- Health or medical information covered by the Health Insurance Portability Act of 1996 (HIPAA) and the California Confidentiality of Medical Information Act (CMIA).
- Personal Information covered by the Gramm-Leach-Bliley Act (GLBA), the Fair Credit Reporting Act (FCRA), the California Financial Information Privacy Act (FIPA), and the Driver’s Privacy Protection Act of 1994,
- Publicly available information or lawfully obtained, truthful information that is a matter of public concern, and
- De-identified or aggregated consumer information.

Please see the chart below to learn what categories of personal information we may have collected about California consumers within the preceding twelve months, the sources of and business purposes for that collection and the third parties to whom the information has been disclosed, if any.

Category	Examples	Sources	Business Purpose for Collection	Categories of Third Parties with Whom Information is Shared
Identifiers	Real name, alias, postal address, unique personal identifier, online	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or	Service providers associated with the transaction for a business

	identifier, Internet protocol address, email address, account name, social security number, driver's license number, passport number or other similar identifiers Social security number, driver's license number, passport number are collected	Title Agents associated with the transaction	complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	purpose
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

	number, or any other financial information, medical information, or health insurance information. "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records. Social security number, driver's license number or state identification card number, passport number, bank account number, citizenship, immigration status are collected			
Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other	Service providers associated with the transaction for a business purpose

	status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information). Marital status, sex, physical disability, citizenship is collected	associated with the transaction	audit or operational purposes.	
Internet or other electronic network activity	Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents,	Not Disclosed

			protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
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What Personal Information We Disclose and Why We Disclose It

The CCPA requires us to tell you what categories of personal information we “sell”, “share” or “disclose.” We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, including the personal information of persons under 16 years of age, as that term is defined by the CCPA. We do not share your personal information as that term is defined in the CCPA. When it is necessary for a business purpose, we may disclose your personal information with a service provider or contractor, and we enter into a contract with the service provider or contractor that limits how the information may be used and requires the service provider to protect the confidentiality of the information.

In the preceding twelve months, we have disclosed the following categories of personal information for the following business purposes. Where the personal information is shared with third parties, as that term is defined in the CCPA, the category of the third party is indicated.

Category	Examples	Business Purpose for Disclosure	Categories of Third Parties with Whom Information is Shared
Identifiers (Including social security number, driver's license number,	Real name, alias, postal address, unique personal identifier, online identifier, internet protocol address, email address, account name, social security number, driver's license number, passport number or other similar identifiers	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against	Service providers associated with the transaction for a business purpose

and passport number)		malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e)) (Including Social security number, driver's license number or state identification card number, passport number, bank account number, citizenship, and immigration status)	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Characteristics of protected classifications under California or federal law (Including marital status, sex, citizenship, and physical disability)	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Internet or other electronic	Browsing history, search history, information about a consumer's interaction with a	To provide access to certain online services. To	Not Disclosed

network activity	website, application, or advertisement.	understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
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We may also transfer to a third party the personal information of a consumer as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the business.

Our Retention of Your Personal Information

The length of time that we retain personal information largely depends upon the purpose for which the information was collected rather than the category of the information as set forth in this Notice. When establishing retention periods, we consider applicable statutes of limitation and legal and regulatory requirements and guidelines. Personal information is generally retained for periods of time that permit the company to meet its legal and regulatory obligations.

Your Rights and Choices

The CCPA provides California consumers with certain rights regarding their personal information. This chart describes those rights and certain limitations to those rights.

Right	What This Means
Notice	At or before the time your personal information is collected, you will be given written notice of the categories of personal information to be collected, the purposes for which the categories of personal information will be used, and whether that information is sold or shared.
Access	At your verifiable request, but no more than twice in a twelve month period, we shall disclose to you: 1) the categories of personal information we have collected about you, 2) the categories of sources for the personal information we collected about you, 3) our business or commercial purpose for collecting, selling or sharing your personal information, 4) the categories of third parties to whom we disclose your personal information, 5) the specific pieces of information we have collected about you, 6) the categories of personal

	information disclosed about you for a business purpose and the categories of persons to whom your personal information was disclosed for a business purpose, and 7) if we sold or shared personal information, the categories of personal information sold or shared and the categories of third parties to whom it was sold or shared.
Deletion	You have the right to request that we delete any of your personal information that we collected from you, subject to certain exceptions. Once we receive and verify your request, we will delete (and direct our service providers and contractors to delete) your personal information from our records unless an exception applies. We may deny your request if retention of the information is necessary for us or our service providers to: • Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you. • Help to ensure security and integrity to the extent the use of your personal information is reasonably necessary and proportionate to that purpose. Debug to identify and repair errors that impair existing intended functionality. • Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law. • Comply with the California Electronic Communications Privacy Act (Cal. Penal Code §1546 et seq.) • Engage in public or peer reviewed scientific, historical, or statistical research that conforms or adheres to all other applicable ethics and privacy laws, when the information's deletion is likely to render impossible or seriously impair the research's completion, if you previously provided informed consent. • Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us and compatible with the context in which you provided the information. • Comply with a legal obligation. • Or if it is the type of personal information that falls outside the scope of the CCPA, (HIPAA, CIMA, GLBA, or publicly available information)
Correct	You have the right to request that we correct inaccurate personal information about you, taking into account the nature of the personal information and the purposes of the processing of the personal information. After we receive and verify your request, we will use commercially reasonable efforts to correct the inaccurate personal information as directed by you.
Opt-Out of Sale or Sharing	With some limitations, you may direct a business that sells or shares personal information to third parties not to sell or share the personal information to these third parties. A business may not sell or share the personal information of persons less than sixteen years of age without their affirmative consent, and in the case of those less than thirteen years of age, the consent must come from a parent.

Opt-In to Sale or Sharing	
Limit Use of Sensitive Personal Information	You may direct a business to limit the use of your sensitive personal information to that use which is necessary to perform the services or provide the goods reasonably expected by an average consumer who requests those goods or services and certain other limited uses as described in the CCPA and applicable regulations.
Non-Discrimination	We will not discriminate against you for exercising your rights under the CCPA. Unless otherwise permitted by the CCPA we will not: • Deny you goods or service • Charge you different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties • Provide a different level or quality of goods or services • Suggest that you will receive a different price or rate for goods or services or a different level or quality of goods or services

To Exercise Your Rights

To Opt-out of the Sale or Sharing of Your Personal Information

The CCPA gives consumers the right to direct a business that sells or shares personal information about the consumer to third parties not to sell or share the consumer's personal information. We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, as that term is defined by the CCPA. We do not share your personal information as that term is defined in the CCPA.

To Limit the Use of Sensitive Personal Information

The CCPA gives consumers the right to direct a business to limit the use of the consumer's sensitive personal information to that use which is necessary to perform the services or provide the goods reasonably expected by an average consumer who requests those goods or services and certain other limited uses as described in the CCPA and applicable regulations. We do not use or disclose sensitive personal information for purposes other than those purposes specified in Section 7027, subsection (m) of the California Consumer Privacy Act Regulations. If we begin using or disclosing your sensitive personal information outside of those purposes, then we will provide you with the option to limit our use or disclosure through a clear and conspicuous link on our internet homepage.

To Request Access to, Correction or Deletion of Your Personal Information

To exercise your access, correction or deletion rights described above, please submit a verifiable consumer request to us by either: Calling us at 1-855-557-8437 or contacting us through our website <https://ccpa.oldrepublictitle.com/> .

Only you or your representative that you authorize to act on your behalf (Authorized Agent) can make a verifiable consumer request for your personal information. You may also make a request for your minor child. The verifiable request must provide enough information that allows us to reasonably verify you are the person about whom we collected personal information. We cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and to confirm the personal information relates to you.

We work to respond to a verifiable consumer request within 45 days of its receipt. If we require additional time, we will inform you of the extension period (up to an additional 45 days), and the reason for the extension in writing. If you have an account with us, we will deliver our response to that account. If you do not have an account with us, we will deliver our response by mail or electronically, depending on your preference. The response we provide will also explain any reasons why we cannot comply with a request.

You may only make a consumer request for access twice within a twelve-month period. Any disclosures we provide will apply to the twelve-month period preceding the consumer request's receipt.

Contact Us

If you have any questions regarding our Privacy Notice or practices, please contact us or send your written request to: CCPA@oldrepublictitle.com, 1-855-557-8437, or 3000 Bayport Drive, Suite 1000 Tampa FL 33707

Recording requested by and when recorded mail to:

City of Colusa

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder's use.

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**
(Colusa Infrastructure Improvement Loan)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") is made as of _____, 2025, by **Amarjit and Mandeep Cheema** ("Trustor"), to **Old Republic Title Company** ("Trustee"), for the benefit of the **City of Colusa**, a California municipal corporation ("Beneficiary").

RECITALS

A. Trustor owns a fee interest in the land described in Exhibit A attached hereto and incorporated herein by this reference (the "Land"). Trustor intends to rehabilitate and or construct a commercial development on the Land and related improvements (the "Project").

B. Beneficiary and Trustor have entered into a Loan Agreement dated of or about even date herewith (the "Loan Agreement") pursuant to which Beneficiary will provide a loan to Trustor in the amount of up to Two Million, Five Hundred Thousand and 00/100 Dollars (\$2,500,000) ("Loan") for the purpose of partially financing the Project. Trustor has issued to Beneficiary a secured promissory note dated as of or about even date herewith (the "Note") to evidence Trustor's obligation to repay the Loan. This Deed of Trust, the Loan Agreement, and the Note (defined below) are collectively referred to herein as the "City Documents."

C. As a condition precedent to the making of the Loan, Beneficiary requires that Trustor enter into this Deed of Trust and grant to Trustee for the benefit of Beneficiary, a lien and security interest in the Project and Trustor fee interest in the Land to secure repayment of the Note and performance of Trustor's obligations under the Loan Agreement and the other City Documents.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows.

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing payment and performance of the Secured Obligations defined and described herein, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title

and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired:

b. All buildings, structures, and improvements, now or hereafter located or constructed on the Land (“Improvements”);

c. All appurtenances, easements, rights of way, pipes, transmission lines or wires and other rights used in connection with the Land or the Improvements or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Improvements and all existing and future privileges, rights, franchises and tenements of the Land, including all minerals, oils, gas and other commercially valuable substances which may be in, under or produced from any part of the Land, and all water rights, rights of way, gores or strips of land, and any land lying in the streets, ways, and alleys, open or proposed, in front of or adjoining the Land and Improvements (collectively, “Appurtenances”);

d. All machinery, equipment, fixtures, goods and other personal property of the Trustor, whether moveable or not, now owned or hereafter acquired by the Trustor and now or hereafter located at or used in connection with the Land, the Improvements or Appurtenances, and all improvements, restorations, replacements, repairs, additions or substitutions thereto (collectively, “Equipment”);

e. All existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, “Leases”), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, “Rents”);

f. All insurance proceeds and any other proceeds from the Land, Improvements, Appurtenances, Equipment, Leases, and Rents, including without limitation, all deposits made with or other security deposits given to utility companies, all claims or demands relating to insurance awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by Trustor, and all condemnation awards or payments now or later made in connection with any condemnation or eminent domain proceeding (“Proceeds”);

g. All revenues, income, rents, royalties, payments and profits produced by Land, Improvements, Appurtenances and Equipment, whether now owned or hereafter acquired by Trustor (“Gross Revenues”);

h. All architectural, structural and mechanical plans, specifications, design documents and studies produced in connection with development of the Land and construction of the Improvements (collectively, “Plans”); and

i. All interests and rights in any private or governmental grants, subsidies, loans or other financing provided in connection with development of the Land and construction of the Improvements (collectively, “Financing”).

All of the above-referenced interests of Trustor in the Land, Improvements, Appurtenances, Equipment, Leases, Rents, Proceeds, Gross Revenues, Plans and Financing as hereby conveyed to Trustee or made subject to the security interest herein described are collectively referred to herein as the "Property."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (collectively, the "Secured Obligations"): (i) all present and future indebtedness evidenced by the Note and any amendment thereof, including principal, interest and all other amounts payable under the terms of the Note; (ii) all present and future obligations of Trustor to Beneficiary under the Loan Agreement or the other City Documents; (iii) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iv) all obligations of Trustor to Beneficiary under all modifications, supplements, amendments, renewals, or extensions of any of the foregoing, whether evidenced by new or additional documents; and (v) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary's interests under this Deed of Trust or any other City Document as such may be modified, supplemented, amended, renewed or extended.

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary the Rents, royalties, issues, profits, revenue, income and proceeds of the Property. This is an absolute assignment and not an assignment for security only. Beneficiary hereby confers upon Trustor a license to collect and retain such Rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence of any such Event of Default, Beneficiary may terminate such license without notice to or demand Trustor and without regard to the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, to any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary's right to the rents, royalties, issues, profits, revenue, income and proceeds of the Property does not depend upon whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land or the Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of Trustor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and shall not be responsible for any waste committed by Trustor, lessees or any third parties, or for dangerous or defective condition of the Property or any negligence in the

management, repair or control of the Property. Absent Beneficiary's written consent Trustor shall not accept prepayment of Rents for any rental period exceeding one month.

4. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time (the "UCC"), covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

5. Financing Statements. Pursuant to the UCC, Trustor, as debtor, hereby authorizes Beneficiary, as secured party, to file such financing statements and amendments thereof and such continuation statements with respect thereto as Beneficiary may deem appropriate to perfect and preserve Beneficiary's security interest in the Property and Rents, without requiring any signature or further authorization by Trustor. If requested by Beneficiary, Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall not be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it. Everything used in connection with the Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the estate encumbered by this Deed of Trust irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Beneficiary, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for lessening of value, or (3) Trustor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property conveyed hereby, whether pursuant to lease or otherwise, shall not be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document. Such mention in any financing statement is declared to be solely for the protection of Beneficiary in the event any court or judge shall at any time hold, with respect to the matters set forth in the foregoing clauses (1), (2), and (3), that notice of Beneficiary's priority of interest is required in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government.

6. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the UCC with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of Colusa County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the “debtor” and Beneficiary shall be deemed to be the “secured party” for all purposes under the UCC.

7. Representations, Warranties and Covenants; Rights and Duties of the Parties.

7.1 Representations and Warranties. Trustor represents and warrants that: (i) Trustor lawfully possesses and holds the Land and title to the Improvements, (ii) Trustor has good and marketable title to all of the Property; (iii) Trustor has the full and unlimited power, right and authority to encumber the Property and assign the Rents; (iv) subject only to encumbrances of record and senior liens permitted pursuant to the City Documents or otherwise approved in writing by Beneficiary (“Permitted Encumbrances”), this Deed of Trust creates a valid lien on Trustor’s entire interest in the Property; (v) except with respect to Permitted Encumbrances, Trustor owns the Property free and clear of any deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (vi) there is no financing statement affecting the Property on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor’s chief executive office is specified in Section 10.2.

Trustor further represents and warrants that this Deed of Trust and all other documents delivered or to be delivered by Trustor in connection herewith: (a) have been duly authorized, executed, and delivered by Trustor; (b) are binding obligations of Trustor; and (c) do not violate the provisions of any agreement to which Trustor is a party or which affects the Property. Trustor further represents and warrants that there are no pending, or to Trustor’s knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect Trustor’s ownership of the Property.

Trustor represents and warrants that it: (i) lawfully possesses and holds a fee estate in the Land, (ii) has good and marketable title to the Land; (iii) has the full and unlimited power, right and authority to encumber the Land; (iv) subject only to encumbrances of record and senior liens permitted pursuant to the Permitted Encumbrances, this Deed of Trust creates a valid lien on the Land; (v) except with respect to Permitted Encumbrances, owns the Land free and clear of any deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (vi) there is no financing statement affecting the Land on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor is specified in Section 10.2.

7.2 Payment and Performance of Secured Obligations. Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note, and shall promptly pay and perform all other obligations of Trustor arising in connection with the Secured

Obligations or the City Documents in accordance with the respective terms thereof.

7.3 Use of Loan Proceeds; Preservation and Maintenance of Property; Compliance with Laws. Trustor covenants that it shall use the proceeds of the Loan (the "Loan Proceeds") solely for purposes authorized by the City Documents. Trustor shall keep the Land and Improvements in good repair and condition, and from time to time shall make necessary repairs, renewals and replacements thereto so that the Property shall be preserved and maintained. Trustor covenants to comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Project, including without limitation all applicable requirements of state and local building codes and regulations, and all applicable statutes and regulations relating to accessibility for the disabled. Trustor shall not remove, demolish or materially alter any Improvement without Beneficiary's consent, shall complete or restore promptly and in good and workmanlike manner any building, fixture or other improvement which may be constructed, damaged, or destroyed thereon, and shall pay when due all claims for labor performed and materials furnished therefor. Trustor shall use the Land and Improvements solely for purposes authorized by the City Documents, shall not commit or allow waste of the Property, and shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, nor shall Trustor bring on or keep any article on the Property or cause or allow any condition to exist thereon which could invalidate or which would be prohibited by any insurance coverage required to be maintained on the Property pursuant to the City Documents.

7.4 Restrictions on Conveyance and Encumbrance; Acceleration. It shall be an Event of Default hereunder if any Transfer (as defined in the Loan Agreement) of the Property (excluding a Permitted Transfer or Permitted Refinancing, as defined in the Loan Agreement), any part thereof or any interest therein occurs in violation of the requirements of the City Documents. If any such Transfer occurs in violation of such requirements, without limiting the provisions of Section 8 hereof, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, and without demand, immediately become due and payable, subject to any applicable cure period.

7.5 Inspections; Books and Records. Beneficiary and its agents and representatives shall have the right at any reasonable time upon reasonable notice to enter upon the Land and inspect the Property to ensure compliance with the City Documents. Trustor shall maintain complete and accurate books of account and other records (including copies of supporting bills and invoices) adequate to document the use of the Loan Proceeds and the operation of the Property, together with copies of all written contracts, Leases and other instruments which affect the Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection at any reasonable time by Beneficiary following two business days' prior notice.

7.6 Charges, Liens, Taxes and Assessments. Trustor shall pay before delinquency all taxes, levies, assessments and other charges affecting the Property that are (or if not paid may become) a lien on all or part of the Property. Trustor may, at Trustor's expense, contest the validity or application of any tax, levy, assessment or charge affecting the Property by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Beneficiary is reasonably satisfied that neither the Property nor any part thereof or interest

therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished other security as may reasonably be required from time to time by Beneficiary; and provided further that Trustor shall timely make any payment necessary to prevent a lien foreclosure, sale, forfeiture or loss of the Property.

7.7 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust.

7.8 Hazard, Liability and Workers' Compensation Insurance. At all times during the term hereof, Trustor shall at Trustor's expense, maintain insurance policies in accordance with the requirements set forth in the City Documents. Trustor shall file with Beneficiary prior to the commencement of the term hereof, certificates (or such other proof as Beneficiary may reasonably require, including without limitation copies of the required insurance policies) evidencing each of the insurance policies and endorsements thereto as required pursuant to the City Documents, and such certificates (or policies) shall provide that at least thirty (30) days' prior written notice shall be provided to Beneficiary prior to the expiration, cancellation or change in coverage under each such policy. If any insurance policy required pursuant to the City Documents is canceled or the coverage provided thereunder is reduced, Trustor shall, within ten (10) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option (and without any obligation to do so), procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.9 Condition of Property. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health code violation or violation of other governmental regulations concerning the Land that has not previously been corrected, and no condition on the Land violates any health, safety, fire, environmental, sewage, building, or other federal, state or local law, ordinance or regulation; (ii) no contracts, licenses, leases or commitments regarding the maintenance or use of the Property or allowing any third party rights to use the Property are in force; (iii) there are no threatened or pending actions, suits, or administrative proceedings against or affecting the Property or any portion thereof or the interest of Trustor in the Property; (iv) there are no threatened or pending condemnation, eminent domain, or similar proceedings affecting the Land or any portion thereof; (v) Trustor has not received any notice from any insurer of defects of the Property which have not been corrected; (vi) there are no natural or artificial conditions upon the Land or any part thereof that could result in a material and adverse change in the condition of the Land; (vii) all information that Trustor has delivered to Beneficiary, either directly or through Trustor's agents, is accurate and complete; and (viii) Trustor or Trustor's agents have disclosed to Beneficiary all material facts concerning the Property.

7.10 Hazardous Materials. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof to the best knowledge of Trustor: (i) the Land is free and has always been free of Hazardous Materials (as defined below) and is not and has never been

in violation of any Environmental Law (as defined below); (ii) there are no buried or partially buried storage tanks located on the Land; (iii) Trustor has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Land are or have ever been in violation of any Environmental Law or informing Trustor that the Land is subject to investigation or inquiry regarding Hazardous Materials on the Land or the potential violation of any Environmental Law; (iv) there is no monitoring program required by the Environmental Protection Agency or any other governmental agency concerning the Land; (v) no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under or at the Land, whether by accident, burying, drainage, or storage in containers, tanks, holding areas, or any other means; (vi) the Land has never been used as a dump or landfill; and (vii) Trustor has disclosed to Beneficiary all information, records, and studies in Trustor's possession or reasonably available to Trustor relating to the Land concerning Hazardous Materials.

Trustor shall not cause or permit any Hazardous Material (as defined in the Loan Agreement) to be brought upon, kept, stored or used in, on, under, or about the Land by Trustor, its agents, employees, contractors or invitees except for incidental supplies ordinarily used in the construction and operation of residential developments in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Land. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about the Land and results in any contamination of the Land or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Land, Trustor shall promptly take all actions at its sole expense as are necessary to comply with all Environmental Laws (as defined below).

Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold Beneficiary and its elected and appointed officials, officers, agents and employees (collectively, "Indemnitees") harmless from and against any and all loss, claim, liability, damage, demand, judgment, order, penalty, fine, injunctive or other relief, cost, expense (including reasonable fees and expenses of attorneys, expert witnesses, and other professionals advising or assisting Beneficiary), action, or cause of action (all of the foregoing, hereafter individually "Claim" and collectively "Claims") arising in connection with the breach of Trustor's covenants and obligations set forth in this Section 7.10 or otherwise arising in connection with the presence or release of Hazardous Materials in, on, under, or from the Property; provided that no Indemnitee shall be entitled to indemnification under this Section for matters caused by such Indemnitee's gross negligence or willful misconduct. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of Hazardous Materials, all costs of determining whether the Land is in compliance with Environmental Laws, all costs associated with bringing the Land into compliance with all applicable Environmental Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources.

Without limiting the generality of the foregoing, Trustor shall, at Trustor's own cost and expense, do all of the following:

- a. pay or satisfy any judgment or decree that may be entered against any Indemnitee

or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust;

b. reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust; and

c. reimburse Indemnitees for any and all expenses, including without limitation out-of-pocket expenses and fees of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Deed of Trust, or in monitoring and participating in any legal or administrative proceeding.

Trustor's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Trustor to receive notice of or consideration for any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) any provision in any of the City Documents limiting Beneficiary's recourse to property securing the Secured Obligations, or limiting the personal liability of Trustor, or any other party for payment of all or any part of the Secured Obligations; (iv) the accuracy or inaccuracy of any representation and warranty made by Trustor under this Deed of Trust or by Trustor or any other party under any City Document, (v) the release of Trustor or any other person, by Beneficiary or by operation of law, from performance of any obligation under any City Document; (vi) the release or substitution in whole or in part of any security for the Secured Obligations; and (vii) Beneficiary's failure to properly perfect any lien or security interest given as security for the Secured Obligations.

The provisions of this Section 7.10 shall be in addition to any and all other obligations and liabilities that Trustor may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Beneficiary or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the City Documents or applicable law. The obligations of Trustor to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Secured Obligations, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Deed of Trust.

Without limiting any of the remedies provided in this Deed of Trust, Trustor acknowledges and agrees that each of the provisions in this Section 7.10 is an environmental provision (as defined in Section 736(f)(2) of the California Code of Civil Procedure) made by Trustor relating to real property security (the "Environmental Provisions"), and that Trustor's failure to comply with any of the Environmental Provisions will be a breach of contract that will entitle Beneficiary to pursue the remedies provided by Section 736 of the California Code of Civil Procedure ("Section 736") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a money judgment for a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, 580d, or 726(b) of the California Code of Civil Procedure.

“Environmental Law” means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to any Hazardous Material (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

7.11 Notice of Claims; Defense of Security; Reimbursement of Costs.

a. Notice of Claims. Promptly upon obtaining knowledge of the institution of any proceedings for the condemnation or other taking of all or any portion of the Property, or knowledge of any casualty damage to the Property, or damage in any other manner, Trustor shall immediately notify Beneficiary thereof. Trustor hereby authorizes and empowers Beneficiary as attorney in fact for Trustor to make proof of loss, to adjust and compromise any claim under the insurance policies covering the Property, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Beneficiary’s expenses incurred in the collection of such proceeds; provided, however, that nothing contained in this Section shall require Beneficiary to incur any expense or take any action hereunder. Trustor hereby authorizes and empowers Beneficiary, at Beneficiary’s option, as attorney in fact for Trustor, to commence, appear in and prosecute, in Beneficiary’s or Trustor’s name, any action or proceeding relating to any condemnation or other taking of all or any part of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or any part thereof, or for conveyances in lieu of the Property, or any part thereof, shall be paid to Beneficiary. The foregoing powers of attorney are coupled with an interest

and are irrevocable. Trustor hereby authorizes Beneficiary to apply such awards, payments, proceeds or damages relating to condemnation of the Property and insurance covering the Property, after the deduction of Beneficiary's expenses incurred in the collection of such amounts, at Beneficiary's option, subject to the requirements of applicable law and the provisions hereof, to restoration or repair of the Property or to payment of the sums secured by this Deed of Trust. Beneficiary shall be under no obligation to question the amount of any compensation, awards, proceeds, damages, claims, rights of action, and payments relating to condemnation or other taking of the Property or insured casualty affecting the Property, and may accept the same in the amount in which the same shall be paid. Trustor shall execute such further evidence of assignment of any awards, proceeds damages or claims arising in connection with such condemnation or taking or such insurance as Beneficiary may require.

b. Defense of Security. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

c. Compensation; Reimbursement of Costs. Trustor agrees to pay all reasonable fees, costs and expenses charged by Beneficiary or Trustee for any service that Beneficiary or Trustee may render in connection with this Deed of Trust, including without limitation, fees and expenses related to provision of a statement of obligations or related to a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including without limitation any rights or remedies afforded to Beneficiary or Trustee or both of them under Sections 7.17 and 8.2, whether or not any lawsuit is filed, or in defending any action or proceeding arising under or relating to this Deed of Trust, including reasonable attorneys' fees and other legal costs, costs of any disposition of the Property under the power of sale granted hereunder or any judicial foreclosure, and any cost of evidence of title.

d. Notice of Changes. Trustor shall give Beneficiary prior written notice of any change in the address of Trustor and the location of any Property, including books and records pertaining to the Property.

7.12 Indemnification. Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold harmless the Indemnitees (as defined in Section 7.10) from and against all Claims arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Trustor's covenants under any City Document, (b) any representation by Trustor in any City Document which proves to be false or misleading in any material respect when made, (c) injury or death to persons or damage to property or other loss occurring on the Land or in any improvement located thereon, whether caused by the negligence or any other act or omission of Trustor or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnatee which relates to or arises out of the Property, or any City Document or any transaction contemplated thereby, or any failure of Trustor to comply with all applicable state, federal and local laws and regulations applicable to the Property, provided that no Indemnatee shall

be entitled to indemnification under this Section for matters caused by such Indemnitee's gross negligence or willful misconduct. The obligations of Trustor under this Section shall survive the repayment of the Loan and shall be secured by this Deed of Trust. Notwithstanding any contrary provision contained herein, the obligations of Trustor under this Section shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release or reconveyance of this Deed of Trust.

7.13. Limitation of Liability. Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; (iii) any waste committed by Trustor, the lessees of the Property or any third parties, or any dangerous or defective condition of the Property; or (iv) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in managing the Property after an Event of Default, unless the loss is caused by the willful misconduct, gross negligence, or bad faith of Beneficiary. Trustor hereby expressly waives and releases all liability of the types described in this Section 7.13, and agrees that Trustor shall assert no claim related to any of the foregoing against Beneficiary.

7.14 Insurance and Condemnation Proceeds. Subject to the rights of any senior lienholders, and notwithstanding anything contained in any of the City Documents, unless Beneficiary and Trustor otherwise agree in writing, any award of damages in connection with any condemnation for public use of, or injury to the Property or any part thereof shall be applied to restoration or repair of the Property, provided Trustor determines that such restoration or repair is economically feasible and there is no default under any City Document that is continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Trustor. In the event funds for such work are insufficient, Beneficiary may, in its sole discretion and subject to the approval of Beneficiary's governing board, advance such additional funds as may be necessary to allow the Property to be repaired or restored, and may add the amount thereof to the principal balance of the Note. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within 30 days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

7.15 Release, Extension, Modification. At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may release or reconvey all or any part of the Property, consent to the making of any map or plat of the Land or part thereof, join in granting any easement or creating any restriction affecting the Property, or join in any extension agreement or other agreement affecting the lien or charge hereof. At any time and from time to time, without liability therefor and without notice, Beneficiary may: (i) release any person liable for payment of any Secured Obligation, (ii) extend the time for payment or otherwise alter the terms of payment of any Secured Obligation; (iii) accept additional real or personal property of any kind as security

for any Secured Obligation, or (iv) substitute or release any property securing the Secured Obligations.

7.16 Reconveyance. Upon written request of Beneficiary stating that all of the Secured Obligations have been satisfied in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

7.17 Cure; Protection of Security. Beneficiary may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary may also enter the Property and/or do any and all other things which it may in its reasonable discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary to be conclusive as among Beneficiary, Trustee and Trustor; obtaining insurance and/or paying any premiums or charges for insurance required to be carried hereunder; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary. Beneficiary may take any of the actions permitted under this Section 7.17 either with or without giving notice, except for notices required under applicable law. Any amounts disbursed by Beneficiary pursuant to this paragraph shall become additional indebtedness secured by this Deed of Trust. Beneficiary shall have no obligation to take any action described in this Section.

8. Default and Remedies.

8.1 Events of Default. Trustor acknowledges and agrees that an Event of Default shall occur under this Deed of Trust upon the occurrence of any one or more of the following events:

- a. Beneficiary's declaration of an Event of Default under any City Document, subject to the expiration of any applicable cure period set forth in such document;
- b. Trustor fails to perform any monetary obligation which arises under this Deed of Trust, and does not cure that failure within ten (10) days following written notice from Beneficiary or Trustee;
- c. If Trustor's interest in the Property or any part thereof is voluntarily or involuntarily sold, transferred, leased, encumbered, or otherwise conveyed in violation of Section 7.4 hereof or if any other Transfer occurs in violation of the Loan Agreement;
- d. Trustor fails to maintain the insurance coverage required under the City Documents or otherwise fails to comply with the requirements of Section 7.8 hereof and Trustor fails to cure such default within the time specified in Section 7.8;

e. Subject to Trustor's right to contest such charges as provided herein, Trustor fails to pay taxes or assessments due on the Land or the Improvements or fails to pay any other charge that may result in a lien on the Land or the Improvements, and Trustor fails to cure such default within ten (10) days.

f. Any representation or warranty of Trustor contained in or made in connection with the execution and delivery of this Deed of Trust or in any certificate or statement furnished pursuant hereto or in any other City Document proves to have been false or misleading in any material adverse respect when made;

g. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("Bankruptcy Law"), Trustor or any managing member thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Trustor or any managing member thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Trustor or any managing member thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

h. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Trustor or any managing member thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Trustor or any managing member thereof or substantially all of such entity's assets, (iii) orders the liquidation of Trustor or any managing member thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within 60 days after its issuance.

i. The holder of any other debt instrument secured by a mortgage or deed of trust on the Property or part thereof declares an event of default thereunder and exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder's documents; or

j. Trustor fails to perform any obligation arising under this Deed of Trust other than one enumerated in this Section 8.1, and does not cure that failure either within ten (10) days after written notice from Beneficiary or Trustee in the event of a monetary default, or within thirty (30) days after such written notice in the event of a nonmonetary default, provided that in the case of a nonmonetary default that in Beneficiary's reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Default shall not arise hereunder if Trustor commences to cure such default within thirty (30) days and thereafter prosecutes such cure to completion with due diligence and in good faith and in no event later than ninety (90) days, or such longer period as the City may approve, following receipt of notice of default.

8.2 Remedies. Subject to the applicable notice and cure provisions set forth herein, at any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below, and may exercise any one or more or all, of the remedies set forth in any City Document, and any other remedy existing at law or in equity or by

statute, subject to the nonrecourse provisions set forth in the Note. All of Beneficiary's rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder, including without limitation reasonable attorneys' fees and costs.

a. Acceleration. Beneficiary may declare any or all of the Secured Obligations, including without limitation all sums payable under the Note and this Deed of Trust, to be due and payable immediately.

b. Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

c. Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing copies of all of Trustor's or the then owner's books and records concerning the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments.

d. UCC Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the UCC.

e. Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

f. Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

Trustor's members (the "Members") shall have the right to cure any default of Trustor hereunder and any of the Loan Documents upon the same terms and conditions afforded to Trustor. Provided that Beneficiary has been given written notice of the address for delivery of notices to the Member, Beneficiary shall provide any notice of default hereunder to the Members concurrently with the provision of such notice to Trustor, and as to the Members, the cure periods specified herein shall commence upon the date of delivery of such notice in accordance with

Section 10.2.

8.3 Power of Sale. If Beneficiary elects to invoke the power of sale hereby granted, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each County wherein the Property or some part thereof is situated as required by law and this Deed of Trust.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the Property, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may, and at Beneficiary's request shall, postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of the trust hereby created, including reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums advanced or expended by Beneficiary or Trustee under the terms hereof and all outstanding sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Without limiting the generality of the foregoing, Trustor acknowledges and agrees that regardless of whether or not a default has occurred hereunder, if an Event of Default has occurred under the City Documents, and if in connection with such Event of Default Beneficiary exercises its right to foreclose on the Property, then: (i) Beneficiary shall be entitled to declare all amounts due under the Note immediately due and payable, and (ii) the proceeds of any sale of the Property in connection with such foreclosure shall be used to pay all Secured Obligations, including without limitation, the outstanding principal balance and all other amounts due under the Note.

At any foreclosure sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the property against the following obligations:

- a. First, the portion of the Secured Obligations attributable to the expenses of sale,

costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 7.11(c); and

b. Second, the remaining balance of all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

8.4 Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under the Loan Documents if the Secured Obligations had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

Nothing contained in Sections 8.3 and 8.4 is intended to expand upon or limit the rights of Trustor and Beneficiary under California law regarding Beneficiary's exercise of the power of sale or Trustor's reinstatement rights.

9. Trustor's Waivers. To the fullest extent permitted by law, Trustor waives: (a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary; (b) the benefit of all laws now existing or which may hereafter be enacted providing for any appraisal, valuation, stay, extension, redemption or moratorium; (c) all rights of marshalling in the event of foreclosure; and (d) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind.

10. Miscellaneous Provisions.

10.1 Additional Provisions. The City Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and the Property.

10.2 Notices. Trustor requests that a copy of notice of default and notice of sale be mailed to Trustor at the address set forth below. That address is also the mailing address of Trustor as debtor under the UCC. Beneficiary's address set forth below is the address for Beneficiary as secured party under the UCC. Except for any notice required under applicable law to be given in another manner, all notices to be sent pursuant to this Deed of Trust shall be made in writing, and

sent to the parties at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

- a. personal delivery, in which case notice shall be deemed delivered upon receipt;
- b. certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;
- c. nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or
- d. facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Trustor: Amarjit and Mandeep Cheema
1240 Gerald Court
Yuba City, CA 95991

Beneficiary: City of Colusa
425 Webster Street
Colusa, CA 95932
Attention: City Manager

10.3 Binding on Successors. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of the Trustor, Beneficiary and Trustee; provided however this Section 10.3 does not waive the provisions of Section 7.4.

10.4 Substitution of Trustee. Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Colusa County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

10.5 Attorneys' Fees and Costs. In any action or proceeding to foreclose this Deed of Trust or to enforce any right of Beneficiary or of Trustee, Trustor shall pay to Beneficiary and Trustee all costs of such action or proceeding, including reasonable attorneys' fees.

10.6 Governing Law; Severability; Interpretation. This Deed of Trust shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Trustor agrees that any controversy arising under or in relation to this Deed of Trust shall be litigated exclusively in the jurisdiction where the Land is located (the "Property Jurisdiction"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the City Documents.

Trustor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. If any provision of this Deed of Trust is held unenforceable or void, that provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of this Deed of Trust. The captions used in this Deed of Trust are for convenience only and are not intended to affect the interpretation or construction of the provisions contained herein. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

10.7 Waiver, Modification and Amendment. Any waiver by Beneficiary of any obligation of Trustor hereunder must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance. No amendment to or modification of this Deed of Trust shall be effective unless and until such amendment or modification is in writing, executed by Trustor and Beneficiary. Without limiting the generality of the foregoing, Beneficiary's acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver by Beneficiary of its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

10.8 Action By Beneficiary. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Beneficiary is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by Beneficiary's Executive Director or by any person who shall have been designated by Beneficiary's Executive Director, without further approval by the governing board of Beneficiary. Beneficiary shall use reasonable best efforts to respond to requests for any such approval, notice, direction, or consent in a timely manner. In any approval, consent, or other determination by Beneficiary required hereunder, Beneficiary shall act reasonably and in good faith.

10.9 Joint and Several Liability. If Trustor consists of more than one person or entity, in the case of a limited partnership, each general partner shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

10.10 Time is of the Essence. Time is of the essence for each provision of this Deed of Trust.

[Signature Pages Follow]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first written above.

TRUSTOR:

Amarjit and Mandeep Cheema

By: _____

Name: Amarjit Cheema

Title: Owner

Date: _____

By: _____

Name: Mandeep Cheema

Title: Owner

Date: _____

BENEFICIARY:

CITY OF COLUSA,
a California municipal corporation

By: _____

Name: Jesse Cain

Its: City Manager

EXHIBIT A
LAND LEGAL DESCRIPTION

Real property in the City of Colusa, County of Colusa, State of California, described as follows:

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 Colusa)

On _____ before me, _____, Notary Public, , personally appeared, _____, who proved to me 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 _____

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 Colusa)

On _____ before me, _____, Notary Public, , personally appeared, _____, who proved to me 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 _____