



January 7, 2021

TO: CADA Board of Directors

SUBJECT: **January 14, 2022 Board Meeting**
AGENDA ITEM 7
CYPRESS DISPOSITION AND DEVELOPMENT AGREEMENT
(14th & N PROJECT, FORMERLY SITE 21)

CONTACT: Renee Funston, Development Manager
Tom Kigar, Special Projects Director
Wendy Saunders, Executive Director

RECOMMENDED ACTION

Staff recommends that the Board adopt a resolution that authorizes the Executive Director to execute the Disposition and Development Agreement (DDA) with West Broadway 2019 Investments LLC.

BACKGROUND

In March 2021, the Board approved entering into an Exclusive Negotiating Agreement (ENA) with D&S Development, Inc. under which both parties would negotiate diligently and in good faith regarding the preparation and terms of a DDA to be considered by the Board, and executed following its approval. Per the ENA, CADA and D&S must enter a DDA by March 19, 2022.

In August 2021, the Board approved the Development Proposal submitted by D&S Development, authorized D&S Development to begin work on the Design Development Drawings, and directed staff to prepare the DDA.

ANALYSIS

Design Program

Design Development Documents

Since the August 2021 Board meeting, D&S has prepared the Design Development Documents, which are included as **Attachment 2**. The updated design program now includes 96 units (an increase from 92 units in August). The most significant changes were for better design efficiency to improve constructability, including changing the 7th floor plan to match floors 3 to 6, which added four more units. They also made the 8th floor units larger to align with the layout on the floors below.

Notable changes include identifying the size of the pool to 45' x 23' at 6' deep, adding a fireplace in the lobby, and increasing the bike storage to 100 spaces (previously 57 in the Schematic Design).

Interior Design Package

As shown on **Attachment 3**, the interior design inspiration is modern and sleek with shades of slate gray, which is softened by light wood and whites. There are gold finishes and use of lighting to accentuate the different finishes and texture details. The overall effect is a stately, timeless style and classic design.

Condominium Market Uncertainty

The units on the top (8th) floor are significantly larger with higher ceilings, including five 2-bedroom units and one 3-bedroom unit with a mezzanine loft, and have an average anticipated sales price of \$1.4m (\$650/SF). The design of these floor plans is based on discussions with Sacramento central city condominium brokers and analysis of The Residences at the Sawyer, L Street Lofts, and other similar condominium projects. While the condominium market has a positive outlook, there is nonetheless uncertainty about where the market will be at construction completion.

D&S requested that they have the option of selling the six condos on the 8th floor (Scenario 1 below), or operate the Cypress as an all rental project (Scenario 2) if the condo market is bleak towards construction completion.

Under Scenario 1, D&S would be prohibited from renting the six units on the 8th floor during the initial two years, and would be required to sell them during that period. D&S would also consider selling the 7th floor units during these first two years if there is enough buyer interest. In short, Scenario 1 is the further refined detail of what was contemplated in the ENA.

Under Scenario 2, in which D&S would operate the Cypress as an all rental project, they would forego the \$400k infrastructure grant from CADA. The entire project would, nevertheless, be mapped for eventual potential condominium sales.

In both scenarios, D&S has agreed to forego the seller carry-back loan from CADA and to pay for the site in immediately at the close of financing. (Originally, D&S was going to pay down the CADA land loan at a market interest rate over a 10-year period with a balloon payment in year 10.) **Table 1** provides an outline of these alternatives.

Table 1 – Condos vs All Rental Scenarios

	Scenario 1 Sale of the top 8th Floor as Condos	Scenario 2 All Rental Units, No Offsites Grant
Condos and Rentals vs. All Rentals	Within six months of project completion, D&S will have a better understanding of the market outlook and whether the condo sales are likely to be successful. If the outlook is positive, then D&S will work diligently to ensure sales of the six units on the top floor within two years of construction completion. There will be a Deed Restriction prohibiting rental of the top floor units during these initial two years.	If the condo market does not look promising, D&S will pivot towards an all rental project. The top floor units at Cypress are comparable to those at 1430 Q, where rentals have been successful even through the peak of the pandemic.
Offsites Grant	One of CADA's the long-held strategic goals has been providing more home-ownership opportunities in the Capitol	Staff's position is that the a \$400k offsite public improvements grant is not justified if D&S does not provide ownership units.

	Area. To support the financial feasibility of building a higher-grade ownership project, CADA has agreed to provide a \$400k offsite public improvements grant. Use of CADA funds to support the condo project, make neighborhood improvements, and support the O Street Streetscape Plan is consistent with CADA's Strategic Goals.	
Land	D&S will purchase the land at close of financing.	

Disposition and Development Agreement (DDA)

The following is a summary of the key terms of the DDA, which is included as **Attachment 1**.

A. Rental and Condominium Sales (DDA - §2.11.1, §2.14.4, §3.1)

This section outlines the alternative Scenarios 1 and 2 described in **Table 1** above.

The DDA also includes the following terms to support good faith efforts to sell at least the top floor as condos:

Grant Deed (DDA §2.14.4, Exhibit I, and §2.11.1) – Restricts rental of the top floor for two years following construction completion. This deed shall be quitclaimed to remove this rental restriction if D&S does not accept the \$400k offsites grant, or once they sell the six condo units.

Condominium Plan and Map, CC&Rs, HOA (DDA - §2.11.1) – Obtain and record final Condominium Plan and Map; record the Declaration of Covenants, Conditions and Restrictions; and have the corporate association approved.

Certifications (DDA - §2.11.4) – Provide written certifications from the architect and general contractor that the project was designed and built to condo standards.

Good Faith Marketing Efforts (DDA - §2.11.2) – Prepare a marketing plan, advertise in relevant publications and media outlets to reach the target buyer population, hire a real estate agent with expertise in this product type.

B. Development Team (DDA - §1.2)

The Developer is West Broadway 2019 Investments LLC, in which D&S is the managing member. The additional members of the developer are Abbaszadeh 1715 I Street Investment LLC and Eco Green LLC. The General Contractor is DASCO Commercial Construction, Inc. The Project Architect is Architects Local. The Civil Engineer is Murray Smith & Associates Engineering.

C. Design Development Documents and Updated Budget (DDA – Exhibits D and E)

DDA - Exhibit D contains the project Preliminary Plans. The project includes a total of 96 market-rate units, two retail spaces totaling approximately 1,900 square feet, and 65 parking spaces.

Table 2 below summarizes the building program and average sales prices. Near project completion, D&S will decide whether to sell or rent the 2-bedroom and 3-bedroom units with the lofts on the top

floor. These top floor units range from 1,568 SF to 2,396 SF with an average unit size of 2,186 SF. The average sales price is \$1,420,575, and the average rental rate would be \$6,994.

The units on floors 7 and below range from 552 SF to 1,257 SF. The rental units are \$3.51/SF on average, with rental rates ranging from \$2,400 to \$4,400/month at an average of \$3,228.

Table 2 – Unit Type/Unit Count/Monthly Rent/Sales Price

Unit Type	Avg SF	Rental Unit Count	Avg Rent	Condo Unit Count	Avg. Sales Price
Live/Work Studio	857	2	\$3,000	-	-
Studio	624	18	\$2,330	-	-
1 Bedroom	748	12	\$2,805	-	-
1 Bedroom + Den	942	35	\$3,298	-	-
2 Bedroom	1,160	23	\$4,061	-	-
2 Bedroom + Loft	2,172	5	\$6,951	5	\$1,411,930
3 Bedroom + Loft	2,252	1	\$7,206	1	\$1,420,575
Total # of Units	-	96	-	6	-

Table 3 is the Sources and Uses budget as shown in DDA Exhibit E. A few differences to note between the scenarios is that offsite improvement costs are higher in Scenario 1 because they would require paying prevailing wage because of the CADA offsites grant. Additionally, the difference in hard construction costs is because the final flooring/appliances/lighting fixtures would be a higher quality for the initial sales of condo product.

Table 3 – Proposed Project Sources and Uses of Funds

	Scenario 1	Scenario 2
SOURCES		
Construction Loan	\$32,000,000	\$32,000,000
Developer Equity	\$17,460,375	\$17,130,375
Offsites Grant	\$400,000	--
Total Sources of Funds	\$49,860,375	\$49,130,375
USES		
Land Acquisition	\$2,400,000	\$2,400,000
Hard Costs		
Direct Hard Construction Costs	\$34,427,000	\$33,827,000
Direct Hard Construction Contingency	\$1,721,350	\$1,691,350
Offsite Improvements	\$400,000	\$300,000
Lobby/Amenity Finishes	\$425,000	\$425,000
Retail Tenant TI	\$144,000	\$144,000
Soft Costs		
Architectural & Engineering	\$1,500,000	\$1,500,000
Financing Costs	\$2,320,000	\$2,320,000
Permits and Fees	\$1,930,500	\$1,930,500
Utilities (eg SMUD, PG&E)	\$250,000	\$250,000
Leasing and Marketing	\$365,000	\$365,000
Developer Fee	\$1,750,000	\$1,750,000

Other Soft Costs	\$1,735,000	\$1,735,000
Soft Costs Contingency	\$492,525	\$492,525
Total Uses of Funds	\$49,860,375	\$49,130,375

Table 4 is the Return on Cost Analysis, included in DDA Exhibit E. The generally-accepted minimum financial returns for rental projects is 5.5% and for condominium projects is from 6% to 15%. The projected returns are in line with these accepted returns and shows D&S is properly incentivized to undertake and complete the proposed project.

Table 4 – Return on Cost Analysis

PROFIT MARGIN	August 2021	January 2022	
		Scenario 1	Scenario 2
Rental Units			
Project Cost	\$25,603,393	\$43,017,856	\$49,130,375
Effective Gross Income	\$2,657,634	\$3,688,059	\$4,236,621
Total Expenses	\$1,001,129	\$1,183,848	\$1,307,431
Net Operating Income	\$1,875,181	\$2,504,211	\$2,929,190
Return on Cost (in an avg yr)	7.3%	5.8%	6.0%
Condominium Units			
Sales Revenue	\$16,629,700	\$8,523,450	--
Project Cost	\$13,685,517	\$6,842,519	
Gross Profit	\$2,944,183	\$1,680,931	
Less Cost of Sales (Closing, commissions, and carry costs)	\$997,782	\$691,407	
Net Profit	\$1,946,401	\$989,524	
Return on Cost (in Yr 3 after condo sales)	14.2%	14.5%	

D. Final Construction Documents and Final Budget (DDA - §2.1.2.3, §2.1.2.4, and Exhibit B)

The Design Development Documents are attached to the DDA as Exhibit D and will be approved as a part of the DDA. The Developer must submit finalized Construction Documents to the City by June 15, 2022, in accordance with DDA Exhibit B Schedule of Performance.

The DDA delegates to the Executive Director the authority to review and approve the Final Construction Documents and Final Budget to ensure they are consistent in all material respects with the Preliminary Plans, Proposed Project Sources and Uses of Funds and Design Development Plans approved by the Board. The DDA authorizes the Executive Director to approve material changes in the Development Program that result in no more than a 10% cumulative change in residential unit count, unit distribution, number of parking spaces or amount of commercial spaces, though she may elect to refer any proposed material change to the CADA Board at her discretion.

E. Good Faith Deposits (DDA - §1.9)

Developer is to pay CADA good faith deposits of \$5,000 per month from the DDA effective date until close of escrow. The deposits are to be credited against the purchase price of the land, but are otherwise not refundable.

F. DDA Conditions of Precedent to Transfer of Property and Project Commencement (DDA - §2.3)

The following are the conditions that must be met prior to CADA's transfer of the property to the Developer and to Project Commencement by the Developer. The estimated date for Project Commencement (date Developer begins site work) is in the DDA Schedule of Performance as September 2, 2022. The preconditions to Project Commencement include:

1. Evidence of having received approval for and secured all entitlements, approvals, and permits;
2. CADA staff approval of Contracts with Project Architect, Civil Engineer, and General Contractor;
3. CADA staff approval of the Final Budget and a "building permit set" of the Final Construction Documents including specifications for the entire Project;
4. Recordation of the Memorandum of the DDA;
5. Evidence of having received approval for and secured building permits and evidence of a "will serve" letter from each utility provider;
6. Developer is current in its \$5,000 monthly Good Faith Deposits payments;
7. Developer has provided CADA an executed construction loan;
8. Developer has executed a Corporate Guarantee and provided a payment and performance bond;
9. CADA staff approval of insurance;
10. Certification from Project Architect that the project has been designed to condominium standards;
11. Recordation of the Deed of Trust;
12. Developer has filed a completed application for a Public Report from the Bureau of Real Estate;
13. Developer is not in default of the DDA.

G. Diligent Progress to Completion, Excusable Delays and Unexcused Delays (DDA - §2.10, §9.5, and §9.6)

Once the property is transferred to the Developer, the Developer is required to diligently construct the Project according to the timetable established in the Schedule of Performance. Excused Delays are provided for in the DDA. Unexcused delays will trigger liquidated damages payments by the Developer to CADA and will be assessed at \$500 per day.

H. Schedule of Performance (DDA Exhibit B)

Highlights from the DDA Exhibit B Schedule of Performance are included in **Table 5**, below. As shown in the table, site work is set to begin by early September 2022, and full construction will be underway by early 2023 with construction completion by the end of 2024.

Table 5 – Schedule of Performances Highlights

Item	Task	Completion Date
1	Effective Date of DDA	January 14, 2021
2	Developer Submits Final Construction Documents to City and CADA	June 15, 2022
4	Developer Submits Evidence of Financing	June 29, 2022
5	City Issues Phased Building Permit for Site Work	September 2, 2022
7	City Issues Building Permit	December 16, 2022
9	Escrow Closes – Transfer of Property	December 30, 2022
10	Developer Prepares Marketing Plan	July 1, 2024
11	Developer Hires Real Estate Agent	September 1, 2024
12	Developer Substantially Completes Construction	December 31, 2024

FINANCIAL IMPACT

As reported at the March and August 2021 meetings, the annual tax increment generated by the project would be +/- \$550,000. The project currently stands at 96 units, which will produce approximately the same amount in annual tax increment.

The \$400,000 grant for off-site improvements would come from the proceeds of CADA's taxable bond issued in 2020. D&S will be paying \$2.4 million for the land at the close of financing.

ENVIRONMENTAL REVIEW

Staff previously determined, and the CADA Board has found, that development of a project consistent with the Site 21 RFP issued on December 5, 2016 is categorically exempt from the California Environmental Quality Act (PRC §21083.3, 2 CCR §15183) and filed a Notice of Exemption based on the project being consistent with the City of Sacramento 2035 General Plan. CADA reserves the right to require additional environmental review to the extent CADA determines that the selected project is not consistent with the City of Sacramento General Plan. If required, CADA will contract with an environmental consultant to prepare any required CEQA documents and the foregoing process will be at the Developer's expense. No additional environmental review is required for the proposed action.

Attachments:

1. Disposition and Development Agreement
2. Select pages from the Design Development Documents
3. Interior Design Package

DISPOSITION AND DEVELOPMENT AGREEMENT

BETWEEN

CAPITOL AREA DEVELOPMENT AUTHORITY,
a California joint powers agency,

AND

WEST BROADWAY 2019 INVESTMENTS LLC,
a Delaware limited liability company

SE Corner 14th and N Streets

APN 006-0223-021-0000

January 14, 2022

Sacramento, California

TABLE OF CONTENTS

	Page
1. GENERAL PROVISIONS	1
1.1 Definitions.....	1
1.1.1 Agreement	1
1.1.2 Authority	2
1.1.3 Certificate of Substantial Completion.....	2
1.1.4 City	2
1.1.5 Close of Escrow	2
1.1.6 Construction Lender	2
1.1.7 Design Development Documents	2
1.1.8 Developer.....	2
1.1.9 Effective Date.....	2
1.1.10 Escrow Holder	2
1.1.11 Final Budget	2
1.1.12 Final Construction Documents.....	2
1.1.13 Good Faith Deposits.....	2
1.1.14 Hazardous Materials	2
1.1.15 Improvements.....	2
1.1.16 Lender	2
1.1.17 Mixed-Use Project	2
1.1.18 Preliminary Budget	2
1.1.19 Preliminary Plans	3
1.1.20 Proforma	3
1.1.21 Project.....	3
1.1.22 Project Commencement Date	3
1.1.23 Property	3
1.1.24 Public Infrastructure Improvement Agreement	3
1.1.25 Schedule of Performance.....	3
1.1.26 Scope of Development.....	3

TABLE OF CONTENTS

(continued)

	Page
1.1.27 State.....	3
1.1.28 Title Company.....	3
1.2 Development Team.....	3
1.3 Representations of Authority and Developer.....	4
1.3.1 Representations of Authority	4
1.3.2 Representations of Developer	4
1.4 Environmental Condition of Property; Authority’s Disclosure of Existing Contamination	5
1.5 Remediation.....	6
1.5.1 Soil Remediation	6
1.5.2 Asbestos Abatement.....	6
1.5.3 Additional Hazardous Materials	6
1.5.4 Definition of Hazardous Materials.....	6
1.6 “As-Is” Condition Upon Closing	7
1.7 Investigation	8
1.8 Release.....	8
1.9 Good Faith Deposits.....	9
2. DEVELOPMENT OF THE PROPERTY	9
2.1 General.....	9
2.1.1 Use of the Property.....	9
2.1.2 Plans and Specifications.....	9
2.1.2.1 Preliminary Plans and Preliminary Budget.....	9
2.1.2.2 Approval of Design Development Documents.....	10
2.1.2.2.1 [Intentionally Deleted]	10
2.1.2.2.2 Authority Approval of Design Development Documents and Updated Preliminary Budget	10
2.1.2.2.3 Interim Review	10
2.1.2.3 Final Construction Documents and Final Budget.....	10

TABLE OF CONTENTS

(continued)

	Page
2.1.2.3.1 Submission	10
2.1.2.3.2 Authority Approval of Construction Documents and Budget	10
2.1.2.4 Approval of Material Changes to Final Construction Documents.....	11
2.1.2.4.1 Authority Approval of Material Changes	11
2.1.2.4.2 Authority of Executive Director.....	11
2.1.2.5 Sustainable Design and Construction	12
2.2 Payment of Fees and Other Costs of Development.....	13
2.2.1 Development Costs.....	13
2.2.2 Prevailing Wages.....	13
2.2.2.1 The Mixed-Use Project.....	13
2.2.2.2 The Public Infrastructure Improvement Project.....	13
2.3 Project Commencement	14
2.3.1 Conditions Precedent and Deadline for Transfer of Property and Project Commencement	14
2.3.2 Inspection and Entry of the Property Prior to Project Commencement Date.....	15
2.3.2.1 Inspection.....	15
2.3.2.2 Site Work.....	15
2.4 Financing of Project Development	16
2.4.1 Evidence of Construction Financing.....	16
2.4.2 Public Infrastructure Improvement Project Assistance	17
2.4.2.1 Disbursement of Infrastructure Funds.....	17
2.5 General Contractor, Civil Engineer, and Project Architect Contracts.	18
2.6 Demolition	18
2.7 Utilities	19
2.8 Off-Site Improvements	19
2.9 Regulatory Documents	19

TABLE OF CONTENTS

(continued)

	Page
2.10 Construction.....	19
2.11 Parcel Map and Condominium Plan and Sale Schedule	19
2.11.1 Rental and Condominium Sales	19
2.11.2 Good Faith Marketing Efforts	20
2.11.3 Condominium Requirements.....	20
2.11.4 Certifications.....	20
2.11.4.1 By Project Architect	20
2.11.4.2 By General Contractor	20
2.12 Right to Observe and Inspect.....	20
2.13 Time of Completion	21
2.14 Certificate of Substantial Completion.....	21
2.15 Certification of Development Costs.....	22
2.16 Payment of Taxes.....	22
2.16.1 Tax Payments.....	22
2.16.2 Validity of Assessments	22
2.16.3 Proof of Payment.....	22
2.16.4 Relocation of Bus Transit Stop.....	22
3. DEVELOPER'S ACQUISITION OF THE PROPERTY	24
3.1 Transfer of Property to Developer.....	23
3.2 Escrow Costs and Conditions	23
3.2.1 Opening of Escrow	23
3.2.2 Escrow Costs	23
3.2.3 Developer's Conditions of Escrow	23
3.2.3.1 Title	23
3.2.3.2 Title Policies	24
3.2.4 Authority's Conditions of Escrow.....	24
3.2.5 Items to be Delivered at Close of Escrow	24
3.2.6 Condition Subsequent to the Transfer of the Property to Developer	24

TABLE OF CONTENTS

(continued)

	Page
4. CONVEYANCE OR ASSIGNMENT	24
4.1 Assignment	24
4.2 Transfer of Property.....	25
4.3 Authority Approval	25
4.4 Request for Consent	25
4.5 Assumption by Transferee	25
4.6 Memorandum of Agreement.....	25
5. ENCUMBRANCE OF DEVELOPER'S INTEREST	25
5.1 Encumbering Developer's Interest	25
5.2 Rights Subject to Agreement	26
5.3 Required Provisions of Any Mortgage	26
5.4 Address of Lender	26
5.5 Lender's Right to Cure	26
5.6 Authority's Purchase Remedy.....	28
5.7 Mortgagee Protection Amendments.....	28
6. LIENS, BONDS, AND GUARANTY	28
6.1 Filing.....	28
6.2 Bonds	29
6.3 Project Guaranty.....	29
7. INDEMNITY AND INSURANCE	30
7.1 Indemnity.....	30
7.2 Insurance Prior to Completion of Construction.....	30
7.2.1 Insurance Prior to the Commencement of Construction	30
7.2.2 The policies of insurance shall include:	30
7.2.2.1 Commercial General Liability	30
7.2.2.2 Automobile Liability Insurance	31
7.2.2.3 Workers' Compensation	31
7.2.3 Insurance Subsequent to the Commencement of Construction	31

TABLE OF CONTENTS

(continued)

	Page
7.2.4 The policies of insurance shall include:	31
7.2.4.1 Commercial General Liability	31
7.2.4.2 Automobile Liability Insurance	31
7.2.4.3 Workers' Compensation	32
7.2.4.4 Course of Construction Insurance	32
7.2.5 Subcontractors' Insurance	32
7.2.6 Use of Owner Controlled Insurance Program (OCIP).....	32
7.2.7 No Construction without Insurance.....	32
8. DESTRUCTION OF IMPROVEMENTS.....	32
9. DEFAULT, REMEDIES, AND TERMINATION	33
9.1 Defaults and Termination - General	33
9.1.3 Surrender of Property.....	33
9.2 Judicial Actions.....	34
9.2.1 Institution of Judicial Action	34
9.2.2 Applicable Law	34
9.2.3 Acceptance of Service of Process	34
9.3 Rights and Remedies are Cumulative	34
9.4 Additional Remedies for Developer's Default After Title Transfer.....	34
9.4.1 Power of Termination.....	34
9.5 Excusable Delay.	35
9.6 Unexcused Delay: Liquidated Damages.....	35
10. TERMINATION OF AGREEMENT	36
11. MISCELLANEOUS.....	36
11.1 Representation	36
11.2 Negation of Joint Venture Between Authority and Developer.....	36
11.3 Successors or Assigns.....	36
11.4 Non-Merger	36
11.5 Site Sign.....	36

TABLE OF CONTENTS

(continued)

	Page
11.6 Nuisance or Waste	36
11.7 Discrimination	37
11.8 Condemnation	38
11.9 Approvals	38
11.10 Waivers and Amendments.....	38
11.11 Inspection of Books and Records.....	38
11.12 Non-Liability of Authority's Officials and Employees	38
11.13 Invalidity of Particular Provision	38
11.14 Attorneys' Fees	39
11.15 Notices	39
11.16 Attornment	40
11.17 Further Assurances	40
11.18 Captions	40
11.19 Time	40
11.20 Definitions.....	41
11.21 Computation of Time Periods.....	41
11.22 Construction.....	41
11.23 Conflict Between Provisions	41
11.24 Counterparts	41
11.25 Notices, Approvals, and Consents Given by Authority	41
11.26 No Third-Party Beneficiaries	41
11.27 Entire Agreement.....	41

LIST OF EXHIBITS

Exhibit A	Property Legal Description
Exhibit B	Schedule of Performance
Exhibit C	Scope of Development
Exhibit D	Design Development Documents
Exhibit E	Updated Budget/Proforma
Exhibit F	Right of Entry
Exhibit G	Certificate of Substantial Completion
Exhibit H	Acceptance by Escrow Holder
Exhibit I	Grant Deed
Exhibit J	Memorandum of Disposition and Development Agreement
Exhibit K	Performance Guaranty

DISPOSITION AND DEVELOPMENT AGREEMENT

14TH & N

This Disposition and Development Agreement (the "Agreement") is entered into as of January __, 2022, by and between the **Capitol Area Development Authority**, a California joint powers agency (the "Authority"), and **West Broadway 2019 Investments LLC**, a Delaware limited liability company (the "Developer").

RECITALS

A. The Authority is the current owner of certain real property located at 1320 and 1330 N Street, on the southeast corner of 14th and N Streets in the City of Sacramento, County of Sacramento, State of California, APN 006-0223-021, which is legally described on **Exhibit A**, attached hereto and made a part hereof (the "Property").

B. On October 28, 2016, the Authority Board found that the development of a project consistent with the one described in the RFP issued on December 5, 2016 is categorically exempt under the California Environmental Quality Act (Pub. Resources Code § 21083.5 and CEQA Guidelines § 15183), because it is consistent with the City of Sacramento General Plan 2035 and because all applicable General Plan mitigation measures will be incorporated into the project.

C. On February 24, 2021, D&S Development, Inc. ("D&S"), managing member of Developer, submitted to Authority a development concept for the development of a mixed-use project on the Property.

D. On March 19, 2021, Authority and D&S entered into an Exclusive Negotiating Agreement (the "ENA"), pursuant to which Authority and D&S agreed to negotiate the terms of the acquisition of the Property by Developer from Authority for the development of a mixed-use project comprised of residential for-sale condominium and market-rate rental units with ground-floor retail and parking, along with a separate public infrastructure improvement project.

E. The parties hereto desire to enter into this Agreement to provide for the development and sale of the Property in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. GENERAL PROVISIONS.

1.1 Definitions. As used herein, the following terms have the meanings set forth below:

1.1.1 Agreement means this Disposition and Development Agreement by and between Authority and Developer.

1.1.2 Authority means the Capitol Area Development Authority, a California joint powers agency.

1.1.3 Certificate of Substantial Completion means “Certificate of Substantial Completion” as defined in Section 2.14.

1.1.4 City means the City of Sacramento.

1.1.5 Close of Escrow means the date the Grant Deed is recorded, which shall be no later than the date set forth in the Schedule of Performance.

1.1.6 Construction Lender means the lender approved by Authority in accordance with Section 2.4.1 herein, and any successor entity thereto.

1.1.7 Design Development Documents means “Design Development Documents” as defined in Section 2.1.2.2.2.

1.1.8 Developer means West Broadway 2019 Investments LLC, a Delaware limited liability company, or Authority-approved assignee pursuant to Section 1.2.

1.1.9 Effective Date means the date on which this Agreement becomes effective, which date shall be the date this Agreement is fully executed by the parties.

1.1.10 Escrow Holder means First American Title Company, or as otherwise agreed upon by the parties in writing.

1.1.11 Final Budget means the budget that is created based on the Final Construction Documents.

1.1.12 Final Construction Documents means construction drawings at a 100% stage of completion and final specifications.

1.1.13 Good Faith Deposits means the monthly good faith deposit payments made by Developer to Authority as set forth in Section 1.9.

1.1.14 Hazardous Materials means “Hazardous Materials” as that term is defined in Section 1.5.4.

1.1.15 Improvements means the improvements of the Mixed-Use Project and the Public Infrastructure Improvement Project in accordance with the Final Construction Documents.

1.1.16 Lender means an entity holding a security interest in the Property, including the Construction Lender.

1.1.17 Mixed-Use Project means the development and construction of the private mixed-use retail, parking, and residential for-sale condominium and market-rate rental project described in the Scope of Development in accordance with the Final Construction Documents.

1.1.18 Preliminary Budget means "Preliminary Budget" as defined in Section 2.1.2.1.1.

1.1.19 Preliminary Plans means "Preliminary Plans" as defined in Section 2.1.2.1.1.

1.1.20 Proforma means "Proforma" as defined in Section 2.1.2.1.1.

1.1.21 Project means the acquisition of the Property and the development of the Improvements for the Public Infrastructure Improvement Project and the Mixed-Use Project in accordance with this Agreement.

1.1.22 Project Commencement Date means the date Developer commences construction pursuant to Section 2.3.

1.1.23 Property means certain real property described in Recital A.

1.1.24 Public Infrastructure Improvement Project means the development and construction of the public infrastructure improvements to Neighbors Alley, located in the alley between 13th and 14th Streets and O and N Streets in accordance with the Final Construction Documents.

1.1.25 Schedule of Performance means the Developer's performance schedule, attached hereto as **Exhibit B**.

1.1.26 Scope of Development means the description of the scope of the Project, attached hereto as **Exhibit C**.

1.1.27 State means the State of California.

1.1.28 Title Company means First American Title Company, whose title policies are issued by Escrow Holder.

1.2 Development Team. The parties hereto agree that Authority approved Developer on the basis of a development team consisting of the parties set forth below in this Section 1.2. No change may be made to Developer or the development team prior to completion of the Improvements without the prior written consent of Authority, which consent shall not be unreasonably withheld or delayed. Any modifications of this development team, or the principals and/or managing members of Developer, prior to such completion, without the reasonable and timely prior written consent of Authority shall constitute a material breach by Developer under this Agreement. Developer has represented that Developer is a limited liability company in which the majority interest or control is held, directly or indirectly by D&S, with D&S serving as the managing member of Developer. Developer has provided or will provide Authority with copies of the operating agreements, articles of incorporation, by laws, resolutions, and other relevant documents of D&S Development, Inc., Developer, and all other members of Developer, relating to the management, authority, and control of the companies, and the related formation documents filed with the California Secretary of State (collectively, "Formation Documents") for Authority's review and approval, which approval shall not be unreasonably withheld or delayed. No modification shall be made to any such agreements without the prior written consent of Authority, which consent shall not be unreasonably withheld or delayed. Any additions or replacements in membership

shall be approved by the Authority in writing, in its sole and reasonable discretion. The Development Team shall initially consist of the following:

Developer:	West Broadway 2019 Investments LLC
Members of Developer:	D&S Development, Inc. Abbaszadeh 1715 I Street Investment LLC Eco Green LLC
Managing Member of Developer:	D&S Development, Inc.
General Contractor:	DASCO Commercial Construction, Inc.
Project Architects:	Architects Local and/or other architect to be determined in accordance with Section 2.5.1 herein.
Civil Engineer:	Murray Smith & Associates Engineering

1.3 Representations of Authority and Developer.

1.3.1 Representations of Authority. Authority hereby makes the following representations and covenants to Developer:

1.3.1.1 Authority has the right to make this Agreement and that the making thereof will not constitute default under any agreement to which Authority is a party.

1.3.1.2 This Agreement has been duly executed by Authority, is a legal, valid, and binding obligation of Authority, and is enforceable in accordance with its respective terms.

1.3.1.3 To the best of Authority's knowledge, without duty of investigation, there is no litigation or other proceeding, including condemnation proceedings, by or before any court, arbitrator or governmental or regulatory official, body or authority which is pending, or to the best of Authority's knowledge, threatened against Authority, that arises out of the ownership of the Property.

1.3.2 Representations of Developer. Developer hereby makes the following representations and covenants to Authority:

1.3.2.1 Developer is a Delaware limited liability company duly formed and organized, is validly existing in good standing under the laws of the State of Delaware, and registered to do business in the State of California, and has all necessary powers to enter into this Agreement and to develop and operate the Improvements. Developer has all necessary powers to enter into this Agreement and to develop and own the Project. On or before the Effective Date of this Agreement, Developer shall furnish to Authority Developer's operating agreement and certified articles or certificates of formation and Developer's certificate of limited liability company certified by the Delaware Secretary of State and a

Certificate of Good Standing from the California Secretary of State dated no earlier than thirty (30) days prior to the Effective Date.

1.3.2.2 This Agreement has been duly executed by Developer, is a legal, valid, and binding obligation of Developer, and is enforceable in accordance with its respective terms.

1.3.2.3 Developer has no knowledge of any pending or threatened litigation which may affect Developer's ability to enter into this Agreement.

1.3.2.4 The making of this Agreement will not constitute default under any agreement to which Developer is a party.

1.3.2.5 Developer is not, and, after making due inquiry, no person who owns a controlling interest in or otherwise controls Developer is, (a) listed on the Specially Designated Nationals and Blocked Persons List (the "SDN List") maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or on any other similar list ("Other Lists" and, collectively with the SDN List, the "Lists") maintained by the OFAC pursuant to any authorizing statute, Executive Order or regulation (collectively, "OFAC Laws and Regulations"); or (b) a person (a "Designated Person") either (i) included within the term "designated national" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (ii) designated under Sections 1(a), 1(b), 1(c) or 1(d) of Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or similarly designated under any related enabling legislation or any other similar Executive Orders (collectively, the "Executive Orders"). Neither Developer nor any of its principals or affiliates (x) is a person or entity with which Developer is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law or (y) is a person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Orders or (z) is affiliated or associated with a person or entity listed in the preceding clause (x) or clause (y). Neither Developer nor any of its principals or affiliates, nor any brokers or other agents acting in any capacity in connection with the transactions contemplated herein (I) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Orders or (II) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. As used herein, "Anti-Terrorism Law" means the OFAC Laws and Regulations, the Executive Orders and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended.

1.4 Environmental Condition of Property; Authority's Disclosure of Existing Contamination. Authority has provided to Developer copies of a Phase I Brownfields Site Investigation dated January 2000, a Limited Phase II Environmental Site Assessment Report dated April 27, 2009, and a new Phase I Site Assessment Report dated July 11, 2018 (collectively, "Assessment"), and a Pre-Demolition Asbestos Survey by Sierra Environmental Testing and Consulting, Inc. dated January 19, 2016 ("Asbestos Analysis"), and an Asbestos Visual Clearance letter dated January 20, 2020 from RegasGroup (collectively, the "Remediation Documents"), which documents are incorporated herein by reference concerning the existence of certain Hazardous Materials (defined herein) within the Property (the "Existing Contamination"). To the best of Authority's knowledge, the Remediation Documents constitute all documents and materials in Authority's possession regarding the Existing Contamination. In the event

any additional documents or information pertaining to such matters are received by Authority following the Effective Date, Authority shall promptly forward such documents to Developer upon receipt thereof. To the extent the Remediation Documents contain third-party opinions and conclusions based upon Property inspections and tests, Authority expressly disclaims any liability or responsibility for the accuracy or veracity of the Remediation Documents. Developer acknowledges and agrees that it has been provided an opportunity to review and consider the Remediation Documents, and have the contents of such documents reviewed by its environmental consultants. Notwithstanding Authority's disclosure, Developer represents to Authority that it has conducted an environmental investigation of the Property or has been provided an opportunity to do so and is relying solely on its own investigation and the opinions of its environmental consultants regarding the suitability of the Property for Developer's intended use, or for the presence of Hazardous Materials in, on or under the Property. Developer shall be solely responsible for the adequacy of such investigations.

1.5 Remediation.

1.5.1 Soil Remediation. As discussed in the Assessment, the results of environmental investigation at the Property suggest that there is an area of lead and other contamination in the soil of the Property. Developer shall take full responsibility, and take all actions necessary, to remediate the contaminated soil as part of the Project excavation during construction, at its sole cost and expense.

1.5.2 Asbestos Abatement. Developer shall take full responsibility for, and complete at its sole cost and expense, any and all remaining asbestos abatement, if any, on the Property.

1.5.3 Additional Hazardous Materials. In the event additional Hazardous Materials are discovered on the Property (whether discovered by Authority or Developer prior to or after the Effective Date) and remediation is required, Developer shall be solely responsible for and shall pay the cost of any inspection, removal, and disposal of such additional Hazardous Materials, and Developer shall contract with qualified and licensed persons for all remedial work. Completion of the additional remediation shall be evidenced by a "No Further Action" letter or similar approval issued by the County of Sacramento. If additional remediation is required, Developer and its contractors or agents shall comply with and be bound by the insurance provisions contained in Section 7.2 for such work.

1.5.4 Definition of Hazardous Materials. As used in this Agreement, the term "Hazardous Materials" shall mean "any hazardous or toxic substance, material or waste that is: (i) regulated by any local governmental authority, the State of California or the United States Government; (ii) defined as an "acutely hazardous waste," "extremely hazardous waste," "hazardous waste," or "waste" under Section 25110.02, 25115, 25117 or 25124 or listed pursuant to Sections 25141 and 25141.5 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) listed under Chapter 10 of Division 4.5 of Title 22 or defined as "hazardous" or "extremely hazardous" pursuant to Division 21.5 of Title 26 of the California Code of Regulations; (viii) designated as a "hazardous waste" pursuant to Section 6903 of the Federal Resource Conservation and Recovery Act,

42 U.S.C. section 6901, et seq.; (ix) defined as a "hazardous substance" pursuant to Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. section 9601, et seq.; (x) any flammable substances or explosive; or (xi) any radioactive material or any illegal levels or quantities of hazardous or toxic substance or material or waste, that is (a) regulated by any local governmental agency, the State of California or the United States Government (b) defined as such in any federal, state, or local statute, ordinance, rule, or regulation applicable to the Property, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601-9675), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901-6992k), the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Saf. Code §§ 25330-25395), and the Hazardous Waste Control Law (California Health and Saf. Code §§ 25100-25250.25); (c) asbestos, or asbestos containing material; (d) radon gas; (e) petroleum or petroleum fractions; (f) any explosive substances; and (g) any radioactive material.

1.6 "As-Is" Condition Upon Closing. Developer acknowledges and agrees that except as otherwise expressly provided in this Agreement, to the maximum extent permitted by law, the sale of the Property is made on an "As Is," "Where Is" condition and basis with all faults, and that Authority has no obligation to make repairs, replacements, or improvements thereto. The Purchase Price and the terms and conditions set forth herein are the result of arms-length bargaining between entities familiar with transactions of this kind. Developer further acknowledges and agrees that, except as otherwise expressly provided in this Agreement, Authority has not made, does not make, and specifically negates and disclaims, any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to: (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Developer may conduct thereon, including the possibilities for future development of the Property; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) the manner or quality of the construction or materials, if any, incorporated into the Property; (i) compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements; (j) the presence or absence of Hazardous Materials, as defined in Section 1.5.4, above, at, on, under or adjacent to the Property; (k) the content, completeness or accuracy of any materials obtained by Developer in its investigation of the Property, including, without limitation, any title report issued by the Escrow Holder; (l) the conformity of any improvements on the Property, if any, to any plans or specifications of the Property, including any plans and specifications that may have been or may be provided to Developer; (m) the conformity of the Property to past, current or future applicable zoning or building requirements; (n) deficiency of any drainage; (o) the fact that all or a portion of the Property may be located on or near an earthquake fault line; (p) the land use status of the Property, zoning status, subdivision status under the California Subdivision Map Act or the subdivision ordinances of the City, or the status of any other governmental entitlement; (q) any documents pertaining to the Property provided by Authority to Developer, except for the completeness of such Property documents; or (r) with respect to any other matter.

1.7 Investigation. Developer acknowledges that Developer is conducting its own investigation of the Property, and (except for the express representations and warranties contained herein) Developer is relying solely on such investigations, inspections, and evaluations of such Property in making its decision to consummate the transaction contemplated by this Agreement, and not on any information provided or to be provided by Authority. Developer hereby expressly acknowledges that Developer shall be solely responsible for determining the status and condition of the Property, including land use, zoning, building, and other governmental regulations, and physical, geological, and environmental conditions. Except as expressly provided for in this Agreement or any written amendment or supplement hereto executed and delivered by Authority, Authority shall not be liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, agent, employee or any other person.

1.8 Release. Except as to Seller's obligations herein, Developer, for itself and all of its partners, members, officers, directors, employees, agents, and affiliated entities, hereby fully and forever releases and discharges (to the extent allowed by applicable law) Seller, and each of their partners, members, trustees, directors, officers, employees, representatives, property managers, asset managers, agents, attorneys, affiliates and related entities, heirs, successors, and assigns (collectively, the "Releasees"), and the Seller and the other Releasees shall be, and are hereby, fully and forever released and discharged from any and all liabilities, losses, claims (including third-party claims), demands, damages (of any nature whatsoever), causes of action, costs, penalties, fines, judgments, reasonable attorneys' fees, consultants' fees and costs and experts' fees (collectively, the "Claims"), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with any aspect of the Property, including, without limitation, the physical, environmental, and structural condition of the Property, the economic and financial aspects of the Property, any law, ordinance, or regulation, the legal status of the Property, and any title matters applicable thereto, including, without limitation, any Claim or matter (regardless of when it first appeared) relating to or arising from (a) the presence of any environmental problems, or the use, presence, storage, release, discharge, or migration of Hazardous Materials on, in, under or around the Property regardless of when such Hazardous Materials were first introduced in, on or about the Property, (b) any patent or latent defects or deficiencies with respect to the Property, (c) any and all matters related to the Property or any portion thereof, including, without limitation, the condition and/or operation of the Property and each part thereof, and (d) the presence, release and/or remediation of asbestos and asbestos-containing materials in, on or about the Property regardless of when such asbestos and asbestos-containing materials were first introduced in, on or about the Property. Developer hereby waives and agrees not to commence any action, legal proceeding, cause of action or suits in law or equity, of whatever kind or nature, including, but not limited to, a private right of action under the federal Superfund laws, 42 U.S.C. section 9601, et seq. (as such laws and statutes may be amended, supplemented or replaced from time to time), directly or indirectly, against the Releasees or their agents in connection with Claims described above and all similar provisions or rules of law, other than with respect to any Claims relating to a breach of Seller's covenants that survive the Closing or of any of the Seller Representations and Warranties. In this connection and to the greatest extent permitted by law, Developer, for itself and all of its partners, members, officers, directors, employees, agents, and affiliated entities, hereby agrees, represents, and warrants that Developer realizes and acknowledges that factual matters not known to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damage, costs, losses and expenses which are

presently unknown, unanticipated and unsuspected, and Developer further agrees, represents, and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge, and acquit Seller from any such unknown, unanticipated or unsuspected Claims, debts, and controversies which might in any way be included as a material portion of the consideration given to Seller by Developer in exchange for Seller's performance hereunder, other than with respect to any Claims relating to a breach of Seller's covenants that survive the Closing, or Seller's Representations and Warranties. In particular, Releasees do specifically waive the provisions of California Civil Code section 1542 which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASE PARTY.

Developer's Initials

1.9 Good Faith Deposits. Upon the Effective Date and through Close of Escrow on the Property, Developer agrees to make Good Faith Deposits to Authority in the amount of Five Thousand Dollars (\$5,000) per month to help compensate Authority for holding costs and any costs Authority incurs to assist the Developer. The Good Faith Deposits made by Developer shall be credited toward the Purchase Price for the Property, but they shall not be refunded under any condition and shall not constitute liquidated damages for any Authority Default.

2. DEVELOPMENT OF THE PROPERTY.

2.1 General.

2.1.1 Use of the Property. The Property shall be developed and used exclusively in accordance with the terms of this Agreement and in a manner consistent with:

- 2.1.1.1 the 1997 Capitol Area Plan;
- 2.1.1.2 the December 1996 Capitol Park Neighborhood Design Plan;
- 2.1.1.3 the Final Construction Documents; and
- 2.1.1.4 the City of Sacramento General Plan 2035.

2.1.2 Plans and Specifications.

2.1.2.1 Preliminary Plans and Preliminary Budget.

2.1.2.1.1 Developer has submitted to Authority, and Authority has approved, preliminary schematic design plans as part of the Development Proposal required under the ENA for the development of the Improvements on the Property (the "Preliminary Plans"). The Preliminary

Plans include a site plan and building plans, sections, and elevations. Developer has also submitted to Authority, and Authority has approved, a preliminary budget for the development of the Improvements on the Property (the "Preliminary Budget"), along with a Project revised proforma showing Developer's anticipated revenues and expenses for the Project ("Proforma"). Developer has also provided preliminary specifications for Authority's review.

2.1.2.2 Approval of Design Development Documents.

2.1.2.2.1 [Intentionally Deleted].

2.1.2.2.2 Authority Approval of Design Development Documents and Updated Preliminary Budget. Developer has submitted to Authority, and Authority has approved, 100% design development documents that include drawings that fix and describe the size and character of the entire project as to architectural, structural, mechanical, and electrical systems, materials, and such other elements as may be appropriate, as well as an outline of specifications that identify major materials, systems, and overall quality levels ("Design Development Documents"), which are attached hereto as **Exhibit D**. In addition, Developer has submitted to Authority, and Authority has approved, and updated Proforma, attached hereto as **Exhibit E**.

2.1.2.2.3 Interim Review. During the Design Development phase and through to Authority approval of the Final Construction Documents and Final Budget, Developer and Authority agree to meet and confer regularly, not less than monthly, to discuss design, budget, and plan development.

2.1.2.3 Final Construction Documents and Final Budget.

2.1.2.3.1 Submission. Not later than the due date specified in the Schedule of Performance, Developer shall submit to Authority the Final Construction Documents (including the specifications) and a Final Budget and Proforma for the development of the Improvements on the Property.

2.1.2.3.2 Authority Approval of Construction Documents and Budget. The Executive Director of the Authority shall approve the Final Construction Documents and Final Budget if she determines they are consistent in all material respects with the Preliminary Plans, updated Preliminary Budget and Proforma, Design Development Documents, and the Scope of Development. The Executive Director shall act within fourteen (14) days of submittal of the required Final Construction Documents. If the Authority requires revisions to the Final Construction Documents or Final Budget, Authority shall notify Developer in writing of the desired revisions within the time period provided in the Schedule of Performance. Thereafter, Developer shall submit revised plans within thirty (30) days from the date the Authority notifies Developer of the desired revisions. Authority's Executive Director shall either approve or disapprove the submitted revised plans or budget within ten (10) days of the date such revised plans and budget are received by Authority. This sequence shall continue until such time as the Final Construction Documents and Final Budget are approved by Authority, but in no event shall continue later than ninety (90) days after first submission of the Final Construction Documents and Final Budget.

2.1.2.4 Approval of Material Changes to Final Construction Documents.

2.1.2.4.1 Authority Approval of Material Changes. If the Developer desires to make any material changes in the Final Construction Documents, the Developer shall submit such proposed changes, in writing, to Authority for its approval. The Final Construction Documents shall thereafter be construed to include any new changes, if approved in the same manner as for approval of the original Final Construction Documents. The Executive Director of the Authority shall act to approve or disapprove the proposed change within fourteen (14) days of submittal; however, Authority is not obligated to approve any of Developer's material changes to the Final Construction Documents. Nothing in this section shall be construed to relieve Developer of its obligations under all applicable laws regarding such changes. For purposes of this section, a "material change" is a change that is material to Authority in accomplishing its purposes under this Agreement. A material change in the Final Construction Documents shall include, without limitation, the following changes, excluding those items generally considered to be tenant improvements:

- a. Material changes in the layout, elevation design, square footage, unit count, unit distribution, number of condominium units, number of parking spaces, type and scope of resident amenities, and amount of commercial space.
- b. Material changes in use of exterior finishing materials substantially affecting architectural appearance, quality, durability, or functional use and operation.
- c. Material changes in site development items for the Property that are specified in the Final Construction Documents.
- d. Any material changes requiring approval of any city, county or state board, body, commission or officer, or any change required by any city, county or state board, body, commission or officer.
- e. Any change which would preclude or materially reduce the ability to use the Project as intended by this Agreement.

2.1.2.4.2 Authority of Executive Director. The Executive Director is authorized to approve material changes that result in no more than a ten percent (10%) cumulative change throughout the design and construction process in the following items: unit count, unit distribution, number of condominium and apartment units, number of parking spaces, and amount of commercial space and non-substantive changes to the exterior elevations; provided, however, that the Executive Director may refer any proposed material change to the Authority Board for approval in the Executive Director's sole discretion.

2.1.2.5 Sustainable Design and Construction. Developer is to use its commercially reasonable efforts to incorporate sustainable design and sustainable construction practices in the proposed project as described in Sections 2.1.2.5.1 and 2.1.2.5.2, below. While Authority does not require a LEED certification, the Developer is required to achieve at a minimum a Gold LEED standard and

is encouraged to exceed such standard. Developer shall obtain written verification from the Project Architect that the Project has been designed to at least a Gold LEED standard and from the Contractor that the Project has been built according to the approved final plans and specifications.

2.1.2.5.1 Sustainable design should emphasize the following environmental, resource, and occupant health concerns:

- a. Reduce human exposure to noxious materials;
- b. Conserve non-renewable energy and scarce materials;
- c. Minimize life-cycle ecological impact of energy and materials used;
- d. Use renewable energy and materials that are sustainably harvested;
- e. Prioritize use of native and climate-appropriate plants for landscaping;
- f. Protect and restore local air, water, soils, flora and fauna; and
- g. Support pedestrians, bicycles, mass transit, and other alternatives to fossil-fueled vehicles.

2.1.2.5.2 Sustainable Construction should include the rational use of natural resources and appropriate use of building materials that:

- a. Limits use of scarce resources;
- b. Reduces energy consumption; and
- c. Improves environmental quality.

2.2 Payment of Fees and Other Costs of Development.

2.2.1 Development Costs. Except as specifically provided herein, Developer shall be solely responsible for all of the costs related to the development of the Improvements, including, but not limited to, all taxes, fees, developer fees, assessments, and charges for:

2.2.1.1 on- or off-site infrastructure improvements such as drainage, curbs, gutters, sidewalks, storm or sanitary sewerage improvements and street lighting;

2.2.1.2 sewer, water, and other utility connection and capacity charges and rates;

2.2.1.3 transportation, parking, schools, and parks;

2.2.1.4 planning, building, engineering, environmental, and other public agency actions, including costs associated with the filing of subdivision maps, lot line adjustments, use, or building permits, and easements, rights of way; and any and all other on-site dedication or improvement requirements of the City of Sacramento; and

2.2.1.5 any costs associated with any environmental remediation costs for the Property, including the Required Remediation.

2.2.2 Prevailing Wages.

2.2.2.1 The Mixed-Use Project. The parties acknowledge that the Mixed-Use Project is not a "public work" within the meaning of California Labor Code section 1720 and that California Labor Code section 1771 does not apply to the Mixed-Use Project. Therefore, prevailing wages are not required to be paid for the Mixed-Use Project. Developer agrees that if prevailing wages nonetheless do apply, Developer shall cause all work performed in connection with the Mixed-Use Project to be performed in compliance with the applicable state prevailing wage laws pursuant to California Labor Code section 1720, et seq. and the regulations pursuant thereto. In the event Developer fails to comply with the applicable prevailing wage laws, Developer shall be liable for the payment of all penalties, wages, and/or damages resulting therefrom and shall defend, indemnify, and hold harmless Authority for any violations or alleged violations of prevailing wage laws.

2.2.2.2 The Public Infrastructure Improvement Project. Authority has determined that the Public Infrastructure Improvement Project is a "public work" within the meaning of California Labor Code section 1720 and that California Labor Code section 1771 applies to the Public Infrastructure Improvement Project. Accordingly, Developer shall cause the work performed in connection with the Public Infrastructure Improvement Project to be performed as a "public work." Developer shall pay prevailing wages for the Public Infrastructure Improvement Project and shall comply with all labor compliance monitoring requirements under California Labor Code section 1720, et seq. Prior to the commencement of any work on the Public Infrastructure Improvement Project, Developer shall provide, or cause to be provided, any payment security required by state law. Notwithstanding the above two sentences, if Developer does not accept Authority's public funds for the Public Infrastructure Improvement Project in accordance with Section 2.11.1 herein, the Public Infrastructure Improvement

Project may not be considered a public work under the California Labor Code. Nonetheless, Developer agrees that if prevailing wages do apply, Developer shall cause all work performed in connection with the Public Infrastructure Improvement Project to be performed in compliance with the applicable state prevailing wage laws pursuant to California Labor Code section 1720, et seq. and the regulations pursuant thereto. In the event Developer fails to comply with the applicable prevailing wage laws, Developer shall be liable for the payment of all penalties, wages, and/or damages resulting therefrom and shall defend, indemnify, and hold harmless Authority for any violations or alleged violations of prevailing wage laws.

2.3 Project Commencement.

2.3.1 Conditions Precedent and Deadline for Transfer of Property and Project Commencement. On or before the dates specified in the Schedule of Performance, and as a condition precedent to Authority's obligation to transfer the Property pursuant to Section 3, and for Developer to receive transfer of the Property and commence construction on the Improvements ("Project Commencement"), Developer shall have satisfied each of the following conditions:

2.3.1.1 Developer's delivery to Authority the evidence of having received approval for and secured any and all entitlements, approvals, and permits necessary for the development of the Project in accordance with this Agreement, including, but not limited to, encroachment, storm water, demolition, excavation, grading, foundation work, and utilities. Developer must also deliver to Authority evidence that, subject to any payment of required fees/charges and if appropriate at that time, it has paid for and secured building permits for full construction.

2.3.1.2 Developer's delivery to Authority and Authority's approval of the contract with the Project Architect, Civil Engineer, and the General Contractor in accordance with Section 2.5.1 of this Agreement (and Items 1 and 2 in the Schedule of Performance);

2.3.1.3 Developer's completion and delivery to Authority and Authority's approval of the Final Budget, and a "building permit set" of the Final Construction Documents including specifications for the entire Project in accordance with Items 4 through 6 in the Schedule of Performance;

2.3.1.4 Recordation of the Memorandum of Disposition and Development Agreement;

2.3.1.5 Developer's delivery of copies or written evidence satisfactory to Authority of the receipt of all approvals for the Project and all "will serve" letters from utility providers;

2.3.1.6 Developer is current in its \$5,000 monthly Good Faith Deposits payments as set forth in Section 1.10 of this Agreement;

2.3.1.7 Developer's delivery to Authority and Authority's approval of all financing and financing documents for the Project, including a construction loan with equity funds acceptable to the construction lender sufficient to complete the project in accordance with Section 2.4.1 of this Agreement, including executed construction loan documents, and the deed of trust to be recorded against the Property to secure such construction financing ("Construction Loan Deed of Trust");

2.3.1.8 Developer's delivery to Authority of Developer's Performance Guaranty, and Performance and Payment Bonds naming Authority as a Dual Obligee, in accordance with Section 5.7 of this Agreement;

2.3.1.9 Developer's delivery to Authority and Authority's approval of evidence of insurance in accordance with Section 7.2 of this Agreement;

2.3.1.10 Developer's delivery to Authority of a certification from the Project Architect that the Mixed-Use Project has been designed to condominium standards in accordance with Section 2.11.3 of this Agreement;

2.3.1.11 Recordation of the Deed of Trust; and

2.3.1.12 Developer's filing with the Bureau of Real Estate of a complete application for a public report and Developer providing an updated marketing plan to Authority for both rental and condominium sales;

2.3.1.13 Developer shall not be in material default of any provision of this Agreement, any other agreements pertaining to the Property or the Improvements, nor shall there be any condition, which after notice and opportunity to cure, would constitute such a default.

2.3.2 Inspection and Entry of the Property Prior to Project Commencement Date.

2.3.2.1 Inspection. Developer and persons authorized by Developer shall have the right to enter upon the Property prior to the Project Commencement Date for the purpose of making inspections, subject to prior approval by Authority. Developer shall use its best efforts to minimize disruption of the present use of the Property caused by such activities and shall indemnify Authority, City of Sacramento, and State of California against any and all liability arising from such activities.

2.3.2.2 Site Work. Upon completion of the following conditions, Authority agrees to grant Developer a right of entry in the form attached hereto and incorporated herein as **Exhibit E**, to begin site work on the Property before the transfer of the Property and Project Commencement (the "Site Work Conditions"):

2.3.2.2.1 Developer has received and presented Authority the evidence of having received approval for and secured a phased permit from the City of Sacramento for the site work;

2.3.2.2.2 Developer's delivery to Authority and Authority's approval of the contract with the Project Architect, Civil Engineer, and the contract with the General Contractor in accordance with Section 2.5.1 of this Agreement (and Items 1 and 2 of the Schedule of Performance);

2.3.2.2.3 Developer is current in its \$5,000 monthly Good Faith Deposits payments as set forth in Section 1.10 of this Agreement;

2.3.2.2.4 Developer's delivery to Authority and Authority's approval of evidence of insurance in accordance with Section 7.2 of this Agreement;

2.3.2.2.5 Developer's completion and delivery to Authority of a set of ninety percent (90%) complete Construction Documents including specifications for the Project;

2.3.2.2.6 Delivery to Authority, and Authority's approval of, an updated budget and proforma, a binding financing commitment for construction financing for the Project, along with an updated marketing study and marketing plan for the rental and condominium portions of the Mixed-Use Project; and

2.3.2.2.7 Developer shall not be in material default of any provision of this Agreement, any other agreements pertaining to the Property or the Improvements, nor shall there be any condition, which after notice and opportunity to cure, would constitute such a default.

2.4 Financing of Project Development.

2.4.1 Evidence of Construction Financing. Developer shall submit to Authority and Authority will approve documentation evidencing all of Developer's financing commitments and financial ability to develop the Improvements on the Project in the manner provided in this Agreement by the date shown in the Schedule of Performance as follows:

2.4.1.1 Developer has represented that it has interest from various sources to provide equity capital and financing that Developer believes will result in financing commitments sufficient to develop the Improvements on the Property in the manner provided in this Agreement. In accordance therewith, Developer previously submitted to Authority a term sheet or letter of interest from a construction lender expressing interest in funding a portion of the Project. No later than the date set forth in the Schedule of Performance, Developer shall submit to Authority further documentation evidencing Developer's financing commitments and financial ability to complete the Project. Such financing may consist of a construction loan ("Construction Loan"), mezzanine loan, equity participation investments, or any combination thereof. The financing documents must provide for Developer equity acceptable to the lender/investors. Acceptable evidence of loan financing shall be a binding financing commitment by a Lender acceptable to Authority in its reasonable discretion, which shall contain terms upon which sales proceeds from the sale of condominiums may be used to pay down the Authority Loan. Prior to Close of Escrow, Developer shall provide Authority with Construction Loan documents for approval by Authority to fund the acquisition, design and construction of the Improvements and the operation of the Project. Developer's equity capital together with its evidence of financing commitments shall be in an amount equal to the estimated costs of development based on an executed construction contract.

2.4.1.2 Authority shall either approve or disapprove any written evidence of financing within fourteen (14) business days of Developer's submission, which approval shall not be unreasonably withheld, subject only to reasonable and customary conditions. The grounds for the disapproval shall be stated in writing. Notwithstanding any other provision of this Agreement, if Authority disapproves said written evidence, within ninety (90) days following Authority's disapproval, Developer

shall resubmit one or more revised evidences of financing for approval. The Authority shall approve or disapprove any resubmittal within fourteen (14) business days of Developer's submission.

2.4.2 Public Infrastructure Improvement Project Assistance. Authority agrees to provide Developer with a \$400,000 grant for exclusive use toward the Public Infrastructure Improvement Project (the "Infrastructure Funds"). The Infrastructure Funds shall not be used for any other purpose. Any funds not used for the Public Infrastructure Improvement Project shall be returned to Authority. Developer shall contract for the Public Infrastructure Improvement Project separately from the Mixed-Use Project and Developer shall pay for all costs in excess of the \$400,000 provided by Authority.

2.4.2.1 Disbursement of Infrastructure Funds. The Infrastructure Funds will be disbursed by Authority on a reimbursement basis as follows:

2.4.2.1.1 Developer shall submit disbursement requests to Authority for Authority's approval of authorized costs invoiced for the Public Infrastructure Improvement Project, as described in the line items of the Final Budget (the "Disbursement Request").

2.4.2.1.2 Together with the Disbursement Request, Developer shall provide Authority the following: (i) an invoice from the General Contractor, contractor, supplier, vendor, consultant or other authorized person for work performed, materials supplied, services rendered, or authorized costs incurred (no advanced billings will be paid), (ii) a statement verified under penalty of perjury by the applicable party that all items covered by the Disbursement Request have been completed or provided in accordance with the applicable contract or agreement and should now be paid, that there are no outstanding liens, claims, or disputes concerning the Infrastructure Improvement Project or the real property, the total contract amount, if applicable, the percentage of the work completed, if applicable, and the percentage of the contract amount billed, if applicable; and (iii) evidence that the aggregate amount of Infrastructure Funds then disbursed, including the share thereof to be paid pursuant to the Disbursement Request, will be equal, on a dollar-for-dollar basis, to (a) the aggregate amount of funds then disbursed, including the share thereof to be paid with respect to such Disbursement Request, and (b) the aggregate amount of other equity participation funds then disbursed, including the share thereof to be paid with respect to such Disbursement Request, up to, but not in excess of, the \$400,000 to be funded by Authority hereunder. Provided, however, if the cost of the Public Infrastructure Improvement Project exceeds \$400,000, Developer shall disburse to a contractor, supplier, vendor, consultant or other authorized person its required developer equity contributions (the amount of the Public Infrastructure Improvement Project exceeding \$400,000) in full prior to Authority's obligation to disburse any Infrastructure Funds. Upon receipt of the Disbursement Request and supporting documents, Authority shall have the absolute right to inspect and verify the work performed, materials or services provided, or other authorized costs incurred and invoiced.

2.4.2.1.3 Upon the provision of conditional lien releases related to such Disbursement Requests (and unconditional lien releases related to previously paid Disbursement Requests), Authority's verification of the information contained in the Disbursement Request, the work performed, materials supplied, services rendered, or authorized costs incurred and invoiced and its satisfaction, in its sole discretion, that the Infrastructure Funds are solely being expended for costs of construction of the Public Infrastructure Improvement Project, Authority shall make its share of the

disbursement directly to the Developer for payment by Developer to the General Contractor, contractor, supplier, vendor, consultant or other authorized person. Notwithstanding anything to the contrary in this Agreement, Authority shall be under no obligation to disburse any of the Infrastructure Funds for costs that are not in compliance with this Section 2.4.2.1.

2.5 General Contractor, Civil Engineer, and Project Architect Contracts.

2.5.1 The Developer has identified to Authority the name of the project architect ("Project Architect") and delivered to Authority a fully executed copy of the contract with the architect, to complete the construction drawings and design of the Final Construction Documents, and to provide construction management services. The Developer has identified to Authority the name of the civil engineer ("Civil Engineer") and delivered to Authority a fully executed copy of the contract with a civil engineer to work closely with the Project Architect in completing the construction drawings and design of the Final Construction Documents, and to provide construction management services. As provided in the Schedule of Performance, Developer shall identify to Authority the name of the general contractor ("General Contractor") and deliver to Authority a fully executed copy of the contract with a general contractor for the construction of the Improvements in accordance with the Final Construction Documents.

2.5.2 In order to allow Developer to assign to Authority all copyrights associated with consultant contracts, all contracts entered into by Developer for services pertaining to the planning and design of the Project shall expressly provide for the assignment by Developer to a third party any copyrights associated with the materials prepared pursuant to the contract for the development of this Project. Such assignment shall include requirements that the third party must meet as a condition for use of the service provider's design documents. Developer hereby assigns, and agrees to execute any documents required by the services provider to assign, to Authority any copyright rights associated with the materials prepared pursuant to any design contract and this Agreement for the sole purpose of being used by the Authority to complete construction of the Improvements in the event this Agreement terminates after transfer of the Property but prior to the completion of the construction of the Improvements. Immediately upon termination of this Agreement, Authority shall be entitled to, and the Developer shall deliver to Authority, originals of all materials prepared pursuant to all contracts and this Agreement, provided, however, the foregoing assignments to Authority shall be subject and subordinate to any assignments thereof by Developer to the Construction Lender pursuant to the Construction Loan.

2.6 Demolition. Developer shall be responsible for all foundation and site demolition costs, including, but not limited to, removal of all asphalt, existing structures, surface improvements, foundations, and other items.

2.7 Utilities. Developer shall pay, or cause to be paid, all charges for water, heat, gas, electricity, sewer, telephone, garbage, and any and all other utilities used upon the Property for so long as Developer owns or is in possession of the Property, including all utility relocation and connection fees and costs. Developer shall coordinate with the City on removal, retention or relocation of utilities and pay to remove, cap or relocate such utilities.

2.8 Off-Site Improvements. Developer is responsible for all off-site improvements, including, but not limited to: alley repairs and upgrades, curbs, gutters, sidewalks, landscaping, light poles, street trees, domestic water service, gas service, sewer service, electrical service, cable and satellite service, SMUD vaults, bike racks, and combined storm and sewer service. Developer is responsible for all required City, County or State impact fees.

2.9 Regulatory Documents. Developer shall construct the Improvements and maintain the premises in compliance with all covenants and restrictions of record, this Agreement, all applicable building codes, all applicable local restrictions or ordinances, and all applicable state and federal laws and regulations until the Project and Property are transferred to the condominium association.

2.10 Construction. Upon the satisfaction of the conditions precedent to the commencement of construction set forth in Section 2.3.1, Developer shall commence remediation and, either concurrently or immediately thereafter, commence demolition and construction, and diligently prosecute to completion the remediation, demolition, and the construction of the Improvements. Said Improvements shall be constructed in strict conformance with the Final Construction Documents approved by Authority, except as Authority may specifically agree otherwise in advance in writing. Developer shall at all times provide such fences, warning devices, barricades, and other protective devices as necessary to protect the public from death, physical injury, or property damage arising out of, or in any way connected with, Developer's use of the Property. Developer shall prosecute such construction work in accordance with all applicable laws and regulations, and any reasonable requirement of Authority.

2.11 Parcel Map and Condominium Plan and Sale Schedule.

2.11.1 Rental and Condominium Sales. The Mixed-Use Project is to be developed as a multi-phase Project and shall be built to condominium standards. Developer shall use its good faith efforts to sell the six (6) units on the 8th floor as condominiums within twenty-four (24) months of receipt of the Mixed-Use Project Certificate of Occupancy issued by the City of Sacramento (the "Sale Requirements"); provided, however, if prior to Developer's acceptance of the Infrastructure Funds in accordance with Section 2.4.2, Developer notifies Authority that it will not be accepting the Infrastructure Funds, the Sale Requirements will Terminate. The rest of the Project's residences may be held as a single unit and rented as apartments, provided Developer shall have the right, at any time, to create and sell all or a portion of the Project's residences as individual condominium units. Prior to issuance of the Certificate of Substantial Completion in accordance with Section 2.14, below, Developer shall obtain and record its final Condominium Plan and Map with a minimum of the six units on the top 8th floor condo mapped as separate units, record the Declaration of Covenants, Conditions and Restrictions, and have the corporate association approved. Developer shall provide copies to Authority of all condominium documents submitted to any public or regulatory agency.

2.11.2 Good Faith Marketing Efforts. Developer shall update its marketing plan for selling the six (6) units on the 8th floor of the Project at least six (6) months prior to Project completion and City issuance of the Mixed-Use Project Certificate of Occupancy pursuant to the Schedule of Performance. The updated plan shall include a website to promote the entire building Project with a webpage specific to the condominium sales, and condominium sales advertising in relevant publications and media outlets that will reach the target buyer population. Developer shall hire a real estate agent

with expertise in high-end condominium sales, and begin focused efforts to attract the target buyer segment at least four (4) months prior to Project completion and City issuance of the Mixed-Use Project Certificate of Occupancy. Developer shall deliver the updated marketing plan to Authority, for Authority's approval, by the date set forth in the Schedule of Performance.

2.11.3 Condominium Requirements. Developer shall provide copies to Authority of all condominium documents submitted to any public or regulatory agency. Prior to issuance of the Certificate of Substantial Completion, Developer shall (a) obtain and record its final Condominium Plan and Map, record the Declaration of Covenants, Conditions and Restrictions, and have the corporate association approved, and (b) have received the Final Public Report from the California Department of Real Estate.

2.11.4 Certifications.

2.11.4.1 By Project Architect.

2.11.4.1.1 In accordance with Section 2.3.1.10, prior to Project Commencement, Developer shall provide a written certification from the Project Architect, which certification shall provide that the Mixed-Use Project has been designed and built to condominium standards, primarily residential in nature, consists entirely of dwelling units that are single-family units, is in full compliance with applicable laws and local approval requirements with respect to the condominium plat and development plans.

2.11.4.1.2 Prior to issuance of a Certificate of Completion, Developer shall provide a written certification from the Project Architect to include that the architect has designed the Mixed-Use Project so that each condominium has a separate water (sub) meter and separate electrical meter, that the Mixed-Use Project is ready for occupancy, that the Mixed-Use Project would not be subject to further rehabilitation, construction, phasing, or annexation, and that the floor-to-floor and demising wall assemblies between each condominium unit meet the Sound Transmission requirements of the 2019 California Building Code, as prescribed in the Uniform Building Code.

2.11.4.2 By General Contractor. Prior to issuance of a Certificate of Completion, Developer shall provide a written certification from the General Contractor that the Mixed-Use Project has been built in accordance with the final design plans and specifications.

2.12 Right to Observe and Inspect. During the construction period of any phase, Authority's construction supervisor may enter upon the Property at any time for the purpose of observing the Property and the construction of the Improvements. Said entry and observation shall not unreasonably interfere with the course of construction. Beginning upon the completion of the Improvements, Authority may enter upon the Property for such other purposes as may be necessary or proper for the reasonable protection of Authority's interest (including, but not limited to, verification of Developer's maintenance of the Property and Improvements). Authority agrees to permit a representative of Developer to be present during any such entry. Authority shall have no responsibility to Developer or users of the Property for the quality or durability of construction materials and techniques, or for the design or construction techniques employed by Developer. Authority shall protect, defend, indemnify, and hold harmless Developer and its officers, agents, and employees from any and all claims for damages, losses, costs,

injuries, and liabilities of every kind from any cause or causes whatsoever arising from or related to negligent entry onto the Property pursuant to this section by any officer, agent, employee, contractor or subcontractor of Authority, except those claims, losses, damages, costs, injuries, and liabilities arising out of or occurring as a result of the negligence or willful misconduct of Developer or its officers, agents, and employees.

2.13 Time of Completion. Developer shall substantially complete the construction of the Improvements and obtain the Certificate of Substantial Completion pursuant to Section 2.14 within the times set forth in the Schedule of Performance.

2.14 Certificate of Substantial Completion.

2.14.1 Upon the substantial completion of the Project (i.e., substantial completion of the Improvements in accordance with the Final Construction Documents), Developer shall submit a written request to Authority for a certificate that the Improvements are substantially complete in the form attached hereto as **Exhibit G** (the "Certificate of Substantial Completion"). Within thirty (30) days following Authority's receipt of said written request, Authority shall inspect the Improvements and either (i) issue the Certificate of Substantial Completion, or (ii) give Developer a written statement of the reasons for disapproval and a specific description of the action Developer must take to obtain the Certificate of Substantial Completion. If Authority fails to give Developer a written statement of disapproval within said thirty-(30) day period, Developer's request shall be deemed approved and Authority shall immediately issue the Certificate of Substantial Completion to Developer. As a condition precedent to receiving a Certificate of Substantial Completion, Developer shall have received the Final Public Report from BRE.

2.14.2 The Certificate of Substantial Completion shall be conclusive evidence as between Developer and Authority that the Improvements have been completed in accordance with the terms and conditions of this Agreement. The Certificate of Substantial Completion shall not constitute evidence of compliance with, or satisfaction of, any obligations of the Developer to any Lender or any insurer of a Lender mortgage. The Certificate of Substantial Completion is not notice of completion as referred to in California Civil Code section 3093. Developer shall not record, or cause the recording of, a notice of completion until Authority has issued the Certificate of Substantial Completion to Developer.

2.14.3 Upon issuance of the Certificate of Substantial Completion, the parties agree to re-record the Deed Restriction attached as Exhibit B to the Grant Deed removing Section 4 of the Deed Restriction in the Grant Deed entitled "Right of Termination."

2.14.4 Upon the first to occur of (i) completion of the sale of all six (6) units on the 8th floor of the Project, or (ii) two (2) years after receipt of the Mixed-Use Project Certificate of Occupancy issued by the City of Sacramento, the parties agree to re-record the Deed Restriction attached as Exhibit B to the Grant Deed removing Section 5 of the Deed Restriction in the Grant Deed entitled "Rental Restriction."

2.15 Certification of Development Costs. Prior to issuance of the Certificate of Substantial Completion, the Developer shall provide Authority with an itemized statement of the development costs for the Project to that date, which shall include but not be limited to costs for the following: acquisition,

architecture and engineering, other consultants, City permits and fees, insurance, marketing, taxes, financing, retail tenant improvements, off-site improvements, hard costs, soft costs, developer fee of 3.6 percent (3.6%), and incurred costs of sales ("Development Costs"). Development Costs shall be broken out to show costs attributable to condominium units, rental units, retail, and parking space construction. Developer shall certify to Authority that the statement of Development Costs fairly and accurately reflects the actual cost of the Developer for the Improvements in accordance with the provisions of this Agreement ("Certification of Development Costs"). Authority agrees that the itemized statement of Development Costs constitutes a "trade secret" as defined by California Government Code section 6254.7. At least fourteen (14) days prior to releasing the itemized statement to a third party, Authority shall give Developer written notice of its potential release.

2.16 Payment of Taxes.

2.16.1 Tax Payments. Developer acknowledges that the Property will be subject to property taxes and assessments, and agrees that the payment of any such taxes and assessments shall be the sole responsibility of Developer, and the subsequent owners of the Project. Developer shall pay all such taxes and assessments when due, but only with respect to the portion of the Project, if any, then owned by Developer.

2.16.2 Validity of Assessments. In connection with any and all taxes and assessments that Developer has agreed to pay under the terms hereof, Developer may contest the validity or amount of any such tax or assessment, provided Developer pays the tax or assessment while the amount or validity is under contest so that the Property will not be subject to the risk of foreclosure, loss, or forfeiture in connection with such contest. Developer shall provide Authority with copies of any and all documents submitted to the governmental taxing agency in connection with Developer's challenge of such tax or assessment.

2.16.3 Proof of Payment. Upon request by Authority, Developer shall, promptly upon payment of part or all of any tax, assessment, or other obligation imposed upon Developer pursuant to this section, transmit to Authority the original or a legible photocopy of proof of such payment.

2.16.4 Relocation of Bus Transit Stop. Authority, at no expense to Authority, shall cooperate and assist Developer in the relocation of the Bus Transit Stop to the front of the Dean Building.

3. DEVELOPER'S ACQUISITION OF THE PROPERTY.

3.1 Transfer of Property to Developer. Authority shall transfer title to the Property to Developer in accordance with the escrow conditions set forth in Section 3.2, below, at a purchase price of \$2,400,000, payable by Developer in immediately available funds at Close of Escrow.

3.2 Escrow Costs and Conditions.

3.2.1 Opening of Escrow. An escrow shall be opened to consummate the transfer of the Property pursuant to this Agreement with Escrow Holder. This Agreement shall, to the extent possible, serve as the escrow instructions. The parties agree to execute all further escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement. Attached

to this Agreement as Exhibit H and incorporated herein by this reference is the "Acceptance By Escrow Holder" form for Escrow Holder's signature, which acknowledges receipt of this Agreement and acceptance of the instructions. The escrow shall close ("Close of Escrow") and the Property shall be transferred to Developer by the date set forth in the Schedule of Performance. The Property shall be transferred to Developer by Grant Deed in the form attached hereto as Exhibit I and made a part hereof ("Grant Deed").

3.2.2 Escrow Costs. Developer and Authority shall each pay one-half of Escrow Holder's fees, and the cost of preparing, executing, and acknowledging any deeds or other instruments required to convey title to Developer.

3.2.3 Developer's Conditions of Escrow. The Close of Escrow and Developer's obligation to accept the Property pursuant to this Agreement are conditioned on:

3.2.3.1 Title. Immediately following the Escrow Holder's receipt of a survey of the Property to be provided by Developer, Escrow Holder shall issue to Developer (with a copy to Authority) a preliminary report for an Owner's Policy of Title Insurance for the Property, setting forth all liens, encumbrances, easements, restrictions, conditions, survey exceptions, and other matters affecting Authority's title to the Property ("Preliminary Report"), together with legible copies of all documents relating to title exceptions referred to in the Preliminary Report ("Exceptions"). Developer shall reasonably approve or disapprove the legal description and any Exceptions in writing to Authority within twenty (20) days after receipt by Developer of the Preliminary Report and the Exceptions, or any supplemental such report issued prior to the Close of Escrow. Failure of Developer to disapprove an Exception by providing Authority written notice of its disapproval, shall be deemed Developer's approval of the Exceptions. If Developer disapproves any title Exception reflected in the Preliminary Report, Authority shall use reasonable efforts to remove such Exception by the Close of Escrow. If Authority, after reasonable efforts, is unable to remove such Exception by the Close of Escrow, Developer may elect to terminate this Agreement or may elect to waive such objection. Authority agrees that it will not cause any liens, encumbrances or other matters affecting title to the Property after the date of the Preliminary Report unless approved in writing by the Developer. If, following Developer's approval of the Preliminary Report, any further Exceptions not approved by Developer are discovered or placed on the Property, either voluntary or involuntary, by Authority or others, Authority shall immediately endeavor to remove such Exception. If Authority is unable, for any reason, to remove any such Exception, Developer may elect to: (i) terminate this Agreement, (ii) remove the Exception, or (iii) may elect to waive its objection to such Exception and proceed to the Close of Escrow hereunder. Authority shall remove all monetary liens prior to or at the Close of Escrow.

3.2.3.2 Title Policies. The conveyance to Developer of title to the Property, as evidenced by a American Land Title Association Extended Coverage ("ALTA") title insurance policy, in the amount of the purchase price, issued by Title Company, and issuance to the Construction Lender and the Authority of ALTA Lender's policies of title insurance. Authority shall pay the cost of the CLTA portion of the foregoing policies, and Developer shall pay the cost of the ALTA portions, the lenders' policies, and any additional endorsements requested by Developer.

3.2.4 Authority's Conditions of Escrow. The Close of Escrow and Authority's obligation to transfer the Property pursuant to this Agreement are conditioned upon current satisfaction of the conditions set forth in Section 2.3.1.

3.2.5 Items to be Delivered at Close of Escrow.

3.2.5.1 Authority shall execute in Escrow or deliver to Escrow Holder for delivery to Developer at Close of Escrow the Grant Deed.

3.2.5.2 Escrow Holder shall record the following documents in this order:

3.2.5.2.1 Grant Deed;

3.2.5.2.2 Memorandum of Disposition and Development Agreement; and

3.2.5.2.3 Construction Lender Deed of Trust.

3.2.5.3 Escrow Holder shall cause the final ALTA to be issued and delivered to Developer.

3.2.6 Condition Subsequent to the Transfer of the Property to Developer. As a condition subsequent to the transfer of the Property to the Developer, in the event the Developer fails to comply with the terms and conditions set forth in this Agreement prior to the completion of the Improvements on the Property, Authority shall have the Power of Termination set forth in Section 9.4.1, provided, Authority shall take title to the Property and Improvements subject to the then existing Construction Loan Deed of Trust approved by Authority.

4. CONVEYANCE OR ASSIGNMENT.

4.1 Assignment. Until issuance of the Certificate of Substantial Completion by Authority, this Agreement may not be assigned or otherwise transferred by Developer without the prior written consent of Authority, in its sole reasonable discretion. During such period, Developer's members may not make any sale, transfer or assignment of their interests in Developer, nor may Developer take any other action, including but not limited to, a sale or transfer of Developer's assets, which would result in a change in control of Developer, without the prior written consent of Authority. As used herein, "control" shall have the meaning provided in Section 160(a) of the California Corporations Code, regardless of the form of entity.

4.2 Transfer of Property. Prior to completion of the Improvements by Developer, and issuance of the Certificate of Substantial Completion by Authority, Developer shall not, either voluntarily or by operation of law, sell, assign or otherwise transfer the Property, or any interest therein, without the express written consent of Authority. Any attempted sale, assignment or other transfer in violation of this section shall be voidable at Authority's election and shall constitute a material default of the terms of this Agreement.

4.3 Authority Approval. Any approvals or consents of Authority provided for herein are subject to the sole reasonable discretion of Authority, and must be in writing, and approved by the Board of Authority in the manner provided for by law, unless such authority is delegated by the Board. Any Authority disapproval must be made in writing to Developer setting forth the basis of Authority's decision. Developer acknowledges that, in addition to any other reason Authority may have to withhold such approvals or consent, Authority will not approve any action which Authority finds, based on substantial evidence, is not consistent with the Capitol Area Plan.

4.4 Request for Consent. In evaluating any request for consent or approval as contemplated herein, Authority may consider, among other factors it deems relevant, the development experience and qualifications, and the financial qualifications of any proposed assignee or transferee. If Authority approves a request for consent or approval, it may impose such conditions as it deems reasonably necessary to protect Authority's interest, the Project, and the Capitol Area Plan. Developer shall pay any costs incurred by Authority, including legal fees, in connection with such review.

4.5 Assumption by Transferee. Upon any assignment or transfer approved by Authority, such approved assignee or transferee shall be required to expressly assume in writing the provisions of this Agreement, and any other obligations of Developer under this Agreement, in a form acceptable to Authority and its counsel.

4.6 Memorandum of Agreement. Concurrently with the execution of this Agreement, the Developer and Authority shall execute the instrument entitled "Memorandum of Disposition and Development Agreement" attached hereto as **Exhibit J**, which shall be recorded against the Property as title is acquired by Developer.

5. ENCUMBRANCE OF DEVELOPER'S INTEREST.

5.1 Encumbering Developer's Interest. Following transfer of title to the Property from Authority to Developer, Developer may, with the prior written consent of Authority, such consent not to be unreasonably withheld or delayed, encumber Developer's interest in the Property by one or more mortgages, deeds of trust or other security instruments (collectively, "Mortgage"), as security for one or more loans thereon, provided such loans are for the used (1) to finance the costs of site acquisition or construction of the Improvements, including design, permitting, site demolition, and remediation, with such costs to include costs of financing related to the loan (including points, fees, charges and interest reserves), (2) to finance the costs of repairing, rebuilding or restoring the Improvements, or (3) to refinance or "take-out" such loans identified in (1) and (2), above. Authority shall not be required to subordinate its rights and interest under this Agreement to any loans or encumbrances sought or obtained by Developer.

5.2 Rights Subject to Agreement. All rights acquired by any Lender under a Mortgage, either before or after foreclosure or transfer in lieu thereof, or by a purchaser of the Property or portion or portions of the Property by means of a foreclosure sale of any portion of the Property subject to a Mortgage, will be subject to each and all of the terms, covenants, conditions and restrictions set forth in this Agreement, none of which will be waived by Authority by reason of permitting the mortgage or deed of trust, unless specifically waived by Authority in writing or except as otherwise provided herein.

5.3 Required Provisions of Any Mortgage.

5.3.1 Developer agrees to ensure that any Mortgage provide that the Lender must give notice to Authority in writing by registered or certified mail of the occurrence of any default by Developer under the Mortgage and the right to cure, provided that Developer is given ten (10) days' prior notice of Authority's intention to cure. If Authority elects to cure a default, Developer must pay the cost of cure to Authority upon demand, together with the interest at the maximum interest rate permitted by California law, unless Developer cures the default within the 10-(ten) day period or commences to cure a default requiring more than ten (10) days to cure within the 10-(ten) day period and cures the default within thirty (30) days or any greater time period allowed by the Lender after commencing compliance. Subject to the 10-(ten) day notice requirement, Developer hereby authorizes Authority in the Authority's name, without any obligation to do so, to perform any act required of Developer in order to prevent a default or acceleration under any Mortgage, or the taking of any foreclosure or other action to enforce the collection of the indebtedness secured by the Mortgage, and Developer agrees to indemnify, defend, and hold harmless Authority from any losses, costs, claims, damages, liabilities and causes of action (including reasonable attorneys' fees) resulting from Authority's exercising its rights under this section.

5.3.2 Developer also agrees to ensure that any Mortgage provides that it is subject to all of the terms and provisions of this Agreement, and that Authority will be given written notice by certified or registered mail at the time any Lender initiates any Mortgage foreclosure action.

5.4 Address of Lender. No Lender, other than the Construction Lender, will be entitled to exercise the rights set forth in this Section 5 unless and until written notice of the name and address of the Lender have been given to Authority, notwithstanding any other form of notice, actual or constructive.

5.5 Lender's Right to Cure. If Developer creates a Mortgage on the Property or portion or portions of the Property in compliance with the provisions of this Section 5, then so long as the Mortgage remains unsatisfied of record, the following provisions will apply:

5.5.1 Authority, upon serving Developer any notice of default or any other notice under the provisions of, or with respect to, this Agreement, will also serve a copy upon any Lender at the address provided to Authority pursuant to Section 5.4, and no notice by Authority to Developer will affect any rights of a Lender unless and until a copy has been delivered to the Lender; provided, however, that failure to deliver any notice to a Lender will not affect the validity of the notice sent to Developer as between Developer and Authority, unless cured by the Lender.

5.5.2 Any Lender will have the right to remedy, or cause to be remedied, a default by Developer within ninety (90) days after the expiration of any period provided for Developer to remedy or cure the default, and Authority will accept performance by or at the insistence of the Lender as if the same had been timely made by Developer. If the default occurs before completion of construction of the Improvements and if the Lender elects not to cure such default and/or fails to cure such default within the Lender's 90-day cure period, then the failure will constitute an Event of Default under this Agreement giving rise to Authority's right to terminate this Agreement and re-enter the Property or a portion or portions of the Property as set forth in Section 9 (Default, Remedies and Termination); provided, however, any such reentry will be subject to the Mortgage and the Lender's rights thereunder and hereunder.

5.5.3 If the default occurs before completion of construction of the Improvements and if the Lender becomes the fee owner or lessee of any portion of the Property before completion of construction of the Improvements, nothing in this Agreement will be deemed to permit or authorize the Lender, either before or after transfer of the Property, to undertake or continue the construction or completion of the Improvements beyond the extent necessary to conserve or protect the Improvements or construction already made without the express assumption by the Lender or its transferee by written agreement satisfactory to Authority of Developer's obligations to complete, in the manner provided in this Agreement, the Improvements on any portion of the Property to which the lien of the Mortgage relates.

5.5.3.1 Upon Lender's written notice to Authority of its election to assume Developer's obligation to complete the construction of the Improvements, Authority's purchase remedy in Section 5.6.1 shall terminate. Lender or its transferee will be required only to exercise due diligence in completion of the construction of the Improvements pursuant to the approved building permit therefor and will not be required to complete construction of the Improvements within the dates set forth in the Schedule of Performance. Any assuming Lender, or its transferee, properly completing the Improvements will be entitled, upon written request made to the Authority, to a Certificate of Substantial Completion from Authority with respect to the Improvements; upon issuance of such Certificate of Substantial Completion, this Agreement shall terminate and the Authority shall issue and record a quitclaim deed, removing the Memorandum of Disposition and Development Agreement from title to the Property. Termination of this Agreement shall not affect in any manner the ongoing deed restrictions contained in the Grant Deed. Upon transfer by any assuming Lender to any transferee, the Lender will be relieved of any liability under this Agreement unless proscribed by law, provided the transferee expressly assumes all of the obligations and the liabilities of this Agreement, pursuant, but not limited to, Section 4.5. The transfer by any assuming Lender to any transferee will be subject to Authority's reasonable consent, not to be unreasonably withheld, and Authority shall not impose additional conditions to the granting of such consent.

5.5.4 Any notice or other communication from Authority to the Lender will be in writing and be sent by registered or certified mail, and addressed to the Lender at the address provided under Section 5.4.

5.5.5 Any notice or other communication from the Lender to Authority will be deemed to have been duly given or served if sent by registered or certified mail addressed to Authority at the address provided in Section 11.15 or at any other address designated by Authority by notice in writing given to the Lender by registered or certified mail.

5.5.6 The provisions of this Section 5 inure only to the benefit of the Lenders under permitted Mortgages, including, without limitation, the Construction Lender.

5.6 Authority's Purchase Remedy. Developer must use its reasonable, good faith efforts to have the following provisions included in any Mortgage:

5.6.1 Except as set forth in Section 5.5.2, above, if the Lender acquires title to any portion of the Property by foreclosure or by transfer in lieu of foreclosure, at any time within ninety (90)

days after acquisition, Authority may purchase the property from the Lender for the amount equal to the sum of: (i) the lesser of (a) the amount secured by the Mortgage and owing to the Lender at the time of the foreclosure or (b) the fair market value of the Property as determined by an appraiser acceptable to both Authority and Lender; (ii) the costs and expenses incurred by the Lender in connection with foreclosure acquisition; and (iii) interest on the amounts in clauses (i) and (ii) from the date of foreclosure or transfer by deed in lieu of foreclosure to the date of closing Authority's purchase at the non-default rate set forth in the Mortgage.

5.6.2 If a party other than the Lender acquires fee title to or a leasehold interest in any portion of the Property by foreclosure on the Mortgage or transfer in lieu of foreclosure, at any time within ninety (90) days after the transfer, Authority may purchase the interest for an amount equal to the sum of: (i) the amount paid by the party to acquire its interest; and (ii) the other costs and charges described in clauses (ii) through (iii) of Section 5.6.1 paid or incurred by the party.

5.7 Mortgagee Protection Amendments. Provided Developer is not in default under the terms of this Agreement, Authority agrees to cooperate with Developer to include in this Agreement and/or in the Deed by suitable amendment from time to time a provision acceptable to Authority if reasonably required by a proposed Lender in order to implement the mortgagee protection provisions of this Agreement and/or the Deed.

6. LIENS, BONDS, AND GUARANTY.

6.1 Filing. Developer shall not suffer or permit any mechanic's lien or other lien to be filed against the Property, nor against Developer's interest in the Property, nor against the Improvements. If any such lien is filed, Developer shall cause the same to be removed, or post a bond or other security, within thirty (30) days of notice of said lien, in a manner satisfactory to Authority. If a *lis pendens* is filed against the Property in conjunction with a lawsuit, Developer shall use due diligence and commercially reasonable efforts to successfully defend the lawsuit and to have the *lis pendens* removed from the Property. The obligation and the right to defend these matters shall be with Developer in the first instance.

6.2 Bonds.

6.2.1 Prior to the commencement of construction of the Improvements, Developer's General Contractor shall furnish Authority with documentation of payment and performance bonds as described below (the "Bonds"). The Bonds shall be issued by a corporate surety meeting all of the following criteria: (i) the surety shall be admitted in California; (ii) the surety shall be listed by the Financial Management Service of the United States Treasury on Circular 570; and (iii) that the surety be rated at least "A" by A.M. Best Company. The Bonds shall be secured in an amount not less than the cost of the construction of the Improvements and shall remain in effect until the entire cost of developing the Improvements shall have been paid in full and the Improvements shall have been completed in accordance with this Agreement, and a Certificate of Occupancy issued by the City of Sacramento. The Bonds shall name Developer and Authority as dual obligees, and the Construction Lender as a third obligee.

6.2.2 The Bonds shall be in a form satisfactory to Authority and shall state the following:

6.2.2.1 That it is issued to secure the completion of the construction of the Improvements, and any work which may be required under Sections 1.4, 1.5, and 2.6, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and suppliers;

6.2.2.2 That the payment bond shall be in a sum not less than one hundred percent (100%) of the total amount payable under the terms of the contract between Developer and its General Contractor;

6.2.2.3 That the Improvements shall be completed by the General Contractor or, on its default, by the surety;

6.2.2.4 That the surety will defend and indemnify Authority, State, City of Sacramento, and Construction Lender against all loss, cost, damage, expense, and liability arising out of or connected with the construction of the Improvements; and

6.2.2.5 That the surety waives timely notice of any default of any provision of this Agreement and of any extension of time for performance, or any change of scope of performance, under this Agreement.

6.2.3 Authority may, but shall not unreasonably, disapprove the form of the Bond. A Bond meeting all of the criteria above shall be deemed approved unless written notice of disapproval is given within thirty (30) days after receipt of the proposed bond.

6.3 Project Guaranty.

6.3.1 Prior to the commencement of construction of the Improvements, Developer shall cause the Performance Guaranty, in the form attached as **Exhibit K**, to be executed and delivered to Authority by Steve Lebastchi and Davod Miryabianeh (collectively, "Guarantor") to guaranty the construction and completion of the Project.

7. INDEMNITY AND INSURANCE.

7.1 Indemnity. Developer shall protect, defend (with legal counsel acceptable to Authority), indemnify, and hold harmless State, Authority, the City of Sacramento, and their respective officers, agents, and employees from any and all third party claims, damages, losses, costs, expenses (including reasonable attorneys' fees and all other defense costs), injuries, or liabilities of every kind, which directly or indirectly arise from or relate to the Project or use of the Property, caused in whole or in part, by any negligent act or omission of the Developer, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by sole gross negligence, or willful misconduct of the State, Authority, or the City of Sacramento, or their respective officers, agents and employees. Notwithstanding anything in this Agreement to the contrary, the obligations in this Section 7.1 shall survive the termination of this Agreement. Acceptance by Authority of the insurance required by this Agreement shall not relieve the Developer from liability under this Section 7.1.

7.2 Insurance Prior to Completion of Construction.

7.2.1 Insurance Prior to the Commencement of Construction. Prior to or upon Close of Escrow, Developer shall purchase and continuously maintain statutory workers' compensation insurance, commercial general liability, and automobile liability insurance. Such insurance shall be issued by a carrier admitted in California, and rated at least "A" by A.M. Best Company. Developer shall obtain an endorsement to provide that all additional insureds shall receive at least thirty (30) days' written notice prior to cancellation or modification thereof during this Agreement term.

Such general liability and automobile liability insurance shall name the State, Authority, and the City of Sacramento as additional insureds. Such insurance shall include a provision or endorsement stating that for any claims related to this Project, the Developer's insurance coverage shall be primary insurance as respects the State, Authority, the City of Sacramento, and their respective boards and commissions, officers, officials, agents, and employees, to the extent the State, Authority, and the City of Sacramento are additional insureds. Any insurance or self-insurance maintained by the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees, shall be in excess of the Developer and general contractor's insurance and shall not contribute with it.

7.2.2 The policies of insurance shall include:

7.2.2.1 Commercial General Liability. Coverage of not less than Five Million Dollars (\$5,000,000) per occurrence, including premises operations, underground and collapse, completed operations, contractual liability, independent contractor's liability, broad form property damage, and personal injury to be at least as broad as the unmodified ISO Form No. CG 00 01 (occurrence form). Should a general aggregate limit be used, either the general aggregate limit shall apply separately to this Project or the general aggregate limit shall be twice the required occurrence limit;

7.2.2.2 Automobile Liability Insurance. Coverage of not less than One Million Dollars (\$1,000,000) per accident (combined single limit), including any automobile or vehicle, whether owned, hired, or non-owned, to be at least as broad as the unmodified ISO Form No. CA 00 01; and

7.2.2.3 Workers' Compensation. Coverage as required by law. Such policy providing workers' compensation insurance shall waive the right of subrogation against the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees. If permissibly self-insured, copies of the Consent to Self-Insure from the Department of Industrial Relations and a certificate showing excess insurance limits and self-insured retentions. Provided, however, so long as Developer does not employ any employees, Developer shall not be obligated to maintain the insurance required in this Section 7.2.2.3.

7.2.3 Insurance Subsequent to the Commencement of Construction. Subsequent to the commencement of construction, Developer shall ensure that the General Contractor purchase and continuously maintain statutory workers' compensation insurance, commercial general liability, and automobile liability insurance. Such insurance shall be issued by a carrier admitted in California, and rated at least "A" by A.M. Best Company. Such insurance shall provide that such additional insureds shall receive at least thirty (30) days' written notice prior to cancellation or modification thereof during this Agreement term.

Such general liability and automobile liability insurance shall name the State, Authority, and the City of Sacramento, as well as Developer as additional insureds. Such insurance shall include a provision or endorsement stating that for any claims related to this Project, the Developer's insurance coverage shall be primary insurance as respects the State, Authority, the City of Sacramento, and their respective boards and commissions, officers, officials, agents, and employees, to the extent the State, Authority, and the City of Sacramento are additional insureds. Any insurance or self-insurance maintained by the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees, shall be in excess of the Developer and General Contractor's insurance and shall not contribute with it.

7.2.4 The policies of insurance shall include:

7.2.4.1 Commercial General Liability. Coverage of not less than Five Million Dollars (\$5,000,000) per occurrence, including premises operations, underground and collapse, completed operations, contractual liability, independent contractor's liability, broad form property damage, and personal injury to be at least as broad as the unmodified ISO Form No. CG 00 01 (occurrence form). Should a general aggregate limit be used, either the general aggregate limit shall apply separately to this Project or the general aggregate limit shall be twice the required occurrence limit;

7.2.4.2 Automobile Liability Insurance. Coverage of not less than One Million Dollars (\$1,000,000) per accident (combined single limit), including any automobile or vehicle, whether owned, hired, or non-owned, to be at least as broad as the unmodified ISO Form No. CA 00 01;

7.2.4.3 Workers' Compensation. Coverage as required by law. Such policy providing workers' compensation insurance shall waive the right of subrogation against the State, Authority, the City of Sacramento, or their respective boards and commissions, officers, officials, agents, or employees. If permissibly self-insured, copies of the Consent to Self-Insure from the Department of Industrial Relations and a certificate showing excess insurance limits and self-insured retentions; and

7.2.4.4 Course of Construction Insurance. Coverage of not less than the amount of the construction contract. This insurance shall provide broad form special perils coverage with a deductible not more than Ten Thousand Dollars (\$10,000) without prior approval from Authority.

7.2.5 Subcontractors' Insurance. The Developer and the General Contractor shall require all subcontractors to maintain at least the same insurance as required by the General Contractor. The commercial general and automobile liability insurance shall name the State, and the Authority, as additional insureds, as well as Developer and the General Contractor. Developer shall furnish to Authority evidence of such insurance coverage by Certificates of Insurance and copies of all endorsements prior to commencement of construction of the Improvements. Such insurance shall provide that such additional insureds shall receive at least thirty (30) days' written notice prior to cancellation or modification thereof. Developer shall obtain and maintain copies of endorsements required for the primary insurance, additional insureds, and thirty-(30) day notice requirement.

7.2.6 Use of Owner-Controlled Insurance Program (OCIP). Should Developer choose to make use of an Owner-Controlled Insurance Program (OCIP) to comply with the insurance requirements in Section 7.2.5, above, such a program shall contain coverage, limits, and terms matching or exceeding all insurance requirements herein, and must be approved by Authority prior to the commencement of construction.

7.2.7 No Construction without Insurance. Developer shall not commence construction of the Improvements until Developer, the General Contractor, and Subcontractors who will then be working on any portion of the Improvements have obtained all insurance required under Section 7.2 and such insurance shall have been approved by Authority as to form, amount, and carrier. Developer shall provide Certificates of Insurance and copies of the required endorsements to Authority prior to commencement of construction. Developer shall not permit the General Contractor or any Subcontractor to commence work on the Improvements until any and all insurance required of the General Contractor or Subcontractor under this section shall be in place and shall specifically bind the insurance carrier.

8. DESTRUCTION OF IMPROVEMENTS. No loss or damage by casualty resulting in either partial or total destruction of any Improvement shall operate to terminate this Agreement or to relieve or discharge Developer from its obligations under this Agreement. In the event of a casualty, Developer shall, with due diligence, restore the Property and complete its obligations under this Agreement, subject to provisions of this section. The term "casualty" as used herein shall include, without limitation, loss or damage, whether or not insured, resulting from fire, flood, earthquake, causes unknown, uprising and acts of God and the common enemy.

9. DEFAULT, REMEDIES, AND TERMINATION.

9.1 Defaults and Termination - General.

9.1.1 Subject to the provisions of this section and extensions of time set forth herein, failure or delay by either party to timely perform any material term or provision of this Agreement or any other agreement between the parties related to the Project or the Property, constitutes a default under this Agreement. If a default under this Agreement results from Developer's non-payment of taxes or other monetary sums payable to Authority, Developer shall cure the default within ten (10) days following receipt of notice of default from Authority. For any other curable default under this Agreement, the defaulting party shall cure such default within thirty (30) days of written notice of default; provided, however, that if such default cannot be cured within such thirty (30) days, the defaulting party shall commence curing the default within thirty (30) days and cure the default within sixty (60) days. In the event of a noncurable default, or in the event the defaulting party has not cured any default within the time periods set forth in this section, the nondefaulting party may terminate this Agreement upon thirty (30) days' written notice of termination to the defaulting party. In the event Authority is notified in writing that Developer has encumbered the Property, a notice of default shall also be given to the Lender.

9.1.2 The failure or delay by either party in asserting its rights or remedies as to any default, shall not operate as a waiver of any default or of any rights or remedies under this Agreement or deprive either party of its right to institute and maintain any action or proceeding which it may deem necessary to protect, assert, or enforce any such rights or remedies.

9.1.3 Surrender of Property. If this Agreement is properly terminated for any reason prior to transfer of fee title to Developer, Developer shall vacate the Property and any Developer rights, title or interest in the Property or the Improvements shall terminate. Developer agrees to quitclaim to Authority any rights, title or interest in the Property if requested by Authority. If Developer fails to do so, Developer shall defend, indemnify, and hold harmless Authority from all damages, costs, liabilities, and expenses resulting from or related to such failure, including, without limitation, claims made by any succeeding purchaser, lessee, sublessee, or assignees.

9.1.4 Prior to the completion of the construction of the Improvements, in the event this Agreement is properly terminated by the Authority due to a default not timely cured by Developer, Developer hereby agrees to and shall immediately do the following:

9.1.4.1 cause all service providers to render to Authority, at no cost to Authority, the originals of all plans, specifications, studies, reports, surveys, and other documents relating to the development of the Project ("Development Documents") and the Developer shall cause the service providers to assign to Authority any copyrights associated with the Development Documents, subject to a Lender's Mortgage that is senior to Authority. Developer shall relinquish any and all rights in the Development Documents and the service provider shall not have any property rights in the Development Documents whatsoever; and

9.1.4.2 assign to Authority any and all approvals, entitlements, and permits for the development of the Project (collectively, "Project Entitlements") and Developer shall relinquish all rights therein whatsoever.

9.2 Judicial Actions.

9.2.1 Institution of Judicial Action. In addition to any other rights or remedies, either party may institute judicial action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy for any default, or so obtain any other remedy consent with the purposes of this Agreement. Such judicial actions must be instituted in the Superior Court of the County of Sacramento, State of California, or in the United States District Court of the Eastern District of California.

9.2.2 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

9.2.3 Acceptance of Service of Process. In the event that any judicial action is commenced by Developer against Authority, service of process on Authority shall be made by personal service upon the Authority, or in such other manner as may be provided by law. In the event that any judicial action is commenced by Authority against Developer, service of process on Developer shall be made by personal service upon an officer, member, or partner of Developer, if any, or in such other manner as may be provided by law, whether made within or out of the State of California.

9.3 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times of any other rights or remedies for the same default or any other default by the other party.

9.4 Additional Remedies for Developer's Default After Title Transfer. In the event of a termination of this Agreement or of Developer's default or violation of material provisions, restrictions, or reservations set forth herein occurring subsequent to the transfer of Property title to Developer, then Authority, in its sole discretion, shall have any of the following remedies:

9.4.1 Power of Termination. The Property described herein is conveyed and made upon the condition subsequent that Developer timely complete construction of the Project and Improvements and timely comply with all other covenants, conditions, and terms of this Agreement. Authority, or any successor in interest thereto, in accordance with California Civil Code section 885.010, et seq., any successor to that law, or other applicable law, reserves a "Power of Termination" of Developer's fee simple interest in the event the condition subsequent is not timely performed by Developer. As such, in the event of Developer's default under this Agreement (beyond any applicable cure period provided for in Section 9.1), Authority shall have the right to exercise the Power of Termination. The Power of Termination shall be effectuated by giving notice to Developer, which notice shall be recorded, and which notice shall immediately effectuate the reversion of fee title of the Property from Developer to Authority and shall give Authority the immediate right of reentry and repossession of the Property. Authority shall have all other remedies authorized by law for violation of a condition, covenant, or restriction, provided Authority shall take title to the Property and Improvements subject to

the then-existing Construction Loan Deed of Trust approved by Authority. The terms of this condition and covenant are for the benefit of all parcels of land owned by the Authority that are located within the boundaries of the Capitol Area Plan. The Power of Termination will expire upon the issuance of a Certificate of Substantial Completion. The Power of Termination shall terminate upon any foreclosure of a Mortgage by a Lender senior to Authority, including, without limitation, any foreclosure or acceptance of a transfer in lieu of foreclosure by the Construction Lender on the Construction Loan.

9.5 Excusable Delay: Any delay in the performance of any obligation under this Agreement which is unforeseeable and beyond the control and without the fault or negligence of the party in question shall be deemed excusable and not to be a default, including delays due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, freight embargoes, lack of transportation, governmental restrictions or priority, extreme weather, discovery of historical artifacts during construction, the discovery of Hazardous Materials in the soil of the Property after Close of Escrow that were previously undiscovered and unidentified in any environmental study or report, or delays of Authority in giving consents required hereunder (each individually referred to as an “excusable delay”), except, however, that financial difficulty or economic hardship, even to the extent of insolvency, is not considered an excusable delay. The party experiencing the excusable delay shall give the other party notice of the commencement date of any excusable delay and the length of the delay within thirty (30) days following the knowledge of the delay. In the event of an excusable delay, all dates set forth thereafter in the Schedule of Performance shall be extended accordingly by the same number of days. The extensions of time for any excusable delay shall only be for the period reasonably caused by the excusable delay, which period shall commence to run from the time of the commencement of the cause; provided, however, if a party fails to give the other party written notice of the excusable delay within said thirty-(30) day period, then the period of excusable delay shall commence to run thirty (30) days prior to the giving of such notice. Except in the event of a casualty, in no event shall any period of excusable delay exceed ninety (90) days if Authority reasonably determines in writing that Developer has not made reasonable and prudent efforts to minimize such excusable delay.

In addition to the extensions allowed for in the preceding paragraph, all dates set forth in the Schedule of Performance, except for the Closing Date, shall be extended accordingly by the same number of days in circumstances in which (i) required reviews by the Authority exceed the time periods specified in the Agreement, or (ii) the review and approval by the City of Sacramento of the construction plans and issuance of the building permit exceeds ninety (90) days.

9.6 Unexcused Delay: Liquidated Damages. The parties agree that Authority would suffer substantial damages as a result of Developer’s unexcused delays in the completion of the work and that such damages would be extremely difficult to fix and ascertain. Accordingly, the parties hereto agree that the amounts set forth herein as sustained by the failure of Developer to complete the construction of the Project within the time specified in the Schedule of Performance represent a proper determination for the liquidated damages. The amount of the liquidated damages to be paid by Developer to Authority for failure to complete the construction of the Project by the date set forth in the Schedule of Performance (as such date may be extended herein) shall be Five Hundred Dollars (\$500) for each calendar day of unexcused delay.

Developer initials

Authority initials

10. TERMINATION OF AGREEMENT. In connection with the six (6) condominium units on the 8th floor, this Agreement shall terminate (i) as to each condominium upon close of escrow of the sale of the unit and (ii) as to any common area conveyed to the homeowner's association. The Authority shall execute a quit claim deed or other document reasonably required by the Title Company at Developer's cost, to remove this Agreement from any title policy of a condominium buyer or as to the homeowner's association.

Except for those provisions of this Agreement that explicitly survive termination, the Agreement as a whole shall terminate upon completion of the following requirement: issuance of a Certificate of Substantial Completion by the Authority.

Upon termination of this Agreement, the Authority shall issue and record a quitclaim deed or other document reasonably required by the Title Company at Developer's cost, removing the Memorandum of Disposition and Development Agreement from title to the Property. Termination of this Agreement shall not affect in any manner the ongoing deed restrictions contained in the Grant Deed.

11. MISCELLANEOUS.

11.1 Representation. Developer agrees that Authority has made no representations to Developer of any kind whatsoever concerning the Property, the Improvements, this Agreement, or any related matter, except as expressly stated in this Agreement.

11.2 Negation of Joint Venture Between Authority and Developer. Nothing herein contained shall be in any way construed as expressing or implying that the parties hereto have joined together in any joint venture or partnership.

11.3 Successors or Assigns. The terms, covenants, agreements, and conditions of this Agreement shall be binding upon, inure to the benefit of, and apply to, the respective successors and assigns of Authority and Developer.

11.4 Non-Merger. If both Authority's and Developer's interest in the Property or the Improvements, or both, become vested in the same owner, this Agreement shall nevertheless not be destroyed by the application of the doctrine of merger, except at the express election of the Authority and Developer.

11.5 Site Sign. Developer shall provide a site sign of no less than four feet by eight feet (4' x 8') upon the start of construction, naming the project, the development team, the State, City and Authority. Design of the sign shall be subject to the approval of Authority and shall be removed upon completion of construction.

11.6 Nuisance or Waste. Developer shall allow no nuisance to exist or to be maintained on the Property, or waste to be committed or permitted on the Property, except to the extent necessary to construct or repair any Improvement on the Property.

11.7 Discrimination. Developer, its employees and agents, shall not discriminate because of race, age, religion, color, ancestry, sex, physical handicap or national origin, against any person by refusing to furnish such person any accommodation or facility offered to the general public. Nor shall Developer, its employees or agents, publicize the accommodations or facilities in any manner that would directly or impliedly reflect upon or question that acceptability of the patronage of any person because of race, religion, color ancestry, sex, physical handicap or national origin.

In the performance of this Agreement, Developer shall not discriminate against any employee or applicant for employment because of race, age, color, religion, ancestry, sex, physical handicap, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer shall post in conspicuous places, available to employees and applicants for employment, notices which Developer may obtain from State setting forth the provisions of this Fair Employment Practices Section. Form 809, Equal Employment Opportunity Poster, may be used for this purpose.

Developer shall permit Authority access to its records of employment, employment advertisement, application forms, and other pertinent data and records by the State Fair Employment Practices Commission, or any other agency of the State of California designated by State, for the purpose of investigation to ascertain compliance with this Fair Employment Practices section, upon reasonable prior notice to Developer and provided that any such investigation does not disrupt Developer's business operations.

Developer is notified that Authority may determine that a willful violation of this Fair Employment Practices provision has occurred upon receipt by Authority of a final judgment having that effect from a court in an action to which Developer was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that a violation has occurred and determined that Developer has violated the Fair Employment Practices Act and has issued an order, under California Government Code section 12970, which has become final or obtained an injunction under California Government Code section 12970 is a breach of this Agreement.

Developer, its employees and agents, and any person claiming under or through the Developer, covenant and agree that they shall not discriminate against or segregate, or establish or permit any such practice or practices of discrimination or segregation, against any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property. The foregoing covenants shall be included in Developer's form of grant deed to convey any portion of the Property, with the intention that they run with the land and shall remain in effect in perpetuity.

Following commencement of construction, Authority's sole remedies for a violation of this Section 11.7 shall be an action for specific performance or injunctive relief.

11.8 Condemnation.

11.8.1 In the event of a taking prior to Close of Escrow of all of the Property or so much of it so as to render the Property unfit for the Project, for any public or quasi-public purpose, under any statute or by right of eminent domain, the Developer's liability to perform the terms and conditions of this Agreement shall cease. Authority shall be entitled to any condemnation award attributable to the Property, and Developer shall be entitled to any condemnation awards to which it might be entitled by law.

11.8.2 In the event of a partial taking by condemnation or eminent domain prior to Close of Escrow, so that the part not so taken shall be sufficient for the continued development of the Property for the purposes set forth in this Agreement, then this Agreement shall continue in full force and effect. Authority shall be entitled to the condemnation awards in relation thereto. Developer shall purchase the remaining portion of the Property from Authority, with the Purchase Price reduced in proportion to the square footage of the Property taken.

11.9 Approvals. Except as otherwise provided for herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval. Such consent or approval by Authority shall only be given in writing, signed by its Executive Director or Interim Executive Director or his or her designee. Such consent or approval by Developer shall be in writing.

11.10 Waivers and Amendments. All waivers of the provisions of this Agreement by a Party must be in writing and signed by the appropriate official of Authority or Developer, as applicable, and all amendments hereto must be in writing and signed by the appropriate official of Authority and Developer; provided that, no substantial amendment of this Agreement which affects the interest of any Lender shall be effective unless and until such Lender shall have consented in writing. Such consent by a Lender shall not be unreasonably withheld or delayed. No waiver of any breach of any term or provision of this Agreement shall constitute a waiver of any other or future breach of the same or any other term or provision of this Agreement. Developer shall reimburse Authority for its actual costs incurred in preparing and reviewing any waiver or amendment of this Agreement requested by Developer.

11.11 Inspection of Books and Records. Authority has the right, upon not less than seventy-two (72) hours' notice, during normal business hours to inspect all books and records of Developer pertaining to the Property and/or the purposes of this Agreement. Developer agrees within the time set forth above to make copies of all such books and records available to Authority. Said inspection by Authority shall not interrupt the business of Developer.

11.12 Non-Liability of Authority's Officials and Employees. No member, official, or employee of Authority, State of California or City of Sacramento shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Authority, or for any amount which may become due to Developer or successor, or on any obligation under the terms of this Agreement. In such event, Developer agrees not to bring suit against any such member, officer, or employee.

11.13 Invalidity of Particular Provision. If any term of provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the

remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

11.14 Attorneys' Fees. If a party to this Agreement should prevail in any legal action to enforce this Agreement, or for its breach, or for a declaration of rights and duties of the parties hereto, the parties agree that the prevailing party may recover as part of the judgment, reasonable attorneys' fees, expert witness fees, and costs in connection with such action. In addition to the foregoing fees and costs, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment and in any appeal. This provision for recovery of post-judgment fees and costs shall survive the merger of this Agreement into any judgment on this Agreement.

11.15 Notices. Any notice to be given or other document to be delivered by any party to the other or others hereunder, may be delivered in person, or may be deposited in the United States mail, duly certified or registered, return receipt requested, with postage prepaid, or by a recognized overnight delivery service, or by facsimile machine if concurrently delivered by another permissible method set forth in this section, and addressed to the party for whom intended, at the following address:

If to Authority: Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95814
Facsimile: (916) 441-1804
ATTN: Wendy S. Saunders, Executive Director

With a copy to: Kronick, Moskovitz, Tiedemann & Girard
1331 Garden Hwy, 2nd Floor
Sacramento, CA 95833
Facsimile: (916) 321-4555
ATTN: Jeffrey A. Mitchell

If to Developer: West Broadway 2019 Investments LLC

c/o D&S Development, Inc.

1725 Capitol Avenue
Sacramento, CA 95811
Facsimile: (415) 982-7781

ATTN: Steve Lebastchi

Any party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one specified above. Unless otherwise specifically provided for herein, all notices, payments, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given and received (i) upon personal delivery, or (ii) as of the third business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above, or (iii) the immediately succeeding business day after deposit with a recognized overnight delivery system, or (iv) upon confirmation of receipt if delivered by facsimile machine.

11.16 Attornment. Authority and Developer each agree to attorn to any successor in interest of the other. The provisions of this section shall inure to the benefit of any such successor in interest, shall be self-operative upon any demand by any such successor in interest and no further instrument shall be required to effect such attornment.

11.17 Further Assurances. Authority and Developer covenant and agree to execute without unreasonable delay such further documents and instruments as may be necessary to fully carry out the intent of this Agreement.

11.18 Captions. The descriptive captions and headings used in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

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

11.20 Definitions. Unless otherwise specified, the term “year” shall mean a calendar year. The term “day” shall mean a calendar day.

11.21 Computation of Time Periods. If the date or time period for any action under this Agreement falls or ends on a Saturday, Sunday or federal, state or legal holiday, then such date or time period shall automatically be extended until 5 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

11.22 Construction. The parties hereto acknowledge and agree that (i) each party hereto is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each party has consulted with such party’s own, independent legal counsel, and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party’s legal counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and its rendering of such advice, and (vi) any rule of construction to the effect that ambiguities are to be resolved against the drafting parties shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

11.23 Conflict Between Provisions. In the event of an apparent conflict between provisions of this Agreement, the more specific provision shall control.

11.24 Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one original document.

11.25 Notices, Approvals, and Consents Given by Authority. Except as otherwise specifically provided in this Agreement, Authority’s Executive Director is authorized to execute on behalf of Authority any and all notices, consents and/or other documents which must or may be executed by Authority pursuant to the terms of this Agreement; provided, however, that the Executive Director has the right to refer any matter to the Authority Board for approval in the Executive Director's sole discretion. Any approvals or consents of Authority provided for herein are subject to the sole reasonable discretion of Authority, and must be in writing, and approved by the Authority Board in the manner provided for by law, unless such authority is delegated by the Board. Developer may request Board review of any adverse decision by the Executive Director, which review shall be conducted in a timely manner.

11.26 No Third-Party Beneficiaries. Other than specifically set forth herein, this Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a party to this Agreement.

11.27 Entire Agreement. This Agreement comprises of pages 1 through 45, inclusive, and **Exhibits A through K**, which together constitute the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the date and year first above written.

AUTHORITY:

Capitol Area Development Authority,

a California joint powers agency

By: _____

Wendy S. Saunders, Executive Director

APPROVED AS TO FORM:

By: _____

Authority's Legal Counsel

DEVELOPER:

West Broadway 2019 Investments LLC,

a Delaware limited liability company

By: **D&S Development, Inc.,**

a California corporation

Its: Managing Member

By: _____

Name: _____

Title: _____

By: **Abbaszadeh 1715 I Street Investment LLC,**

a Delaware limited liability company

Its: Member

By: _____

Name: _____

Title: _____

By: **Eco Green LLC,**

a California limited liability company

Its: Member

By: _____

Name: _____

Title: _____

DDA - Exhibit A

(Property Legal Description)

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

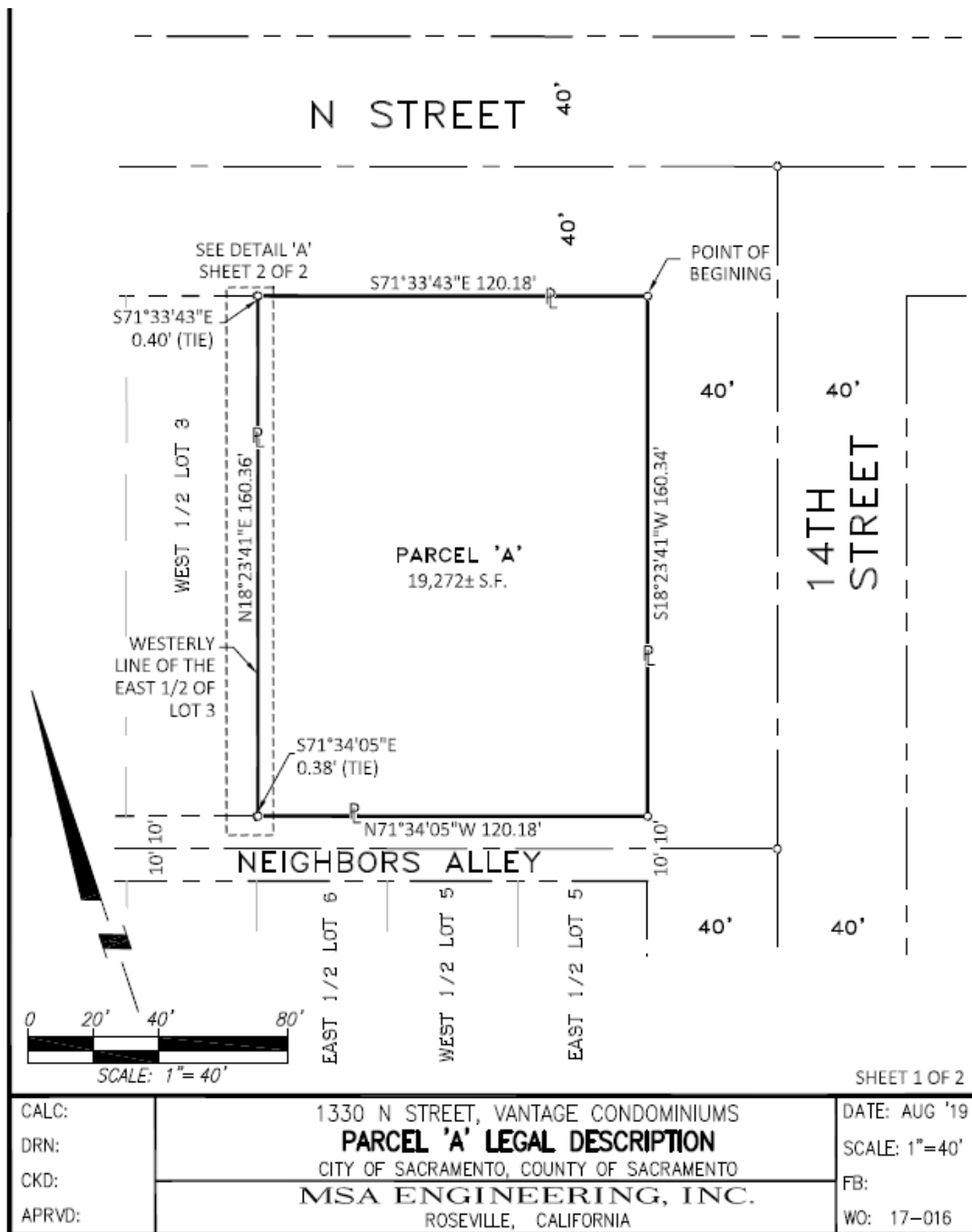
BEING A PORTION OF THE EAST 1/2 OF LOT 3 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5343, PAGE 188, OFFICIAL RECORDS OF SACRAMENTO COUNTY, ALL OF THE WEST 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5349, PAGE 174, OFFICIAL RECORDS OF SACRAMENTO COUNTY, THE EAST 1/2 OF THE NORTH 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 5016, PAGE 477, OFFICIAL RECORDS OF SACRAMENTO COUNTY, THE NORTH 1/2 OF THE SOUTH 1/2 OF THE EAST 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 4979, PAGE 492, OFFICIAL RECORDS OF SACRAMENTO COUNTY AND THE SOUTH 1/4 OF THE EAST 1/2 OF LOT 4 AS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 4920, PAGE 571, OFFICIAL RECORDS OF SACRAMENTO COUNTY, ALL BEING IN THE BLOCK BOUNDED BY "N" AND "O", 13TH AND 14TH STREETS OF THE CITY OF SACRAMENTO, AS SHOWN ON THE MAP OR PLAN OF THE CITY OF SACRAMENTO, SITUATE IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, ALSO DESCRIBED AS FOLLOWS:

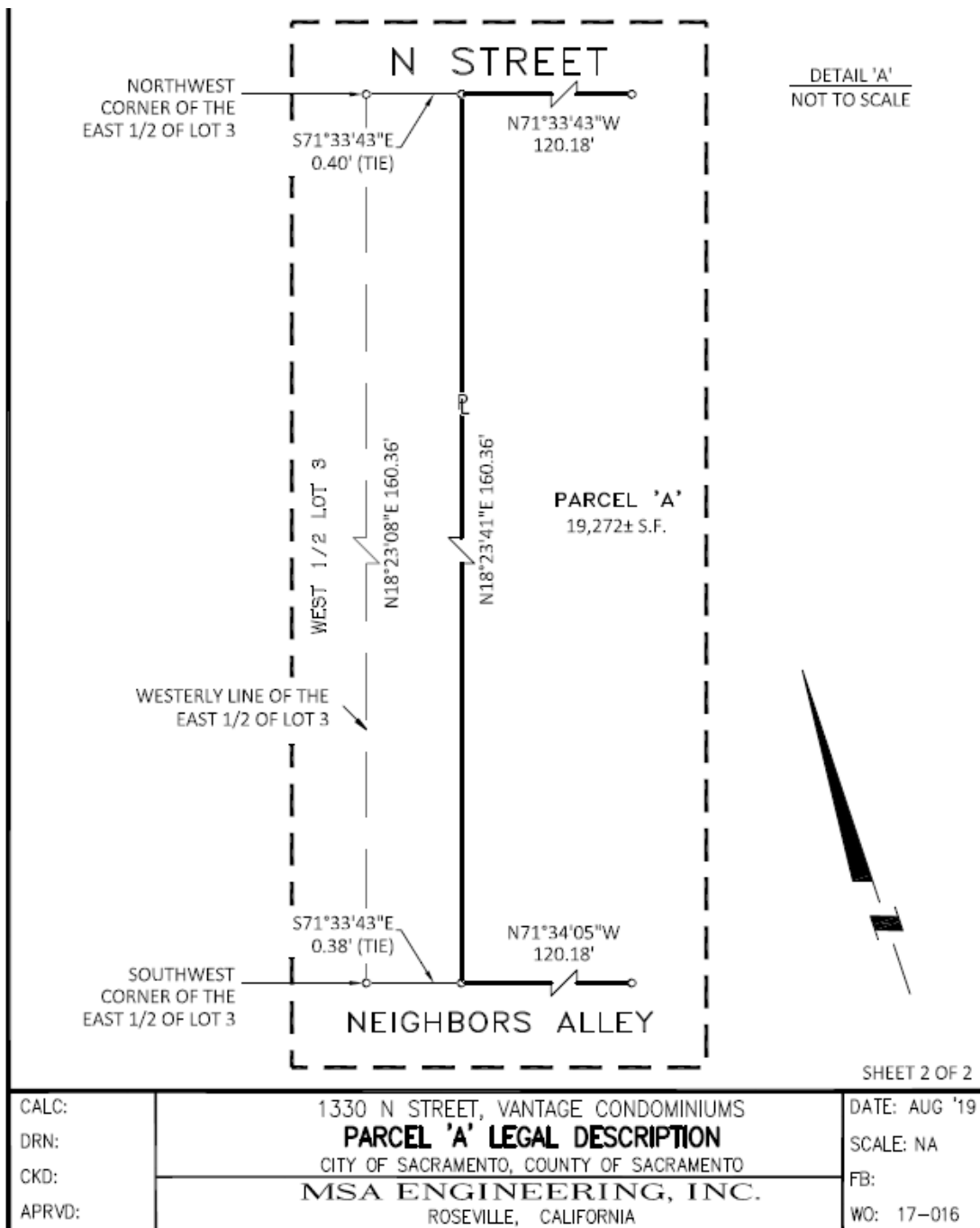
BEGINNING AT THE NORTHEAST CORNER OF SAID OF LOT 4; THENCE FROM SAID POINT OF BEGINNING ALONG THE EASTERLY LINE OF SAID LOT 4 SOUTH 18°23'41" WEST 160.34 FEET TO THE SOUTHEAST CORNER OF SAID LOT 4; THENCE ALONG THE SOUTHERLY LINES OF SAID LOT 4 AND SAID EAST 1/2 OF LOT 3 NORTH 71°34'05" WEST 120.18 FEET TO A POINT ON SAID SOUTHERLY LINE OF SAID EAST 1/2 OF LOT 3, SAID POINT BEARS SOUTH 71°34'05" EAST 0.38 FEET FROM THE SOUTHWEST CORNER OF SAID EAST 1/2 OF LOT 3; THENCE LEAVING SAID SOUTHERLY LINE PARALLEL AND 120.18 FEET PERPENDICULAR WESTERLY FROM THE EASTERLY LINE OF LOT 4, NORTH 18°23'41" EAST 160.36 FEET TO A POINT ON THE NORTHERLY LINE OF SAID EAST 1/2 OF LOT 3, SAID POINT BEARS SOUTH 71°33'43" EAST 0.40 FROM THE NORTHWEST CORNER OF SAID EAST 1/2 OF LOT 3; THENCE ALONG THE NORTHERLY LINES OF SAID EAST 1/2 OF LOT 3 AND SAID LOT 4 SOUTH 71°33'43" EAST 120.18 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR CONDOMINIUM PURPOSES RECORDED AS DECEMBER 11, 2019, INSTRUMENT NO. 201912110821 OF OFFICIAL RECORDS.

APN: 006-0223-003-0000 through 006-0223-007-0000;

006-0223-021-0000 (New APN, not yet assessed)





DDA - Exhibit B

(Schedule of Performance)

ITEM	TASK	COMPLETION DATE
1.	Effective Date is the date of full execution of the DDA (DDA 1.1.9)	January 14, 2022
2.	Developer shall submit Final Construction Documents to City and to Authority for approval (DDA 2.1.2.3.1)	June 15, 2022
3.	Developer shall submit an updated Preliminary Budget and Proforma to Authority for approval (DDA 2.1.2.3.1)	June 15, 2022
4.	Authority shall either approve or disapprove Final Construction Documents and Final Budget and Proforma (DDA 2.1.2.3.2). Developer is also to provide Authority with evidence of construction financing (DDA 2.4.1) and fully executed contract with the General Contractor	June 29, 2022
5.	City issues Phased Building Permit for site work	September 2, 2022
6.	Developer meets the Site Work Conditions and Authority provides Right of Entry to Developer to start site work (DDA 2.3.2.2)	September 2, 2022
7.	City Issues Building Permit. Developer submits approved plans and copy of permit to Authority (DDA 2.3.1.4)	December 16, 2022
8.	Developer meets Conditions Precedent to Project Commencement (DDA 2.3.1)	December 30, 2022
9.	Escrow shall close and Authority shall transfer Property (DDA 3.2.1)	December 30, 2022
10.	Developer shall prepare updated Marketing Plan for Authority approval (DDA 2.11.2)	July 1, 2024
11.	Developer shall hire a real estate agent and begin focused efforts to attract the target buyer segment for luxury condominium sales (DDA 2.11.2)	September 1, 2024
12.	Developer shall substantially complete the construction of the Improvements on the Property and shall request Authority execute the Certificate of Substantial Completion (DDA 2.14)	December 31, 2024

ITEM	TASK	COMPLETION DATE
13.	Developer provides Authority with copy of the Final BRE Public Report (DDA 2.14)	Prior to issuance of Certificate of Substantial Completion
14.	Developer to deliver the Statement of the Development Costs to Authority (DDA 2.15)	Prior to issuance of Certificate of Substantial Completion
15.	Authority shall inspect the Improvements and either (i) execute the Certificate of Substantial Completion, or (ii) give Developer a written statement of the reasons for disapproval and a specific description of the action Developer must take to obtain Authority's execution of the Certificate of Substantial Completion. If Authority fails to give Developer a written statement of disapproval within said thirty-(30) day period, Developer's request shall be deemed approved and Authority shall immediately execute and deliver the Certificate of Substantial Completion to Developer	Prior to issuance of Certificate of Substantial Completion
16.	Authority issues Certificate of Substantial Completion to Developer	Within thirty (30) days following Authority's receipt of Developer's request for Authority's execution of the Certificate of Substantial Completion

DDA - Exhibit C

(Scope of Development)

The project is an eight-story, mixed-use development located at the southwest corner of 14th and N Streets overlooking Capitol Park. The building is a two-story concrete podium (Type IA) with six stories of wood frame (Type IIIA) construction and is comprised of ninety-six (96) units consisting of 2 live-work units, 18 studios, 12 one bedrooms, 35 one bedrooms with a den, 23 two bedrooms, 5 two-bedrooms with a loft, and 1 three-bedroom unit with a loft, with nearly all of the units having balconies. The units all have access to natural light as well as operable windows. The building has approximately 1,900 square feet of retail space at the NE corner of the building. There are 65 parking spaces in the basement and on the ground floor. The building includes secured indoor parking for 100 bicycles.

The massing and design language marks the building as contemporary while referencing the existing surrounding context. The design emphasis is at the pedestrian level with transparent retail at the corner and residential lobby on the street to increase the vitality and energy to the street. The building's upper portions are broken into visually distinctive forms to the existing building scales around them. Exterior building materials will consist of metallic-colored smooth cement and smooth stucco finish in neutral colors contrasted by balcony elements.

The 2nd floor terrace and the 8th floor terrace are landscaped. The terraces provide a shaded perch for residents to take in views of the site and city-at-large. The 2nd floor terrace includes a pool with landscaping to provide shaded privacy for residents, a community lounge, and gym. The 8th floor terrace will include a seating area, outdoor BBQ and community table, native planting with built-in seating, and a shade structure.

The public right of way includes a bulb-out at the corner of 14th and N Streets to provide safe and easy pedestrian crossing. The bulb-out also provides increased planting and seating. The retail space at the corner of 14th and N Streets is set back from the property line to allow more outdoor seating space and on-street bicycle parking.

The building will be constructed to meet the environmental sustainability requirement set forth in Authority's Request for Proposals, which states that the project must meet or exceed the LEED Gold standard.

DDA - Exhibit D

(Design Development Documents)

DDA - Exhibit E

(Updated Budget/Proforma)

	Scenario 1	Scenario 2
SOURCES		
Construction Loan	\$32,000,000	\$32,000,000
Developer Equity	\$17,460,375	\$17,130,375
Off-Sites Grant	\$400,000	--
Total Sources of Funds	\$49,860,375	\$49,130,375

USES		
Land Acquisition	\$2,400,000	\$2,400,000
Hard Costs		
Direct Hard Construction Costs	\$34,427,000	\$33,827,000
Direct Hard Construction Contingency	\$1,721,350	\$1,691,350
Off-Site Improvements	\$400,000	\$300,000
Lobby/Amenity Finishes	\$425,000	\$425,000
Retail Tenant TI	\$144,000	\$144,000
Soft Costs		
Architectural & Engineering	\$1,500,000	\$1,500,000
Financing Costs	\$2,320,000	\$2,320,000
Permits and Fees	\$1,930,500	\$1,930,500
Utilities (e.g., SMUD, PG&E)	\$250,000	\$250,000
Leasing and Marketing	\$365,000	\$365,000
Developer Fee	\$1,750,000	\$1,750,000
Other Soft Costs	\$1,735,000	\$1,735,000
Soft Costs Contingency	\$492,525	\$492,525

Total Uses of Funds	\$49,860,375	\$49,130,375
----------------------------	---------------------	---------------------

RETURN ON COST ANALYSIS	Scenario 1	Scenario 2
Rental Units		
Project Cost	\$43,017,856	\$49,130,375
Effective Gross Income	\$3,688,059	\$4,236,621
Total Expenses	\$1,183,848	\$1,307,431
Net Operating Income	\$2,504,211	\$2,929,190
Return on Cost (in an avg yr)	5.8%	6.0%
Condominium Units		
Sales Revenue	\$8,523,450	--
Project Cost	\$6,842,519	
Gross Profit	\$1,680,931	
Less Cost of Sales (Closing, commissions, and carry costs)	\$691,407	
Net Profit	\$989,524	
Return on Cost (in Yr 3 after condo sales)	14.5%	

DDA - Exhibit F

(Form of Right of Entry)

TEMPORARY RIGHT OF ENTRY AGREEMENT

This TEMPORARY RIGHT OF ENTRY AGREEMENT ("Agreement") is entered into on the date last set forth below by and between the **Capitol Area Development Authority**, a California joint powers authority ("CADA") and **West Broadway 2019 Investments LLC**, a Delaware limited liability company (the "Developer").

Recitals

A. CADA and Developer have entered into that certain Disposition and Development Agreement, dated _____, 2022 ("DDA"), wherein CADA will sell certain real property located at 1320 and 1330 N Streets in the City of Sacramento, Sacramento County (the "Property") to Developer and Developer will develop the Property pursuant to the terms and conditions set forth in the DDA.

B. The DDA provides that the Developer satisfy certain conditions precedent prior to CADA transferring the Property to Developer.

C. In order for the development of the Developer to progress in a timely manner and the development of the Property to be completed as soon as possible, Developer intends to begin site work prior to the transfer of the Property to Developer, and CADA intends to agree to allow Developer the right to enter the Property for the sole purpose of beginning grading of the Property and performing other work, as set forth in the Grading Permit issued on _____, 202_ ("Permit"), and other Permitted Activities as described herein.

Agreement

CADA and Developer hereby agree as follows:

1. Grant. Subject to the conditions, stipulations and provisions stated in this Agreement and in the DDA, CADA hereby grants revocable, non-exclusive temporary permission to Developer to enter the Property from any public right-of-way Monday through Friday during normal CADA business hours (7:00 a.m. through 6:00 p.m.) and perform Permitted Activities described in Section 2 of this Agreement. An activity listed as a Permitted Activity is not a Permitted Activity if it is not performed within the time-period and in the manner provided herein. Developer is prohibited from doing any activity on the Property that is not expressly stated to be one of the Permitted Activities. Developer's performance of any activity on the Property that is not a Permitted Activity terminates all of Developer's rights to use the Property but not Developer's obligations under this Agreement. Developer shall provide notice to CADA of any entry onto the Property at least 24 hours in advance of entry.

2. “Permitted Activities” are the following:

“PERMITTED ACTIVITIES”	BEGINNING OF ACTIVITY		ENDING OF ACTIVITY	
	DATE	TIME	DATE	TIME
	See Exhibit A	7:00am		6:00pm

3. CADA reserves the right to cancel or extend this Agreement at any time. CADA further reserves the right to use the Property so long as such use does not unreasonably interfere with the use of the Property by Developer.

4. Developer and its employees, contractors, consultants, and agents have inspected the Property or will inspect the Property prior to commencement of any activities under this Agreement or entry onto the Property and Developer represents to CADA:

a) that all who enter the Property are aware of or will make themselves aware of any dangerous conditions on the Property, whether or not readily discoverable,

b) that they all accept the Property in its present condition,

c) that they all will make the Property safe for any activity under their care and control on the Property, whether or not Permitted Activities, and

d) that CADA is not and shall not be obligated to make the Property safe or suitable for use by Developer or for anyone on the Property at the invitation or sufferance of Developer, or otherwise to prepare the Property or access to the Property in any manner whatsoever.

Entry by Developer and its employees, contractors, agents and invitees onto the Property under this Agreement shall be deemed an acknowledgement by Developer that all dangerous places and defects upon the Property are known to Developer. Developer shall make the Property safe for all persons entering the Property under this Agreement or at Developer’s request, invitation, direction or sufferance. Developer assumes full liability for any injury to such persons or their property while on the Property.

5. CADA does not assume, by this Agreement or otherwise, any responsibility for, or to protect against, any loss, damage, theft or vandalism of any property or material which Developer may place upon the Property.

6. Developer and its employees and agents shall comply with, and shall assure the compliance of invitees with, all laws, statutes, ordinances and regulations that are applicable to any of its activities upon the

Property, whether or not Permitted Activities, including and without limitation to, obtaining all approvals, permits and licenses required for such activity.

7. Developer agrees to and shall, indemnify, defend and hold harmless CADA, the City of Sacramento ("City"), the State of California ("State"), and their officers, employees and agents from all demands, claims, losses, damages, including property damage, personal injury, including death, costs (including attorney fees), arising out of or directly or indirectly connected in any way whatsoever with the Permitted Activities or otherwise related to use of or entry onto the Property by Developer, its employees, agents, or invitees, except those matters caused by the sole negligence of CADA, the City or the State. This indemnity shall survive the expiration of this Agreement.

8. Throughout the period that Developer has access to the Property under this Agreement, or otherwise, Developer shall obtain and maintain the following insurance coverage from insurance providers licensed to do business in California and having an industry rating that is reasonably acceptable to CADA. Failure to obtain and maintain the insurance as required immediately terminates all rights of Developer under this Agreement. As a condition to the rights of Developer under this Agreement, Developer must provide CADA with certificates of insurance demonstrating the required coverage. Developer shall assure that such certificates are in a form reasonably acceptable to CADA and reflect fulfillment of all of the requirements of this Contract.

a) Developer shall assure that the coverage afforded under the policies can only be canceled after thirty (30) days' prior written notice to CADA of the pending cancellation. Developer must deliver such notice to CADA at the following address:

Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95814-5958
Attn: Executive Director

b) Developer shall provide the same insurance coverage that is required in Section 7.2 of the DDA.

c) Developer shall cause CADA, the City, and the State to be additional insureds upon such policy or policies of insurance.

9. Upon termination of this Agreement, unless the parties are prepared to close escrow on the Property, Developer shall remove all personal property from the Property. Should anyone on the Property at the invitation or sufferance of Developer leave any personal property on the Property beyond the term provided in this Agreement, CADA shall have the right without notice to sell, destroy, or otherwise dispose of such property or to remove and store such property at Developer's expense.

10. Developer agrees that it does not have and shall not claim any interest or estate whatsoever in the Property by virtue of this Agreement or Developer's occupancy or use under this Agreement.

11. Developer agrees that access to the Property and the surrounding area will be preserved for fire equipment at all times.

12. Developer shall not permit any nuisance on the Property or disturb the quiet use and enjoyment by the tenants of the Property or any adjacent properties. Developer shall also keep the adjacent properties and public streets free of dust, dirt, soil and other debris from the Property. Other than those used or stored in connection with the Permitted Activities, Developer shall not use or store any chemical or hazardous compounds on the Property.

13. Developer shall, at CADA's request after termination of this Agreement, deliver possession of any data, information, studies, plans, drawings and reports derived from activities under this Agreement. Such data, information, studies, plans and drawings shall be the exclusive property of CADA. Developer may retain such copies as required in the ordinary course of their business.

14. Except as expressly provided in this Agreement, Developer shall return the Property to CADA in a condition which is at least as good as the condition in which the Property was delivered to Developer. Developer shall not remove any portion of the improvements or fixtures from the Property. At the option of CADA, Developer shall restore to its original condition any portion of the Property damaged, demolished or altered by Developer. If Developer fails or refuses to do such restoration, CADA shall have the right to do such restoration and recover all costs of such restoration from Developer. CADA shall be the sole judge of the repair and condition of the Property when it is returned to CADA. If CADA and Developer are prepared to close escrow on the Property upon expiration or termination of this Agreement, this Section 14 shall not apply.

15. This Agreement shall not be assigned. Any purported assignment of this Agreement or of any interest in this Agreement shall be void and of no effect.

16. Developer shall pay immediately all costs of labor, services and materials supplied in prosecution of any work to be done on the Property under this Agreement. Developer shall keep the Property free and clear of all mechanic's liens and any other liens. If a lien is filed against the Property as a result of Developer's use of the Property, Developer agrees to immediately repay the lien and obtain full release from it. Developer shall indemnify and hold harmless CADA from and against any and all liens, claims, demands, costs or expenses whatsoever arising out of or related to such labor performed or materials furnished. This indemnity shall survive the expiration of this Agreement.

17. If Developer or anyone under Developer's control or direction remains on the Property after the termination or cancellation of this Agreement or acts in excess of the rights given under this Agreement, Developer and anyone on the Property at Developer's invitation or sufferance shall be deemed a trespasser and shall be liable to CADA for damages as a trespasser.

18. This License Agreement between the parties contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this License shall be of no force and effect except as to subsequent modifications in writing signed by both the parties.

IN WITNESS HEREOF, the parties hereto have executed this License Agreement effective this ____ day of _____, 202_.

CADA:

Capitol Area Development Authority,

a joint powers agency

By: _____

Name: Wendy Saunders

Title: Executive Director

Approved as to Form:

By: _____

Agency Counsel

Developer:

West Broadway 2019 Investments LLC,

a Delaware limited liability company

By: **D&S Development, Inc.,**

a California corporation

Its: Managing Member

By: _____

Name: _____

Title: _____

By: **Abbaszadeh 1715 I Street Investment LLC,**

a Delaware limited liability company

Its: Member

By: _____

Name: _____

Title: _____

By: **Eco Green LLC,**

a California limited liability company

Its: Member

By: _____

Name: _____

Title: _____

Exhibit A

Permitted Activities

1. Work allowed under the Permit;
2. _____,
3. _____; and
7. Installation of security fencing and a project sign.

All Permitted Activities shall be completed pursuant to and in accordance with the terms of the DDA.

DDA - Exhibit G

(Certificate of Substantial Completion)

CAPITOL AREA DEVELOPMENT AUTHORITY

CERTIFICATE OF SUBSTANTIAL COMPLETION

("Certificate")

Project: 14th & N

Developer: West Broadway 2019 Investments LLC

Scope of Work: Development of a mixed-use condominium project per the Disposition and Development Agreement ("DDA") and City of Sacramento Building permit requirements

Date of Completion: _____

The work performed under this Certificate has been reviewed by the undersigned, and found, to the best knowledge, information, and belief to be substantially complete in accordance with the DDA noted above. The undersigned acknowledges that, as a result of such substantial completion, the DDA is of no further force or effect.

Approval of this Certificate by the undersigned in no way implies warranty, responsibility or acceptance of the construction quality, finishes or structural integrity of the project indicated above, which is solely the responsibility of the Developer, contractor, and their respective employees, partners, subcontractors, manufacturers, vendors, and suppliers.

This Certificate shall not constitute evidence of compliance with, or satisfaction of, any obligations of the Developer to any lender, any insurer of a lender mortgage, or any third party; nor is it notice of completion as referred to in California Civil Code section 3093.

Simultaneous with the issuance of this Certificate, Authority shall issue to Developer in recordable form a document which provides public notice that the Power of Termination Deed Restriction referenced in the Grant Deed is hereby removed and Authority shall issue a quitclaim deed removing the Memorandum of Disposition and Development Agreement from record title.

This Certificate is issued on behalf of the Capitol Area Development Authority and is not intended to serve as evidence of approval of substantial completion by any other entity.

Dated: _____, 202_

Capitol Area Development Authority,
a California joint powers agency

By: _____

Wendy S. Saunders, Executive Director

DDA - Exhibit H

(Acceptance by Escrow Holder)

ACCEPTANCE BY ESCROW HOLDER

Escrow Holder acknowledges receipt of the foregoing Agreement and accepts the Instructions contained therein.

Dated: _____, 202__

_____ **Title Company**

By: _____

Name: _____

Title: _____

DDA - Exhibit I

(Form of Grant Deed)

Recording Requested by and
When Recorded Mail to
and Mail Tax Statements to:

Attn: _____

GRANT DEED

TITLE ORDER NO.

ESCROW NO.

APN NO.

The undersigned Grantor(s) declare(s):

City Documentary Transfer Tax is \$_____

County Documentary Transfer Tax is \$_____

(x) computed on full value of property conveyed, or

() computed on full value less of liens and encumbrances remaining at time of sale.

() Unincorporated area: (x) City of Sacramento

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Capitol Area Development Authority, a California joint powers agency,

hereby GRANT(s) to

West Broadway 2019 Investments LLC, a Delaware limited liability company,

the following described real property in the City of Sacramento, County of Sacramento, State of California,
subject to the power of termination vested in the grantor, as further described herein.

[See Exhibit A Attached]

SUBJECT TO THE DEED RESTRICTIONS IN EXHIBIT B

Dated: _____, 202__

Capitol Area Development Authority,

a California joint powers agency

By: _____

Wendy S. Saunders, Executive Director

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.

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)

)

COUNTY OF SACRAMENTO)

On _____, 20__ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person 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.

NOTARY PUBLIC

[SEAL]

GRANT DEED - Exhibit A

(Legal Description of Property)

GRANT DEED - Exhibit B

Deed Restrictions

1. The use and occupancy of the Property shall be consistent with the general objectives, goals, provisions, and development standards of the Capitol Area Plan, notwithstanding the fact that the transfer of the Property to private ownership may result in the Property being removed from the jurisdiction and control of the Capitol Area Plan.
2. For a period of forty-five (45) years after the date of this deed, the property conveyed may only be developed and used for residential and commercial mixed-use purposes and shall have at least ninety-six (96) total units.
3. The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed.
4. **Right of Termination.** The Property described herein is conveyed and made upon the condition subsequent that Grantee timely complete construction of the Project and Improvements and timely comply with all other covenants, conditions, and terms of the Disposition and Development Agreement dated January __, 2022 ("**DDA**"). Grantor hereby reserves for itself a power of termination of the fee simple estate granted to Grantee in the event the condition subsequent is not timely performed. As such, in the event of Grantee's material default under the DDA (beyond any applicable cure period), Grantor shall have the right to exercise the power of termination. Grantor's power of termination shall be effectuated by giving notice to Grantee, which notice shall be recorded, and which notice shall immediately effectuate the reversion of fee title of the Property from Grantee to Grantor and shall give Grantor the immediate right of reentry and repossession of the Property. This power of termination shall be and remain subject to any mortgage or deed of trust recorded against the Property to secure repayment of any loan to fund construction of the Project and Improvements (a "**Construction Deed of Trust**") and shall expire upon the first to occur of an issuance of a Certificate of Substantial Completion for the Project described in the DDA, or upon foreclosure of the Property or acceptance of a transfer in lieu of foreclosure by the beneficiary of a Construction Deed of Trust.
5. **Rental Restriction.** For a period of two (2) years after the issuance of a Certificate of Occupancy issued by the City of Sacramento for the Mixed-Use Project (as defined in the DDA), the six (6) residential units on the 8th floor shall be restricted to for-sale residential condominium uses only (the "Restricted

Units"). The Restricted Units shall not be rented during the two-(2) year period. The remaining residential units may be rental units or for-sale residential condominium units. Condominium owners are not prohibited from combining units or renting units to third parties provided such rental is not otherwise prohibited. This rental restriction shall expire two (2) years after the issuance of a Certificate of Occupancy; provided, however, if Grantee decides not to accept Grantor's \$400,000 grant for off-site improvements under the conditions set forth in the DDA, Grantor shall quitclaim this rental restriction from title.

The foregoing covenants shall run with the land and shall be for the benefit of the public at large and for the benefit of all parcels of land located within the boundaries of the Capitol Area Plan.

DDA – Exhibit J

(Form of Memorandum of Disposition and Development Agreement)

No recording fee required pursuant to
Government Code Section 27383.

Recording Requested by and
When Recorded Return to:
Capitol Area Development Authority
1522 14th Street
Sacramento, California 95814
Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT

SITE 21

THIS MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT is made this January __, 2022, by and between the **Capitol Area Development Authority**, a California joint powers agency (hereinafter referred to as "Authority"), and **West Broadway 2019 Investments LLC**, a Delaware limited liability company (hereinafter referred to as "Developer").

Authority and Developer are parties to that certain Disposition and Development Agreement executed as of January __, 2022 (the "DDA"), the terms and conditions of which are hereby incorporated by this reference as if set forth in full herein. The DDA controls the development and use of that certain real property, including improvements thereto, situated in the City of Sacramento, County of Sacramento, State of California, and legally described as follows:

[See Exhibit A, attached hereto and made a part hereof]

Dated: January __, 2022

AUTHORITY:

Capitol Area Development Authority,

a California joint powers agency

By: _____

Wendy S. Saunders, Executive Director

DEVELOPER:

West Broadway 2019 Investments LLC,

a Delaware limited liability company

By: **D&S Development, Inc.,**

a California corporation

Its: Managing Member

By: _____

Name: _____

Title: _____

By: **Abbaszadeh 1715 I Street Investment LLC,**

a Delaware limited liability company

Its: Member

By: _____

Name: _____

Title: _____

By: **Eco Green LLC,**

a California limited liability company

Its: Member

By: _____

Name: _____

Title: _____

MEMORANDUM – Exhibit A

(Legal Description of Property)

DDA – Exhibit K

(Form of Performance Guaranty)

PERFORMANCE GUARANTY

FOR VALUABLE CONSIDERATION, the adequacy and receipt of which is hereby acknowledged, **Steve Lebastchi and Davod Miryabianeh** (individually and collectively, the "Guarantor"), is executing this Performance Guaranty (this "Guaranty") to induce the **Capitol Area Development Authority**, a California joint powers agency (the "Authority"), to enter into a Disposition and Development Agreement dated January __, 2022 (the "Agreement"), between Authority and **West Broadway 2019 Investments LLC**, a Delaware limited liability company ("Developer"), of which, Guarantors are the managing members of D&S Development, Inc., a California corporation, which is a member of Developer. The Agreement and any and all related or supplemental instruments and agreements between Developer and Authority are collectively referred to herein as the "DDA Documents," and Developer's duties and obligations thereunder, and all extensions, renewals, and modifications thereof are referred to as the "Obligations." Guarantor acknowledges that Guarantor has copies of and is fully familiar with the Agreement, and the other DDA Documents, all of which by this reference are incorporated herein as though set forth herein at length. Any term used herein but not defined herein shall have the meaning given to it in the DDA Documents.

AGREEMENT

1. Guarantor hereby guarantees to Authority, its successors and assigns, the due and prompt performance of all of the terms, agreements, covenants and conditions of Developer under the Agreement. Without limiting the generality of the foregoing, Guarantor unconditionally, absolutely and irrevocably commits and agrees, until all of the Obligations have been fully satisfied, to: (a) cause any and all costs of making, constructing and completing the Improvements, including, but not limited to, the costs of all labor, materials and equipment related thereto, to be paid and satisfied as the same shall become due; (b) cause any and all costs and expense overruns (the existence of which shall be determined by Authority in its sole discretion) to be funded, paid and satisfied from Guarantor's own resources as the same may occur; (c) cause the completion of the Improvements by using Guarantor's own resources, within the time periods specified in the Agreement and in good, workmanlike, and lien-free manner (as determined by Authority in its sole discretion), in accordance with the terms of the Agreement; and (d) cause all operating and carrying costs of the Property and Improvements, including, but not limited to, the payment of taxes, assessments, utilities, insurance, maintenance expenses, and interest on any and all indebtedness secured by the DDA Documents or relating thereto, to be funded, paid and satisfied as the same may occur until completion of construction. It is expressly understood and agreed that Guarantor's obligations hereunder are and shall be absolute under any and all circumstances without regard to the validity, regularity or enforceability of the DDA Documents.

2. This Guaranty shall remain effective and relate to any and all Obligations arising from any extension, modification or renewal of the DDA Documents. To the maximum extent permitted by law, Guarantor hereby waives the right to revoke or terminate this Guaranty as to any Obligations, including future Obligations. If such revocation or termination is effective notwithstanding the above waiver, Guarantor agrees that such revocation or termination shall be effective only after Authority actually receives, at its office located at 1522 14th Street, Sacramento, California 95814, written notice revoking this Guaranty and shall be effective only to transactions having their inception after the effective date of

termination and shall not affect any rights or obligations arising out of transactions having their inception prior to such date. In the absence of an effective revocation or termination of this Guaranty, Guarantor agrees that nothing shall discharge or satisfy Guarantor's obligations created hereunder except for the full payment and performance of the Obligations, with interest, by Guarantor. No release of Guarantor from any of Guarantor's obligations under this Guaranty, and no waiver by Authority of any of its rights hereunder, shall be effective for any purpose whatever unless in a writing executed by Authority.

3. Guarantor agrees that Guarantor is directly liable to Authority, that the obligations of Guarantor hereunder are independent of the Obligations and that a separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought against Developer or whether or not Developer is joined in any such action or actions. Guarantor agrees that any releases which may be given by Authority to Developer or any other guarantor or endorser shall not release Guarantor from this Guaranty. In the event that any bankruptcy, insolvency, receivership or similar proceeding is instituted by or against Guarantor and/or Developer or in the event that either Guarantor or Developer becomes insolvent, makes an assignment for the benefit of creditors, or attempts to effect a composition with creditors, or if there be any default under the Agreement (whether declared or not), then, at Authority's election, without notice or demand, the obligations of Guarantor created hereunder shall become due, payable, and enforceable against Guarantor whether or not the Obligations are then due and payable. As a condition to payment or performance by Guarantor under this Guaranty, Authority shall not be required to, and Guarantor hereby waives any and all rights to require Authority to, prosecute or seek to enforce any remedies against Developer or any other party liable to Authority on account of the Obligations and/or require Authority to seek to enforce or resort to any remedies with respect to any security interests, liens or encumbrances granted to Authority by Developer or any other party on account of the Obligations.

4. Guarantor hereby agrees to indemnify and hold harmless Authority against all obligations, demands, and liabilities, by whomsoever asserted, and against all losses in any way suffered, incurred, or paid by Authority as a result of or in any way arising out of, following or consequential to transactions with Developer under the Agreement, and also hereby agrees that this Guaranty shall not be impaired by any modification, supplement, extension, or amendment of any contract or agreement to which Authority and Developer may hereafter agree, respecting the Agreement, nor by any modifications, release, or other alteration of any of the Obligations hereby guaranteed or of any security therefor, nor by any agreements or arrangements whatever with Developer or anyone else.

5. Guarantor hereby authorizes Authority, without notice or demand and without affecting Guarantor's liability hereunder, from time to time to: (a) renew, compromise, extend, accelerate, or otherwise change the terms of any of the Obligations, or any part thereof, (b) take and hold security for the performance of the Obligations guaranteed hereby, and exchange, enforce, waive, and release any such security; (c) apply such security and direct the order or manner of sale thereof as Authority in its discretion may determine; (d) release or substitute any one or more endorser(s) or guarantor(s); (e) assign, without notice, this Guaranty in whole or in part and/or Authority's rights hereunder to anyone at any time; and (f) subordinate any security interest in any security or any portion thereof to the rights of any other creditor or condition. Guarantor hereby agrees that Authority may do any or all of the foregoing in such manner, upon such terms, and at such times as Authority, in its discretion, deems advisable, without in any way or respect impairing, affecting, reducing or releasing Guarantor from

Guarantor's undertakings hereunder, and Guarantor hereby consents to each and all of the foregoing acts, events, and/or occurrences.

6. Guarantor hereby waives any right to assert against Authority as a defense, counter-claim, set-off or cross-claim, any defense (legal or equitable), set-off, counter-claim, cross-claim and/or other claim which Guarantor may now or at any time hereafter have against Developer and/or any other party liable to Authority in any way or manner. Guarantor hereby waives all defenses, counter-claims and offsets of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, and/or enforceability of the Agreement, or any security interest, and Guarantor hereby waives the benefit of Code of Civil Procedure section 431.70 and any similar provision of law.

7. Guarantor hereby waives the benefits of any statute of limitations affecting the Obligations or Guarantor's liabilities hereunder or the enforcement thereof, and any act which extends said statute with respect to the Obligations shall similarly extend any statute of limitations applicable hereunder.

8. Guarantor hereby waives any claim, estoppel or defense arising by reason of any course of action by Authority which in any manner impairs, affects, reduces, releases, destroys and/or extinguishes Guarantor's subrogation rights, rights to proceed against Developer for reimbursement, and/or any other rights of the Guarantor to proceed against Developer or against any other person or security. Until the obligations have been satisfied, Guarantor shall not have any right of subrogation, and Guarantor waives any benefit of and any right to participate in the use of collateral.

9. Guarantor hereby authorizes and empowers Authority, at its sole discretion and without any notice to Guarantor whatsoever, to exercise any right or remedy which Authority may have (including, but not limited to, judicial foreclosure, public or private sale, combined or several sales, exercise of rights of power of sale, or taking a deed or an assignment in lieu of foreclosure), as to any collateral in real, personal or intangible property which Authority may hold for the Obligations. Guarantor specifically waives all rights and defenses that Guarantor may have because the Obligations are secured by real property. This means, among other things, (1) Authority may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by the Developer; and (2) if Authority forecloses on any real property collateral pledged by Developer: (A) The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (B) Authority may collect from Guarantor even if Authority, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Developer. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Developer's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

10. Guarantor waives all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the Code of Civil Procedure or otherwise. With full knowledge of such defenses, Guarantor waives all such defenses intentionally and to the maximum extent permitted by law. Guarantor shall be liable to Authority, in the full amount of the Obligations, including

any deficiency resulting from the exercise by Authority of any such remedy, even though (a) any and all rights which Guarantor may have against others might be destroyed or dismissed by the exercise of any such remedy and, without limiting the foregoing, (b) Authority or Guarantor, or both, might be barred by Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure from recovering any or all amounts from Developer as a result of the exercise of any such remedy or for any other reason, and (c) Authority would, in the absence of such waiver, be subject to defenses of Guarantor against liability for a deficiency under Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure.

11. Guarantor hereby expressly waives the benefit, whether direct or indirect, of all of said provisions of law and any amendments and replacements thereof to the fullest extent permitted by law, and of any or all claims, defenses, and estoppels which Guarantor may have arising from or in any way related to said provisions. Guarantor specifically waives any defense of fair value relating to the use of any such remedy, including, without limitation, the fair value provisions of Code of Civil Procedure sections 580a and 726, and expressly agrees to be liable for the full amount of any deficiency resulting from the exercise by Authority of any such remedy, regardless of the extent to which such deficiency differs from the fair value of such property.

12. Guarantor hereby waives, to the fullest extent permitted by law, (a) any defense arising as a result of Authority's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code, (b) any defense based on any borrowing or granting of a security interest under Section 364 of the Bankruptcy Code, (c) any defense based upon Section 9504 of the California Commercial Code, and (d) without limiting the generality of the foregoing or any other provision hereof, all rights and benefits which might otherwise be available to Guarantor as suretyship defenses.

13. Guarantor hereby waives all presentments, demands for performance, notices of non-performance, protests, notices of protest, notices of dishonor, notices of default notice of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional indebtedness, and all other notices or formalities to which a guarantor or surety may otherwise be entitled, including, but not limited to, all defenses and rights which would exist by virtue of any insufficiency of or failure to give notice under Section 9504 of the California Commercial Code. Guarantor hereby waives any right of subrogation Guarantor may have or assert, or any other right of reimbursement, contribution, indemnity or other suretyship rights and claims from Developer or any other party, unless Authority expressly consents, in writing, to Guarantor's assertion of such rights. Guarantor hereby agrees that, in light of the above waivers, Guarantor shall not be deemed a "creditor" of Developer for any purpose, including, but not limited to, Sections 547 and 550 of the Bankruptcy Code.

14. WITHOUT LIMITING THE GENERALITY OF ANY OTHER WAIVER OR OTHER PROVISION OF THIS GUARANTY, GUARANTOR HEREBY WAIVES, TO THE MAXIMUM EXTENT SUCH WAIVER IS PERMITTED BY LAW, ANY AND ALL RIGHTS OF SUBROGATION, REIMBURSEMENT, INDEMNIFICATION AND CONTRIBUTION AND ANY OTHER RIGHTS AND/OR DEFENSES ARISING DIRECTLY OR INDIRECTLY UNDER ANY ONE OR MORE OF CALIFORNIA CIVIL CODE SECTIONS 2787 TO 2844, INCLUSIVE, AND CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 580a, 580b, 580c, 580d, AND 726.

15. All monies or other property of Guarantor at any time in Authority's possession may be held by Authority as security for any and all obligations of Guarantor to Authority, no matter how or when arising, whether absolute or contingent, whether due or to become due, and whether under this Guaranty or otherwise, and Authority is hereby granted a security interest in all such property. Guarantor also agrees that Authority's books and records showing the account between Authority and Developer shall be admissible in any action or proceeding and shall be binding upon Guarantor for the purpose of establishing the terms set forth therein and shall constitute prima facie proof thereof.

16. Guarantor is presently informed of the financial condition of Developer and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of non-performance of the Obligations. Guarantor is not concerned with Developer's financial condition or with the condition or value of any collateral and Guarantor waives its right, if any, to require Authority to disclose to Guarantor any information it may have or hereafter acquire concerning Developer's past, present or future character, credit, collateral or financial condition. Guarantor assumes the responsibility for being and keeping informed of the financial condition of Developer and of all circumstances bearing upon the risk of non-payment of the Obligations, and the collateral and security therefor, which diligent inquiry would reveal. If Developer is a corporation, partnership or limited liability company, Authority need not inquire into the power of Developer or the authority of its officers, directors, partners or agents acting or purporting to act in its behalf. All of Authority's extensions of credit to Developer shall be deemed to have been made at Guarantor's special instance and request and in consideration of and in reliance upon this Guaranty.

17. Any and all present and future debts and obligations of Developer to Guarantor are hereby postponed in favor of and subordinated to the full payment and performance of all present and future Obligations. Without the prior consent of Authority, such subordinate indebtedness shall not be paid in whole or in part nor will Guarantor accept any payment of or on account of any such indebtedness so long as the Obligations are outstanding and unpaid. At the request of Authority, Developer shall pay to Authority all or any part of any such subordinated indebtedness and any amount so paid to Authority at its request shall be applied to the Obligations. Each payment on any indebtedness of Developer to Guarantor received in violation of any of the provisions of this Guaranty shall be deemed to have been received by Guarantor as trustee for Authority and shall be paid over to Authority immediately on account of the Obligations but without otherwise affecting in any manner Guarantor's liability under any of the provisions of this Guaranty.

18. In the event that this Guaranty is secured by real or personal property, any default under the terms of the agreement granting Authority rights in the collateral shall be a default hereunder. The preceding sentence notwithstanding, however, this Guaranty shall not be deemed secured by real or personal property unless Authority expressly, in writing, accepts such real or personal property security, except as otherwise provided in Section 15, above. Any sale or transfer of collateral securing this Guaranty that is not expressly consented to, in writing, by Authority prior to such transfer, shall also constitute a default hereunder.

19. Without affecting Guarantor's obligations created hereby or hereunder, Authority is hereby granted full power and authority, in its uncontrolled discretion, at any time, and from time to time, either

before or after any notice of revocation hereof, and in such manner and upon such terms as it deems fit, with or without notice to Guarantor:

19.1 To apply any one or more payments or recoveries from Developer or from Guarantor, or any sums realized from collateral, to any indebtedness or obligation of Developer to Authority in such manner and in such order of priority as Authority deems fit, whether or not such indebtedness or obligation upon which application is made is guaranteed hereby or is otherwise secured or is due at the time of such application;

19.2 To apply any payment or recoveries from any other guarantor or sums realized from collateral furnished by any other guarantor upon any indebtedness or obligation of such guarantor to Authority in such manner and in such order of priority as Authority deems fit, whether or not such indebtedness or obligation relates to the Obligations or is secured or is due at the time of such application;

19.3 To refund to Developer at any time, with or without notice and at the sole discretion of Authority, any payment received by Authority upon the Obligations, and payment to Authority of the amount so refunded to Developer shall be fully guaranteed by this Guaranty even though prior hereto this Guaranty may have been cancelled or surrendered by Authority;

19.4 To create new Obligations of Developer or renew, compromise, extend, increase, accelerate, and otherwise change the time for payment of, or otherwise change the terms of, the Obligations of Developer, or any part thereof, including increasing or decreasing the rate of interest thereon;

19.5 To take and hold security for the payment of this Guaranty or the Obligations, perfect such security or refrain from perfecting such security, whether or not such security is required under the Agreement, and exchange, enforce, waive or release (whether intentionally or unintentionally) any such security or any part thereof, purchase such security and direct the order or manner of sale thereof as Authority in its sole discretion may determine; and

19.6 To settle, release, compromise with, or substitute any one or more endorsers, guarantors and/or other obligors of this Guaranty or the Obligations.

20. This Guaranty shall continue in full force and effect until the Obligations are fully paid, performed, and discharged and Authority gives the Guarantor written notice of that fact. The Obligations shall not be considered fully paid unless and until all payments with respect to the Obligations are no longer subject to any right on the part of any person whomsoever, including, but not limited to, Developer, Developer as a debtor-in-possession, and/or any trustee in bankruptcy, or receiver or assignee, to set aside such payments or seek to recoup the amount of such payments, or any part thereof. The foregoing shall include, by way of example and not by way of limitation, all rights to recover preferences voidable under Title 11 of the United States Code. In the event that any such payments to Authority are set aside after the making thereof, in whole or in part, or settled without litigation, to the extent of such settlement, all of which is within Authority's discretion. Guarantor shall be liable for the full amount Authority is required to repay plus costs, interest, attorneys' fees and any and all expenses which Authority paid or incurred in connection therewith.

21. This Guaranty shall be binding upon the successors and assigns of the Guarantor and shall inure to the benefit of Authority's successors and assigns. The death or disability of Guarantor shall not terminate this Guaranty.

22. Guarantor's liability shall continue, and shall not operate to release Guarantor from liability hereunder, notwithstanding the lack of authority of any other or others, including, without limitation Developer and any sureties, and the failure by Authority to seek any relief from any stay, restraining order, injunction, or other restraint on exercise of any remedy or recourse with respect to any others, including, without limitation Developer and any sureties. Guarantor shall not be released from liability hereunder if recovery from Developer or from any other guarantor or surety is or hereafter becomes barred by any statute of limitations or if such liability is or becomes otherwise unenforceable.

23. Notwithstanding any modification, discharge or extension of the Obligations or any amendment, modification, stay or cure of Authority's rights which may occur in any bankruptcy or reorganization case or proceeding concerning Developer, whether permanent or temporary, and whether assented to by Authority, Guarantor hereby agrees that Guarantor shall be obligated hereunder to discharge Guarantor's obligations in accordance with the terms of the Obligations and the terms of this Guaranty in effect on the date hereof. Guarantor understands and acknowledges that by virtue of this Guaranty, Guarantor has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to Developer. As an example and not in any way of limitation, a subsequent modification of the Obligations in any reorganization case concerning Developer shall not affect the obligation of Guarantor to perform the Obligations in accordance with their original terms.

24. All rights, powers, and remedies of the Authority hereunder and under any other agreement now or at any time hereafter in force between Authority and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Authority by law.

25. Should this Guaranty be signed by more than one party, all obligations herein contained shall be the joint and several obligations of each party executing this Guaranty and all words used in the singular herein contained shall be deemed to have been used in the plural when the context and construction so require.

26. If Guarantor at any time or times shall fail to do any act or things required by this Guaranty or to perform or comply with any agreement, provision or condition of the Agreement, Authority at its election may, but shall not be required to, do such act or thing or cause the same to be done or cause such agreement, provision or condition to be performed or complied with and shall promptly thereafter notify Guarantor in writing. Guarantor shall reimburse Authority upon demand for all expenditures Authority may make and all expenses Authority may incur by reason of Guarantor's failure to do or perform or comply, together with interest thereon from the date of incurring such expense at the highest rate provided in the Agreement, not to exceed, however, the maximum, if any, permitted by any applicable law. "Expenses" shall not be limited to direct expenses of doing or performing or complying with anything required by this Guaranty, but shall include, without limitation, all reasonable costs and expenses of investigating the failure to do or perform or comply, and the events and conditions surrounding the same or relating thereto, reasonable fees charged by and expenses of professional consultants and advisors including attorneys, accountants, architects, surveyors and engineers (including reasonable costs and

expenses of such professional services and advice with respect to examination and analysis of rights and remedies, negotiations with Developer and with any other parties in interest such as guarantors, other encumbrancers, receivers, trustees and the like, and reasonable professional fees and expenses with respect to any action or proceeding which Authority may commence or in which Authority may appear or participate, whether for the purpose of protecting Authority's rights or interest or otherwise, and all professional fees and expenses in or in connection with any review of or appeal from any proceeding or action), costs of title search and premiums for title reports and all other reasonable costs and expenses.

27. If any party constituting Guarantor is a corporation, partnership, limited liability company, trust, or other legal entity, each individual executing this Guaranty on behalf of such entity, and the entity, each represents and warrants that he, she or it is duly authorized to execute and deliver this Guaranty on behalf of the entity in accordance with the terms of the organizational documents of such entity and that all requisite action or consents have been obtained pursuant thereto.

28. Guarantor further represents and warrants that: (a) this Guaranty is a valid and legally binding obligation of Guarantor enforceable in accordance with its terms; (b) the execution and delivery of this Guaranty are not, and the performance of this Guaranty will not be, in contravention of, or in conflict with, any agreement, indenture or undertaking to which Guarantor is a party or by which Guarantor or any of the property of Guarantor is or may be bound or affected and do not, and will not, cause any security interest, lien or other encumbrance to be created or imposed upon any such property; (c) except as disclosed to Authority in writing prior to the date of this Guaranty, there is no litigation or other proceeding pending, or threatened against, or affecting, Guarantor or Guarantor's properties which, if determined adversely to Guarantor would have a materially adverse effect on the financial condition, properties, businesses or operations of Guarantor; (d) Guarantor is not in default with respect to any order, writ, injunction, decree or demand of any court or other governmental or regulatory authority; (e) upon execution hereof, Guarantor has delivered to Authority balance sheets and financial statements of Guarantor and such balance sheets and financial statements are true and correct and fairly present the financial condition of Guarantor set forth therein for the period covered thereby in accordance with generally accepted accounting principles on a basis consistently maintained; (f) there are no liabilities of Guarantor, contingent or otherwise, at the date of said balance sheets and financial statements which are not reflected in said balance sheets and financial statements, which may have a materially adverse effect upon Guarantor's financial condition, operations or business as now conducted; (g) Guarantor shall furnish Authority promptly upon completion, but in any event not later than ninety (90) days following the end of each applicable fiscal year, audited year-end financial statements of Guarantor prepared in accordance with generally accepted accounting principles consistently applied; (h) Guarantor has derived or expects to derive a financial advantage from each and every relinquishment of legal rights made or granted, or to be made or granted, by Authority to Developer in connection with the Obligations; (i) all representations of Developer in the Agreement are true and correct and do not omit to state matters that would have a material adverse effect upon the completeness and accuracy of all of the express representations therein; and (j) Guarantor has copies of and is fully familiar with the Agreement, and represents and warrants that all necessary action has been taken by Developer to authorize Developer's execution of the Agreement and to engage in the transactions thereby contemplated.

29. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions

of this section, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile to a facsimile number set forth below (provided, however, that notices given by facsimile shall not be effective unless the sending party delivers the notice also by one other method permitted under this section); (c) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that the sender has in its possession the return receipt to prove actual delivery); or (d) one (1) business day after the notice has been deposited with either FedEx or United Parcel Service to be delivered by overnight delivery (provided that the sending party receives a confirmation of actual delivery from the courier).

The addresses of the parties to receive notices are as follows:

If to Authority: Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95814
Facsimile: (916) 441-1804
ATTN: Wendy S. Saunders, Executive Director

With a copy to: Kronick, Moskovitz, Tiedemann & Girard
1331 Garden Hwy, 2nd Floor
Sacramento, CA 95833
Facsimile: (916) 321-4555
ATTN: Jeffrey A. Mitchell

If to Guarantor: Steve Lebastchi

Davod Miryabianeh

c/o D&S Development, Inc.

1725 Capitol Avenue
Sacramento, CA 95811
Facsimile: (415) 982-7781

With a copy to: West Broadway 2019 Investments LLC,
a Delaware limited liability company

Facsimile: _____

ATTN: _____

Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this section, and that any person to be given notice actually receives such notice. Any notice to a party which is required to be given to multiple addresses shall only be deemed to have been delivered when all of the notices to that party have been delivered pursuant to this section. If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered on the next business day. Notices delivered by electronic mail shall not be deemed properly delivered, even if the electronic mail addresses of the parties appear above for convenience. A party may change or supplement the addresses given above, or designate additional addressees, for purposes of this section by delivering to the other party written notice in the manner set forth above. The parties agree that the attorney for any party shall have the authority to deliver binding notices on his/her client's behalf to the other party(ies) hereto.

30. Receipt of a true copy of this Guaranty is hereby acknowledged by Guarantor.

31. This Guaranty cannot be modified orally. No modification of this Guaranty shall be effective for any purpose unless it is in writing and executed by Authority. All prior agreements, understandings, representations, and negotiations, if any, are merged into this Guaranty.

32. Guarantor agrees to pay all attorneys' fees and all other costs and out-of-pocket expenses which may be incurred by Authority in the enforcement of this Guaranty or in any way arising out of, following, or consequential to the enforcement of the Obligations, whether under this Guaranty, the Agreement, or otherwise.

33. In all cases where the word "Guarantor" is used in this Guaranty, it shall mean and apply equally to each of and all of the individuals and/or entities which have executed this Guaranty.

34. All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California. Guarantor agrees that all actions or proceedings arising in connection with this Guaranty shall be tried and litigated only in the state and federal courts located in the State of California, except that Authority, in its sole discretion, may elect that all such actions or proceedings be tried and litigated in the County of Sacramento or the Northern District of California.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty this ____ day of _____, 20__.

GUARANTOR:

By: _____

Name: _____

By: _____

Name: _____

MULTI-FAMILY HOUSING
1330 N STREET
SACRAMENTO, CA 95814

[illegible]



A001



**D&S
DEVELOPMENT**

1725 CAPITOL AVE.
SACRAMENTO, CA 95811
(916) 442-2488

CYPRESS

1330 N STREET
SACRAMENTO, CA 95814
MULTI-FAMILY HOUSING

[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
12/01/2021	2-212306
	AHJ PROJECT NUMBER:

3D VIEWS

A002



GRAND TOTAL: 65

1. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
2. ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT.
3. ALL DIMENSIONS ARE FOR OVERALL UNLESS OTHERWISE SPECIFIED. DIMENSIONS NOT SHOWN
4. ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL, OR FACE OF STRUCTURAL MEMBER.
5. ALL DIMENSIONS SHALL BE IN METERS, UNLESS OTHERWISE SPECIFIED.
6. WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLAN, NOT ENLARGED PLANS.
7. SEE ENLARGED PLANS FOR DIMENSIONS; TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN.
8. ALL DIMENSIONS SHALL BE TO CENTER OF LEVEL UNLESS OTHERWISE SPECIFIED. ELEVATIONS
9. SEE FINISH LEGEND FOR TYPICAL FINISHES. UNLESS OTHERWISE SPECIFIED.
10. ALL DIMENSIONS SHALL BE TO CENTER OF LEVEL UNLESS OTHERWISE SPECIFIED. ELEVATIONS
11. PROVIDE AND INSTALL 2X FLAT WOOD BLOK OR 16GA METAL STRAPPING FOR ALL BATH
12. ACCESSORIES, HANDS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY
13. OTHER ITEMS NOT SHOWN ARE ATTACHED TO WALLS.
14. ALL UNITS ARE ADAPTABLE UNLESS NOTED OTHERWISE AND SHALL
15. MEET REQUIREMENTS OF ASHRAE 90.1-2010 AND 11B-2013 5.1.2. SEE ENLARGED PLANS
16. FOR MORE INFORMATION.

6'-0" DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.

6'-0" DIMENSION - DENOTING CENTERLINE

6'-0" DIMENSION - DENOTING FACE OF FINISH/CLEAR

0 GRID LINE REFERENCE - FACE OF STUD

PEDESTAL PAVERS 0" 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN

PLANTING, SEE LANDSCAPE

WALK OFF MAT

ELECTRICAL PAD

SINGLE - PLY ROOF MEMBRANE

1 HOUR RATED WALL

2 HOUR RATED WALL

3 HOUR RATED WALL

BUILDING SECTION REFERENCE

DWG. NO.

SHEET NO.

WALL SECTION REFERENCE

DWG. NO.

SHEET NO.

KEYNOTE	KEYNOTE DESCRIPTION
---------	---------------------

**D&S
DEVELOPMENT**

1725 CAPITOL AVE.
SACRAMENTO, CA 95811
(916) 442-2488

CYPRESS

1330 N STREET
SACRAMENTO, CA 95814
MULTI-FAMILY HOUSING

[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
12/01/2021	2-212306
	AHJ PROJECT NUMBER:

FLOOR PLAN -
GARAGE

A200



GENERAL NOTES - FLOOR PLAN

1. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
2. ALL CLEAR DIMENSIONS ARE TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT.
3. SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN.
4. ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL.
5. WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLANS, NOT ENLARGED PLANS.
6. SEE ENLARGED PLANS FOR WINDOW TYPES, WINDOW TYPES, ETC. NOT SHOWN.
7. REFERENCE TO CIVIL AND STRUCTURAL FOR LEVEL ONE, FISH FLOOR ELEVATION.
8. SEE FINISH LEGEND FOR FINISH TYPES, UNITS.
9. PROVIDE SELECTED LATH AND PLASTER AND DIMENSIONS OF SPOFFED AREAS.
10. PROVIDE AND INSTALL 2X PL WOOD BLOCKING OR 16GA METAL STRAPPING FOR ALL BATH ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY OTHER ITEMS ATTACHED TO WALLS.
11. ALL UNITS ARE ADAPTABLE PER CODE NOT OTHERWISE AND SHALL MEET REQUIREMENTS PER CBC 19B-253.1.2. SEE ENLARGED PLANS FOR MORE INFORMATION.

6'-0"

6'-0"

6'-0"

0

GRID LINE REFERENCE - FACE OF STUD

PEDESTAL PAVERS Or 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN

PLANTING, SEE LANDSCAPE

WALK OFF MAT

ELECTRICAL PAD

SINGLE - PLY ROOF MEMBRANE

1 HOUR RATED WALL

2 HOUR RATED WALL

3 HOUR RATED WALL

BUILDING SECTION REFERENCE

WALL SECTION REFERENCE

KEYNOTE	KEYNOTE DESCRIPTION
---------	---------------------

D&S DEVELOPMENT

1725 CAPITOL AVE.
SACRAMENTO, CA 95811
(916) 442-2488

CYPRESS

1330 N STREET
SACRAMENTO, CA 95814
MULTI-FAMILY HOUSING

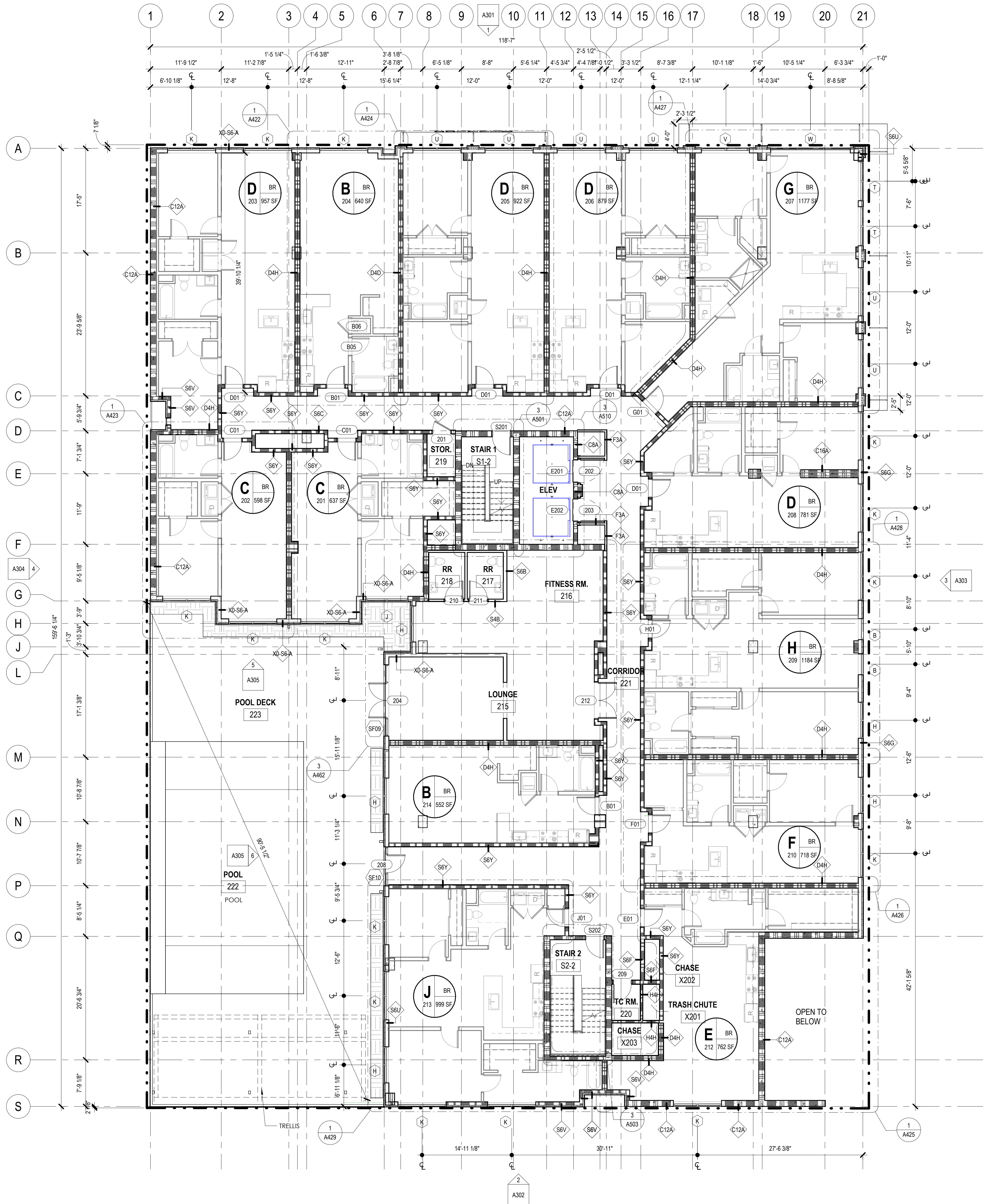
[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
12/01/2021	2-212306
	AHJ PROJECT NUMBER:

FLOOR PLAN -
LEVEL 1

A201



GENERAL NOTES - FLOOR PLAN

- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
- ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT.
- SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN.
- ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL, U.N.O.
- WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLANS, NOT ENLARGED PLANS.
- SEE ENLARGED PLANS FOR DIMENSIONS, TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN.
- REFER TO CIVIL AND STRUCTURAL FOR LEVEL ONE FINISH FLOOR ELEVATIONS.
- SEE FINISH LEGEND FOR TYPICAL FINISHES, U.N.O.
- SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS.
- PROVIDE AND INSTALL 2X FLAT WOOD BLOCKING OR 16GA METAL STRAPPING FOR ALL BATH ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY OTHER ITEMS ATTACHED TO WALLS.
- ALL UNITS ARE ADAPTABLE UNLESS NOTED OTHERWISE AND SHALL MEET REQUIREMENTS PER CBC 11B-233.3.1.2. SEE ENLARGED PLANS FOR MORE INFORMATION.

LEGEND - FLOOR PLAN

- 6'-0" DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
- 6'-0" DIMENSION - DENOTING CENTERLINE
- 6'-0" DIMENSION - DENOTING FACE OF FINISH/CLER
- 0 GRID LINE REFERENCE - FACE OF STUD
- PEDESTAL PAVERS ON 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
- PLANTING, SEE LANDSCAPE
- WALK OFF MAT
- ELECTRICAL PAD
- SINGLE - PLY ROOF MEMBRANE
- 1 HOUR RATED WALL
- 2 HOUR RATED WALL
- 3 HOUR RATED WALL
- BUILDING SECTION REFERENCE
- WALL SECTION REFERENCE

KEYNOTES

KEYNOTE KEYNOTE DESCRIPTION

D&S
DEVELOPMENT

1725 CAPITOL AVE.
SACRAMENTO, CA 95811
(916) 442-2488

CYPRESS

1330 N STREET
SACRAMENTO, CA 95814
MULTI-FAMILY HOUSING

NO. : ISSUANCE/REVISION: DATE:

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE: 12/01/2021 AL PROJECT NUMBER: 2-212306 AHJ PROJECT NUMBER:

FLOOR PLAN -
LEVEL 2

A202

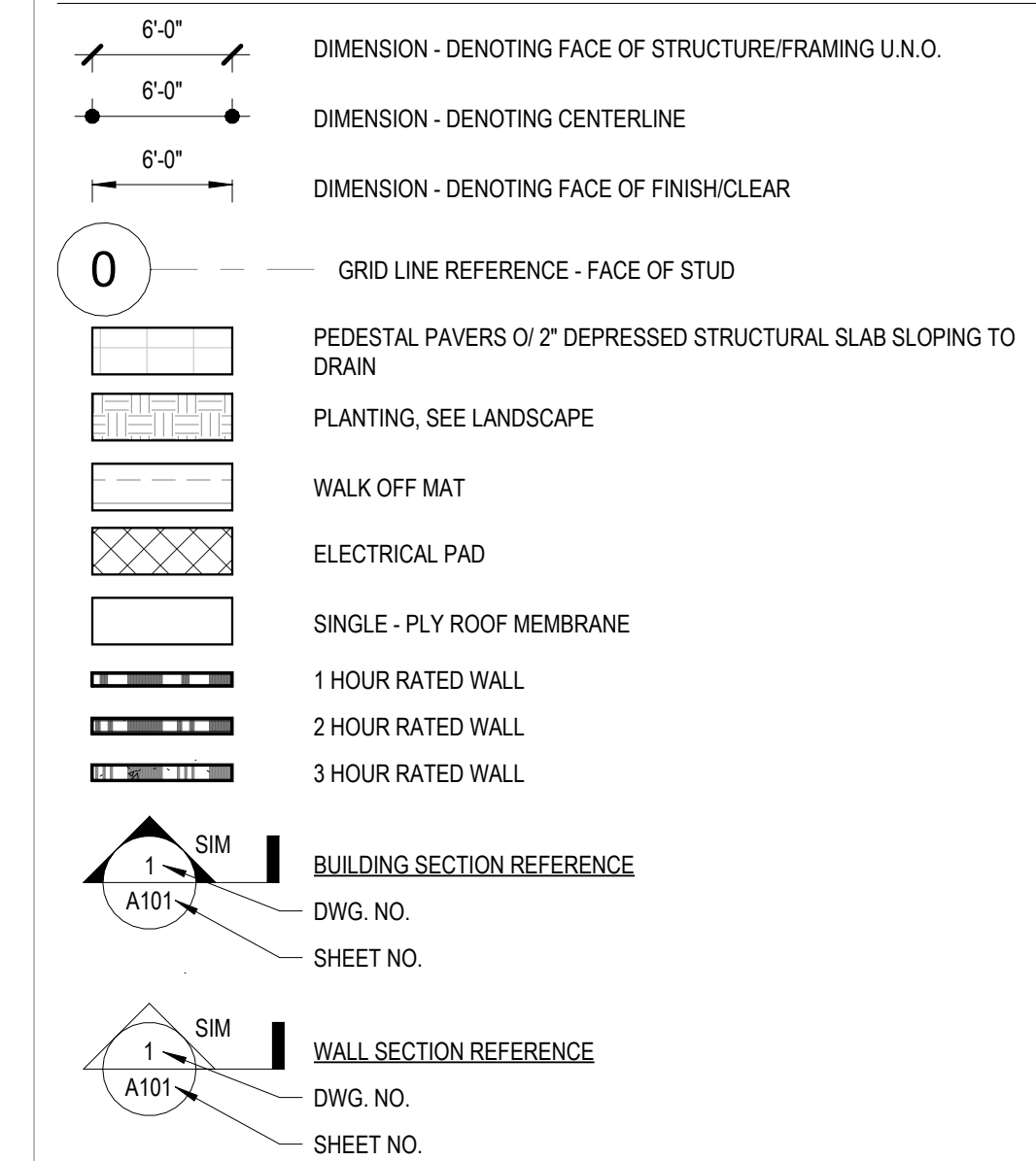


- # A203



1. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
2. ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT.
3. SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN.
4. ALL GRID LINES ARE LOCATED CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL. U.O.N.
5. WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLANS. NOT ENLARGED PLANS.
6. SEE ENLARGED PLANS FOR DIMENSIONS, TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN.
7. REFER TO CIVIL AND STRUCTURAL DRAWINGS FOR ALL DIMENSIONS AND FINISH FLOOR ELEVATIONS.
8. SEE FINISH LEGEND FOR TYPICAL FINISHES. U.O.N.
9. SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SPOFFED AREAS.
10. SEE ENLARGED PLANS FOR BUILDING MATERIALS, FINISHES, STRAPPING FOR WALLS, BATH ACCESSORIES, HANDRAILS, CABBETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY OTHER ITEMS ATTACHED TO WALLS.
11. UNITS ARE ADAPTED FOR USES NOT INTENDED OTHERWISE AND SHALL MEET REQUIREMENTS PER CPD-11B 23.3.1. SEE ENLARGED PLANS FOR MORE INFORMATION.

LEGEND - FLOOR PLAN



KEYNOTES

KEYNOTE	KEYNOTE DESCRIPTION
---------	---------------------

D&S DEVELOPMENT

1725 CAPITOL AVE.
SACRAMENTO, CA 95811
(916) 442-2488

CYPRESS

1330 N STREET
SACRAMENTO, CA 95814
MULTI-FAMILY HOUSING

[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
12/01/2021	2-212306
	AHJ PROJECT NUMBER:

FLOOR PLAN -
LEVEL 4

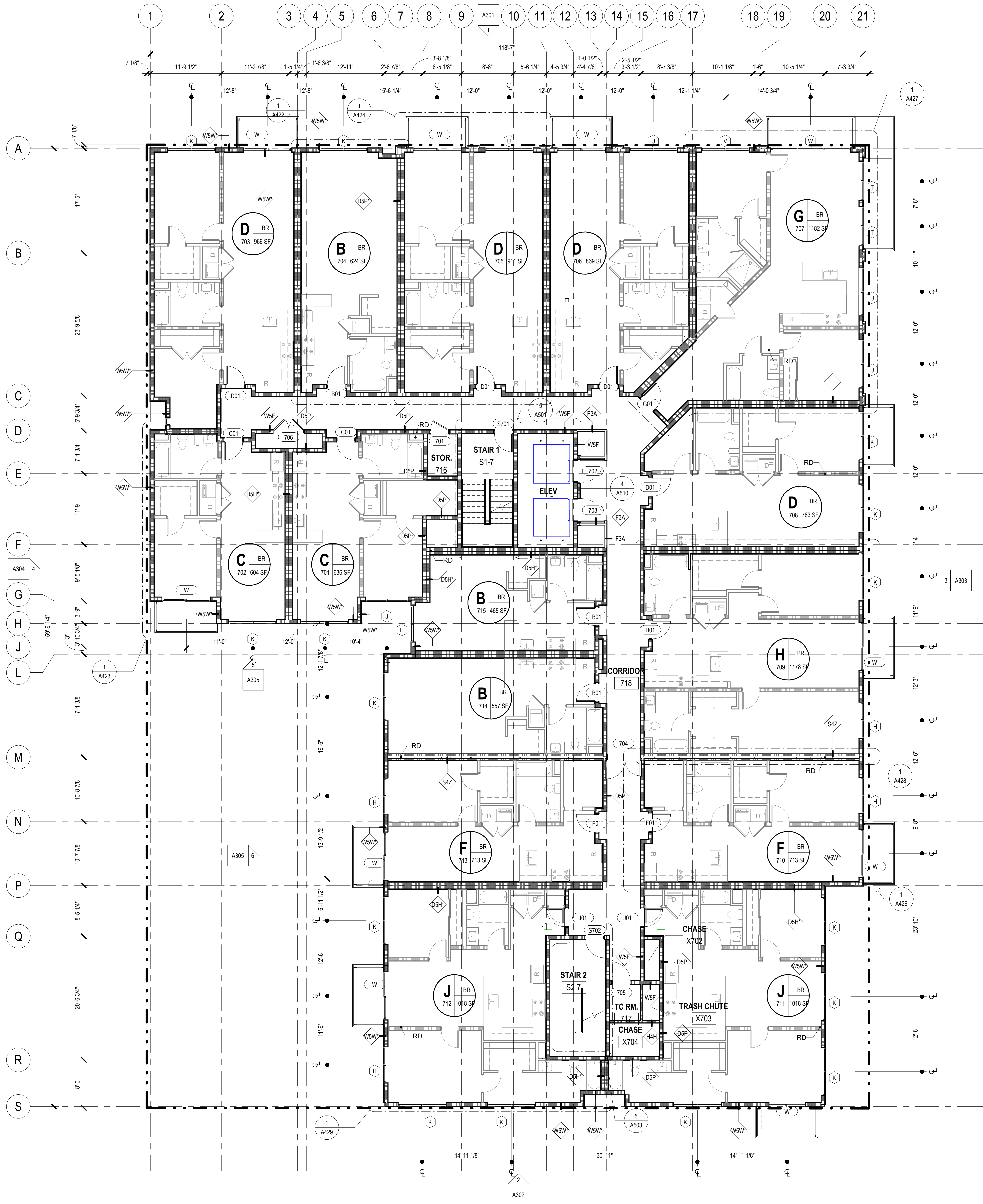
A204



- # A205



- # A206



GENERAL NOTES - FLOOR PLAN

- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
- ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT.
- SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN.
- ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL, U.N.O.
- WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLANS, NOT ENLARGED PLANS.
- SEE ENLARGED PLANS FOR DIMENSIONS, TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN.
- REFER TO CIVIL AND STRUCTURAL FOR LEVEL ONE FINISH FLOOR ELEVATIONS.
- SEE FINISH LEGEND FOR TYPICAL FINISHES, U.N.O.
- SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS.
- PROVIDE AND INSTALL 2X FLAT WOOD BLOCKING OR 16GA METAL STRAPPING FOR ALL BATH ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY OTHER ITEMS ATTACHED TO WALLS.
- ALL UNITS ARE ADAPTABLE UNLESS NOTED OTHERWISE AND SHALL MEET REQUIREMENTS PER CBC 11B-233.3.1.2. SEE ENLARGED PLANS FOR MORE INFORMATION.

LEGEND - FLOOR PLAN

- 6'-0" DIMENSION - DENOTING FACE OF STRUCTURE/FRAMING U.N.O.
- 6'-0" DIMENSION - DENOTING CENTERLINE
- 6'-0" DIMENSION - DENOTING FACE OF FINISH/CLEAR
- 0 GRID LINE REFERENCE - FACE OF STUD
- PEDESTAL PAVERS ON 2" DEPRESSED STRUCTURAL SLAB SLOPING TO DRAIN
- PLANTING, SEE LANDSCAPE
- WALK OFF MAT
- ELECTRICAL PAD
- SINGLE - PLY ROOF MEMBRANE
- 1 HOUR RATED WALL
- 2 HOUR RATED WALL
- 3 HOUR RATED WALL
- BUILDING SECTION REFERENCE
- WALL SECTION REFERENCE

KEYNOTES

KEYNOTE KEYNOTE DESCRIPTION

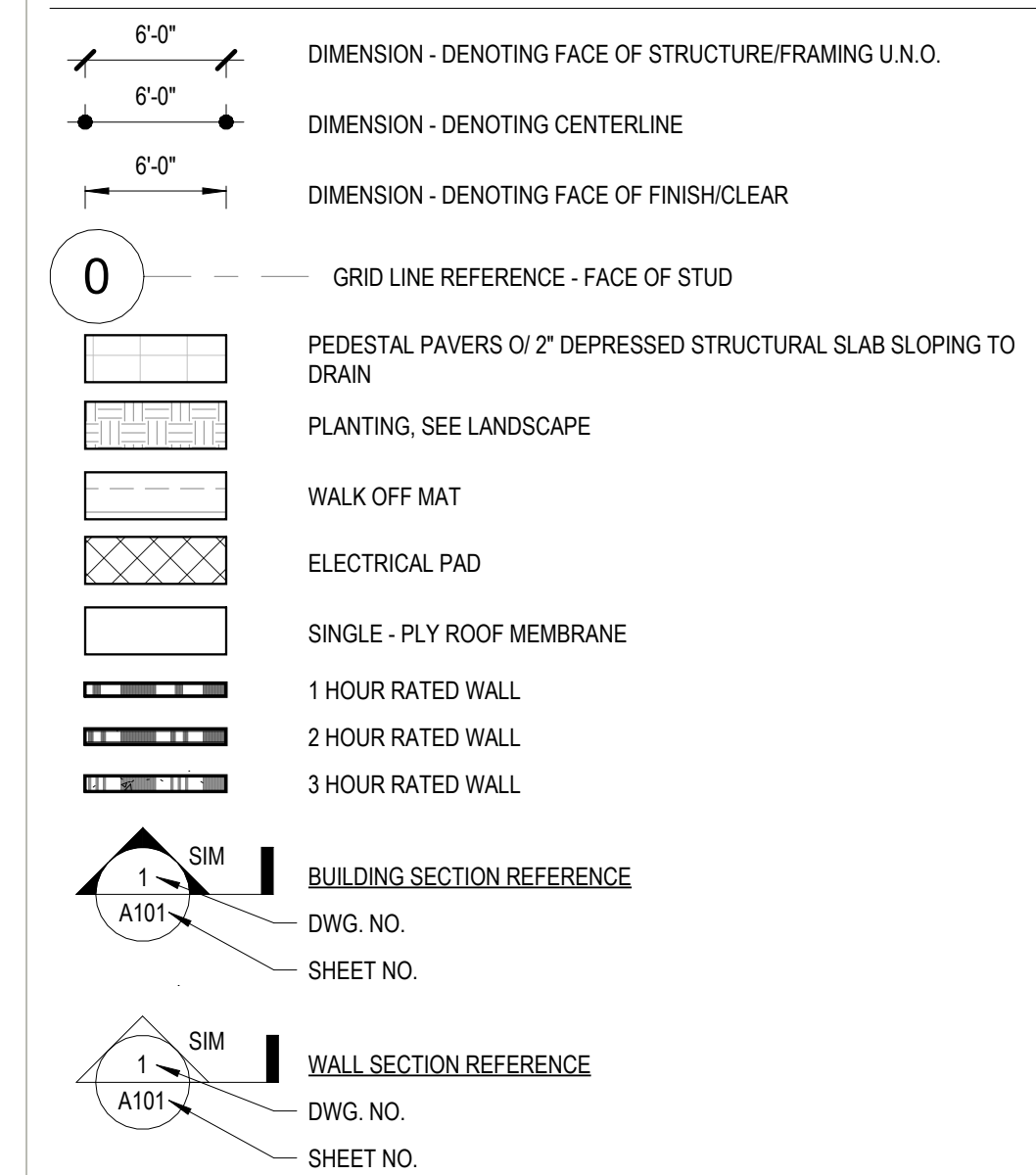
NO. : ISSUANCE/REVISION: DATE:

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
12/01/2021	2-212306
	AHJ PROJECT NUMBER:



1. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
2. ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT
3. SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN.
4. ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL UNO.
5. WINDOW TYPES AND LOCATIONS SHALL AS PER BUILDING PLANS, NOT ENLARGED PLANS.
6. SEE ENLARGED PLANS FOR DIMENSIONS, TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN.
7. REFER TO CIVIL SITE PLAN FOR LEVEL ONE FINISH FLOOR ELEVATIONS.
8. SEE FINISH LEGEND FOR TYPICAL FINISHES, LOCATIONS, UNO.
9. SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS.
10. DOORS AND WINDOWS TO BE BUILT UP WITH BLIND FRAMEWORK STRIPPING FOR ALL BATH ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ANY OTHER ITEMS ATTACHED TO WALLS.
11. ALL UNITS ARE ADAPTABLE UNLESS NOTED OTHERWISE AND SHALL REFER TO REQUIREMENTS PER CPD-11B-203.1.2. SEE ENLARGED PLANS FOR MORE INFORMATION.



KEYNOTE	KEYNOTE DESCRIPTION
---------	---------------------

D&S DEVELOPMENT

1725 CAPITOL AVE.
SACRAMENTO, CA 95811
(916) 442-2488

CYPRESS

1330 N STREET
SACRAMENTO, CA 95814
MULTI-FAMILY HOUSING

[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE: AL PROJECT NUMBER:

12/01/2021 2-212306
AHJ PROJECT NUMBER:

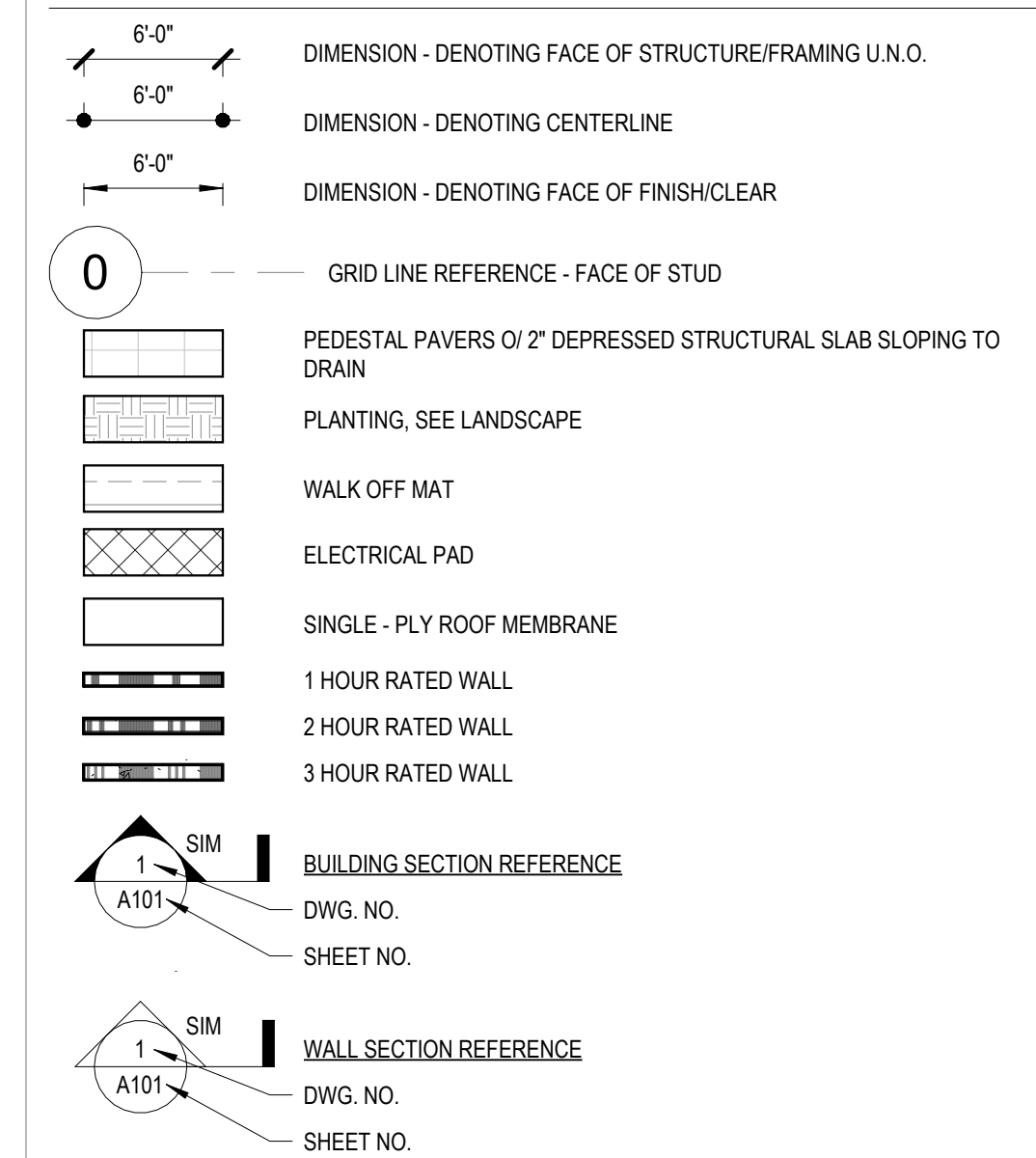
FLOOR PLAN -
LEVEL 8 &
TERRACE

A208



1. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN.
2. ALL CLEAR DIMENSIONS ARE NOT TO BE ADJUSTED WITHOUT APPROVAL OF THE ARCHITECT.
3. SEE SITE PLAN FOR OVERALL SITE DIMENSIONS AND NOTES NOT SHOWN.
4. ALL GRID LINES INDICATE CENTER OF STRUCTURAL WALL OR FACE OF STRUCTURAL MATERIAL UNO.
5. WINDOW TYPES AND LOCATIONS SHALL BE AS PER BUILDING PLANS, NOT ENLARGED PLANS.
6. SEE ENLARGED PLANS FOR DIMENSIONS, TAGS, KEYNOTES, NOTES, ETC. NOT SHOWN.
7. REFER TO CIVIL SITE PLAN FOR LEVEL ONE FINISH FLOOR ELEVATIONS.
8. SEE FINISH LEGEND FOR TYPICAL FINISHES, LOCATIONS, UNO.
9. SEE REFLECTED CEILING PLANS FOR LOCATIONS AND DIMENSIONS OF SOFFITED AREAS.
10. DOORS AND WINDOWS TO BE BUILT UP TO THE FINISH FLOOR, STRIPPING FOR ALL BATH ACCESSORIES, HANDRAILS, CABINETS, TOWEL BARS, WALL MOUNTED FIXTURES AND ALL OTHER ITEMS ATTACHED TO WALLS.
11. ALL UNITS ARE ADAPTABLE UNLESS NOTED OTHERWISE AND SHALL REFER TO REQUIREMENTS PER SPEC 11B-23.3.1.2. SEE ENLARGED PLANS FOR MORE INFORMATION.

LEGEND - FLOOR PLAN



KEYNOTES

KEYNOTE	KEYNOTE DESCRIPTION
---------	---------------------

D&S DEVELOPMENT

1725 CAPITOL AVE.
SACRAMENTO, CA 95811
(916) 442-2488

CYPRESS

1330 N STREET
SACRAMENTO, CA 95814
MULTI-FAMILY HOUSING

[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE: AL PROJECT NUMBER:

12/01/2021 2-212306

FLOOR PLAN -
LEVEL 8 MEZZ

A209

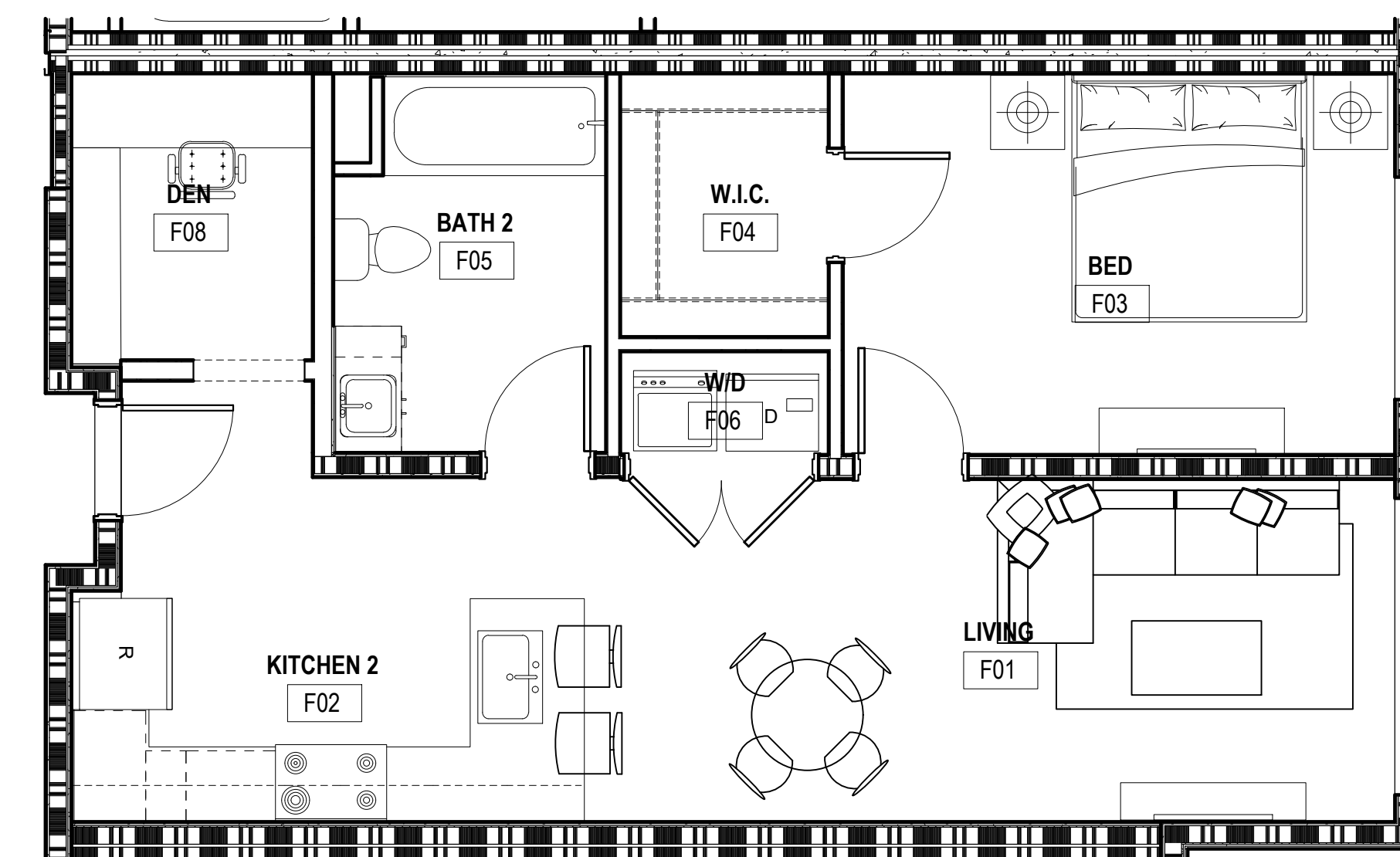
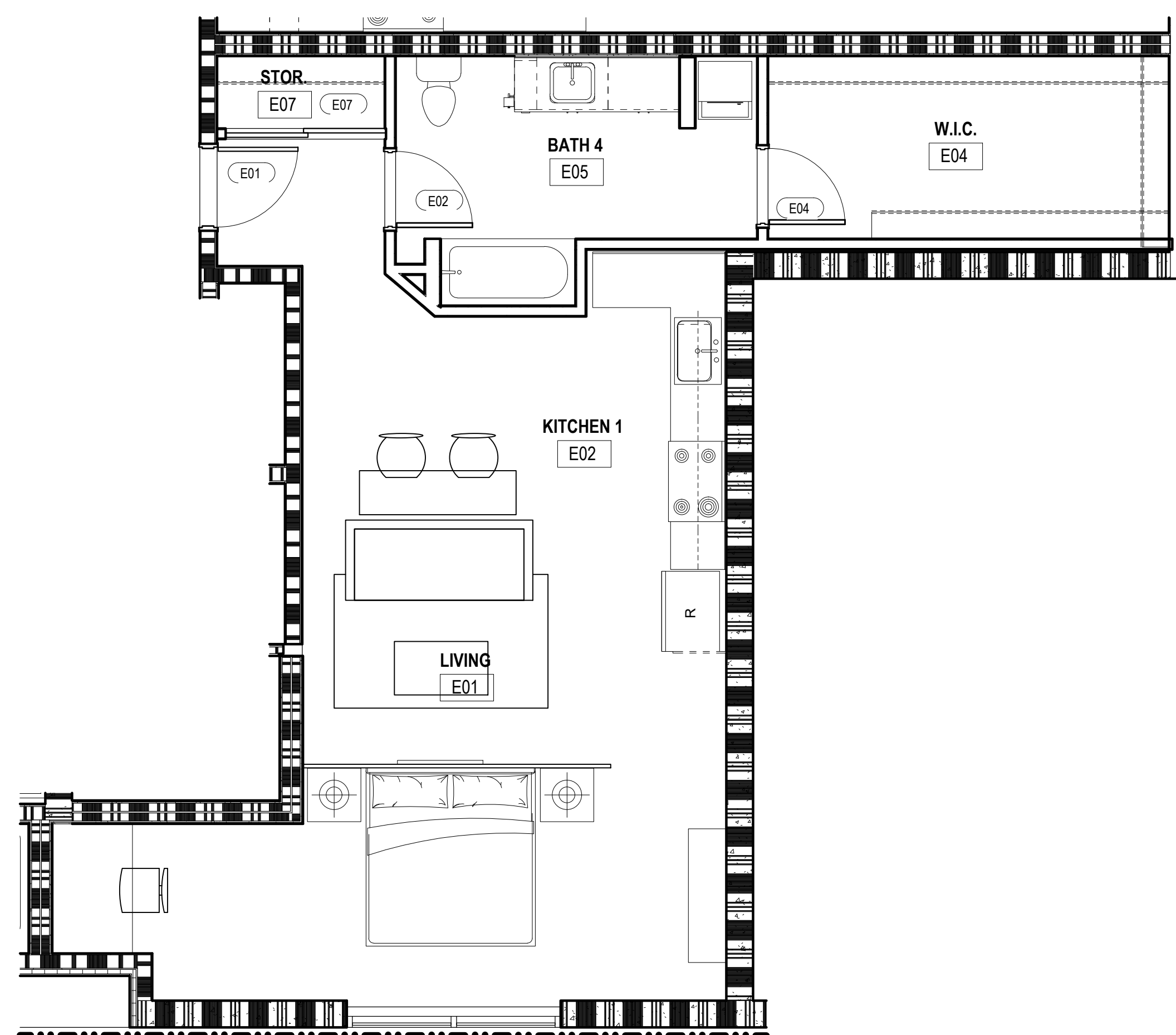
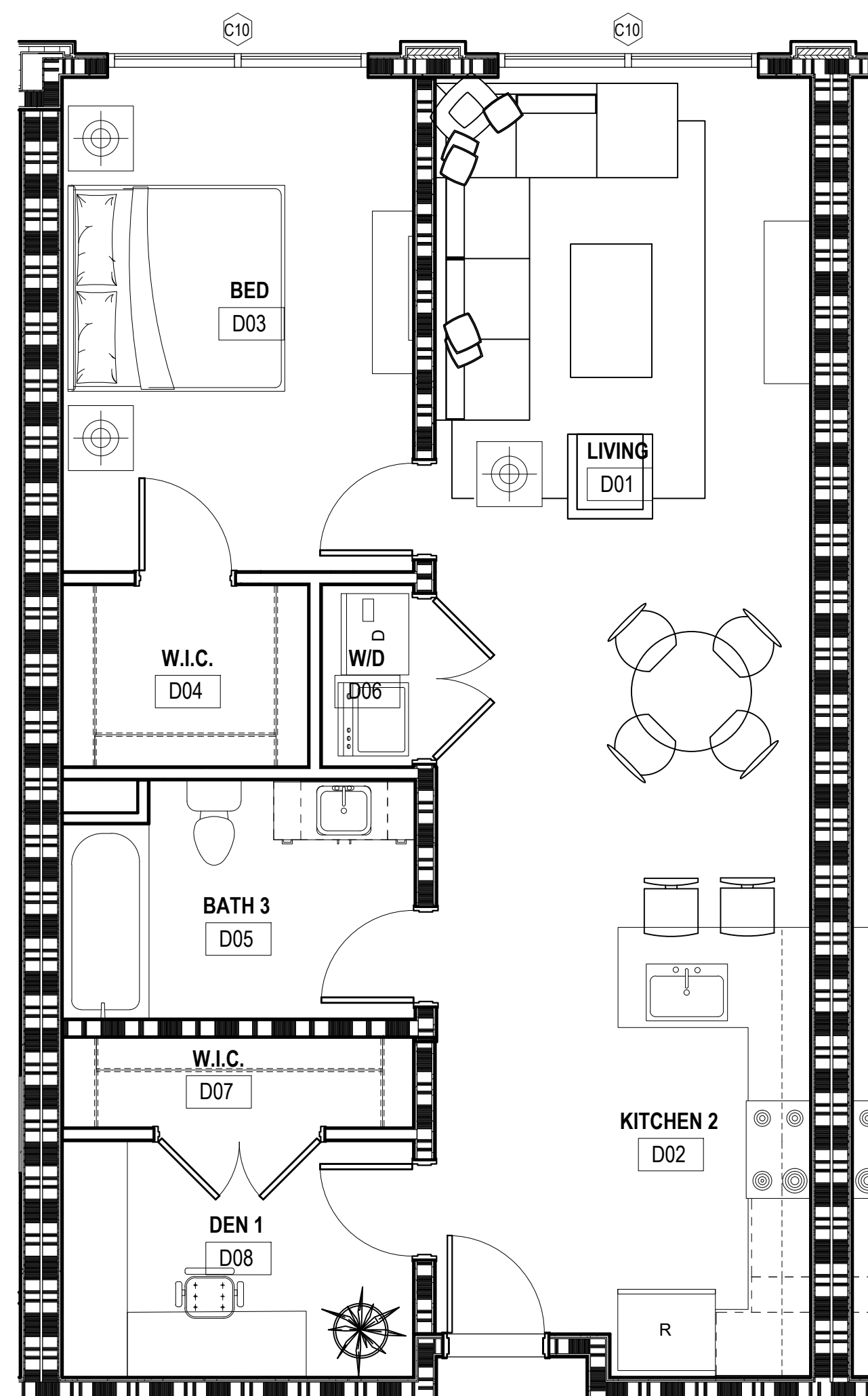
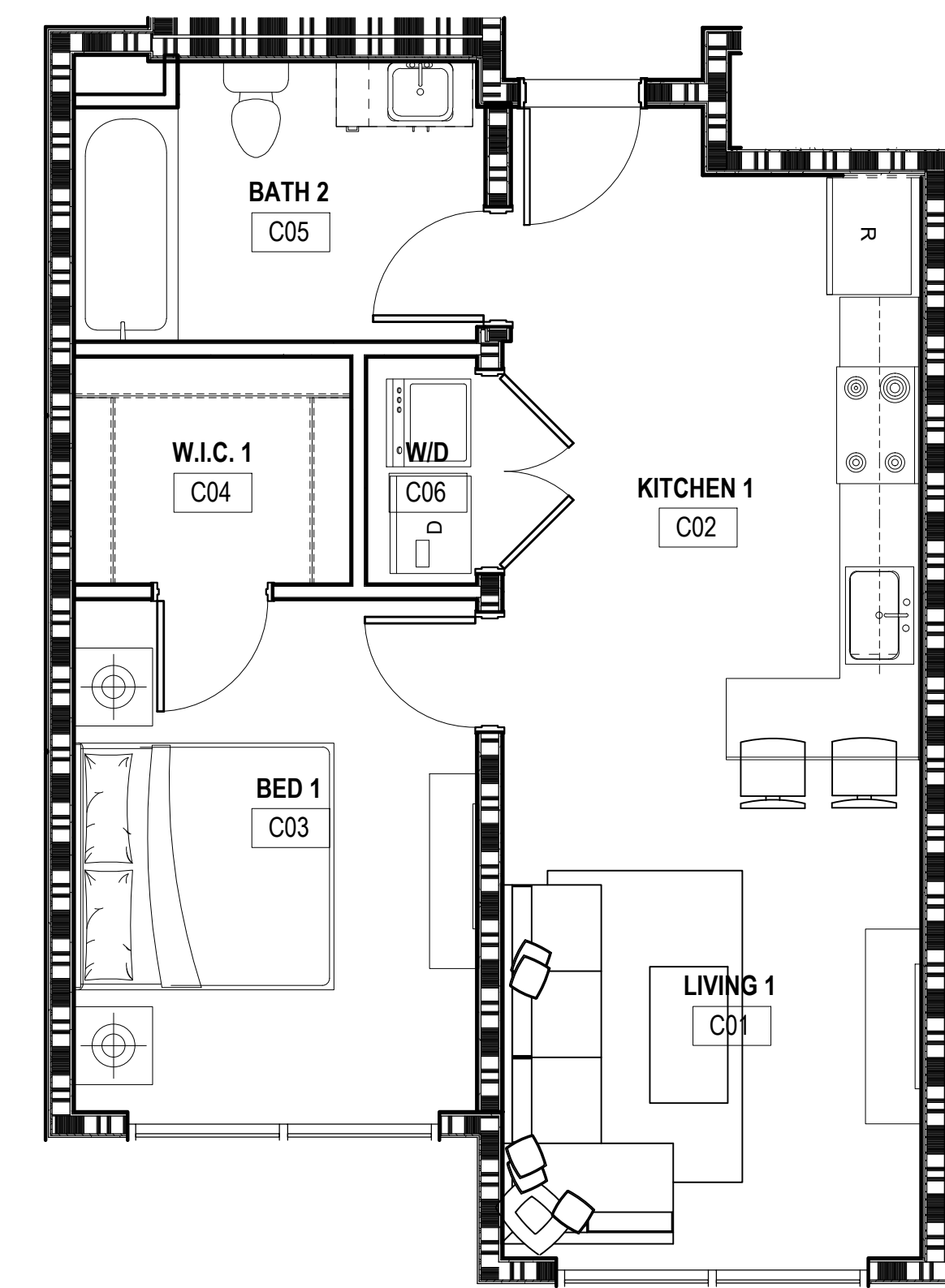
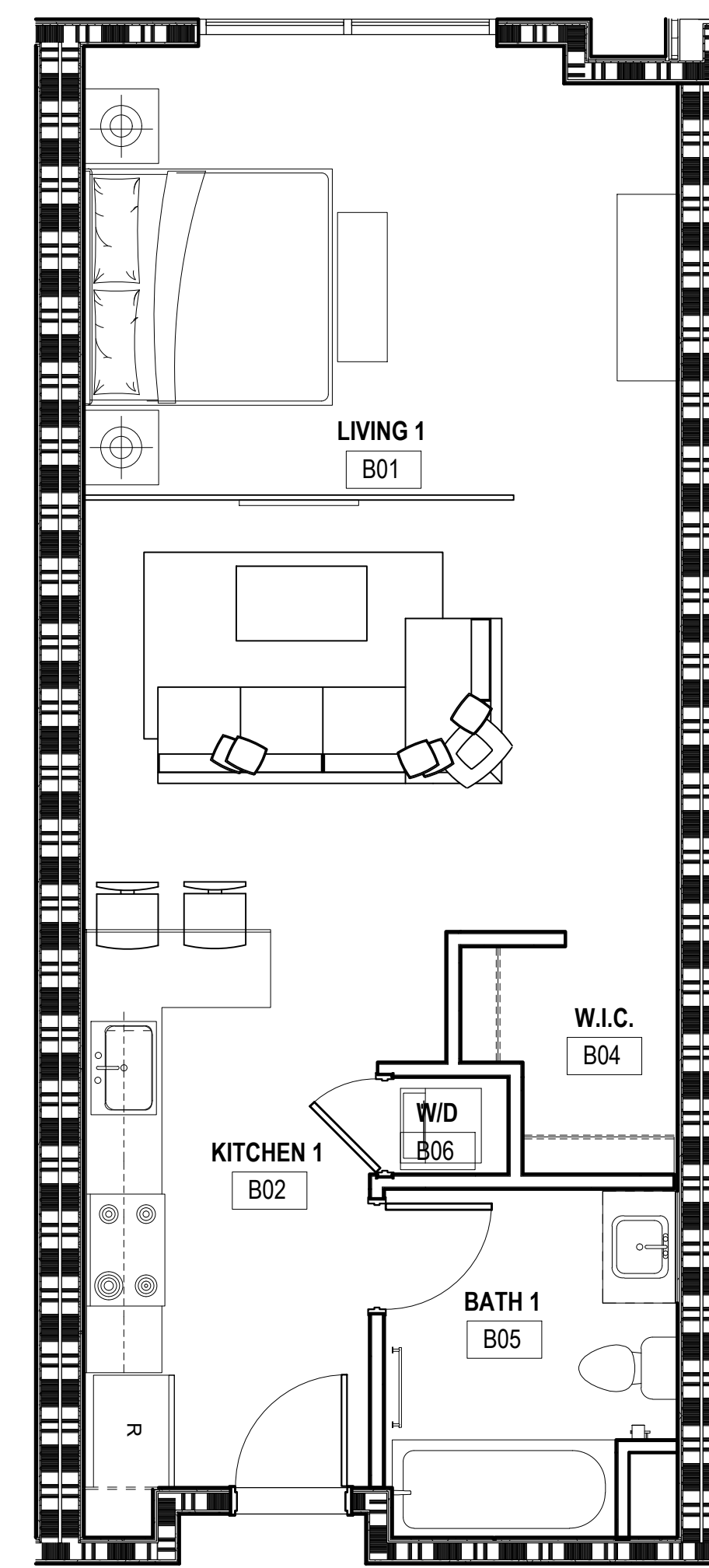
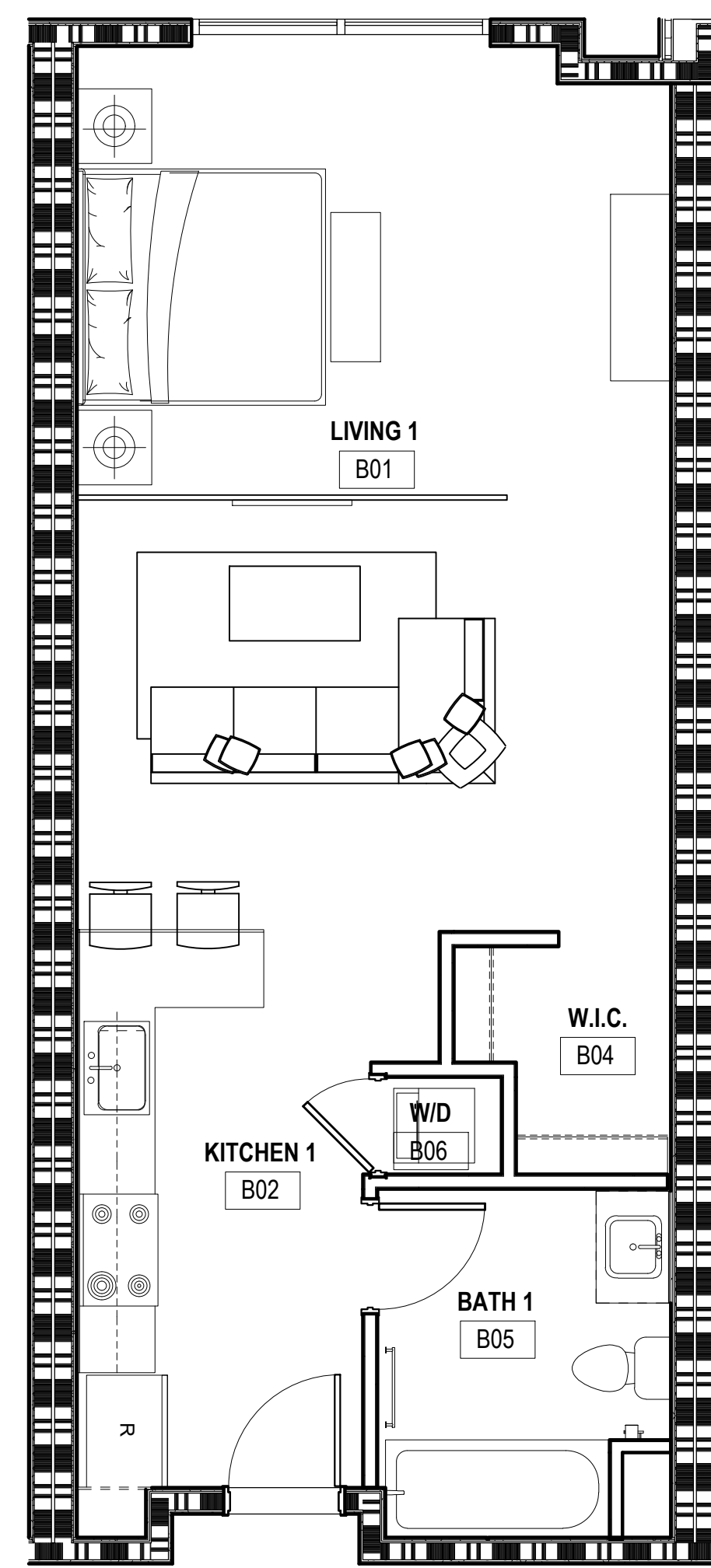
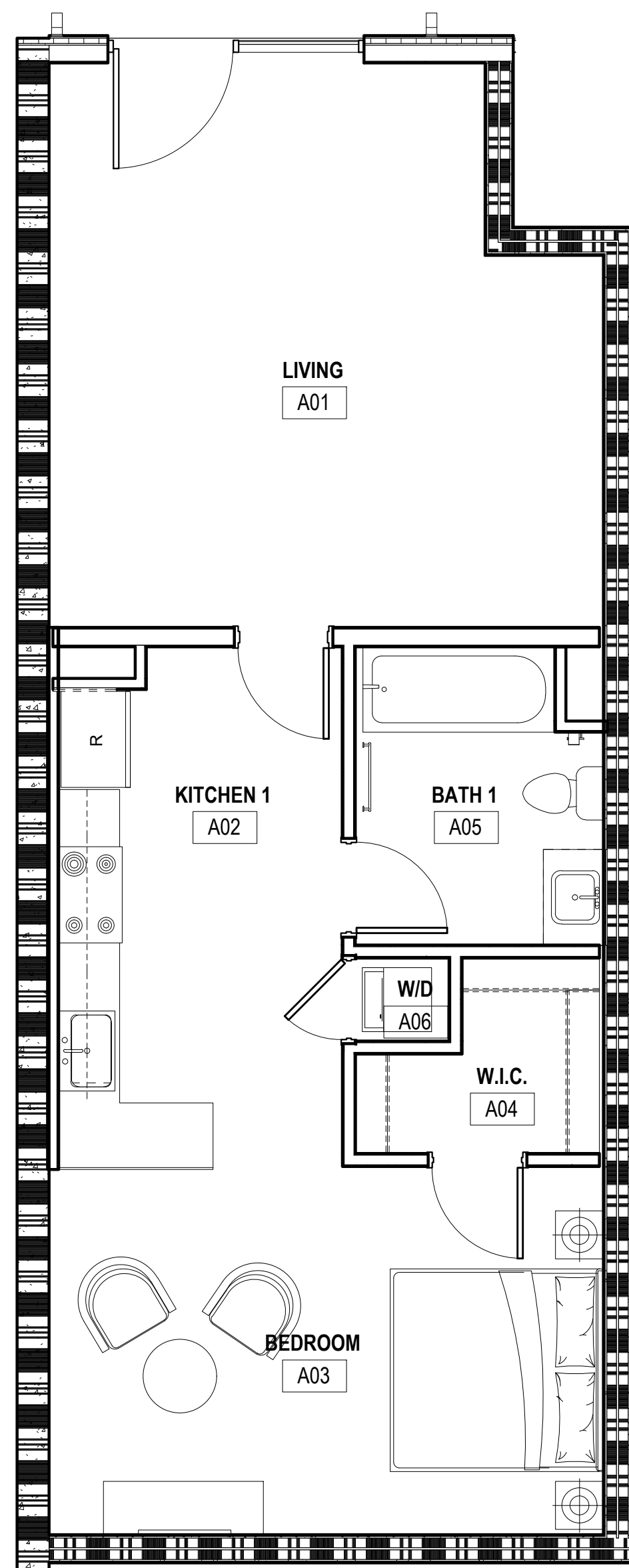
[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
1/01/2021	2-212306
SCALE:	AHJ PROJECT NUMBER:

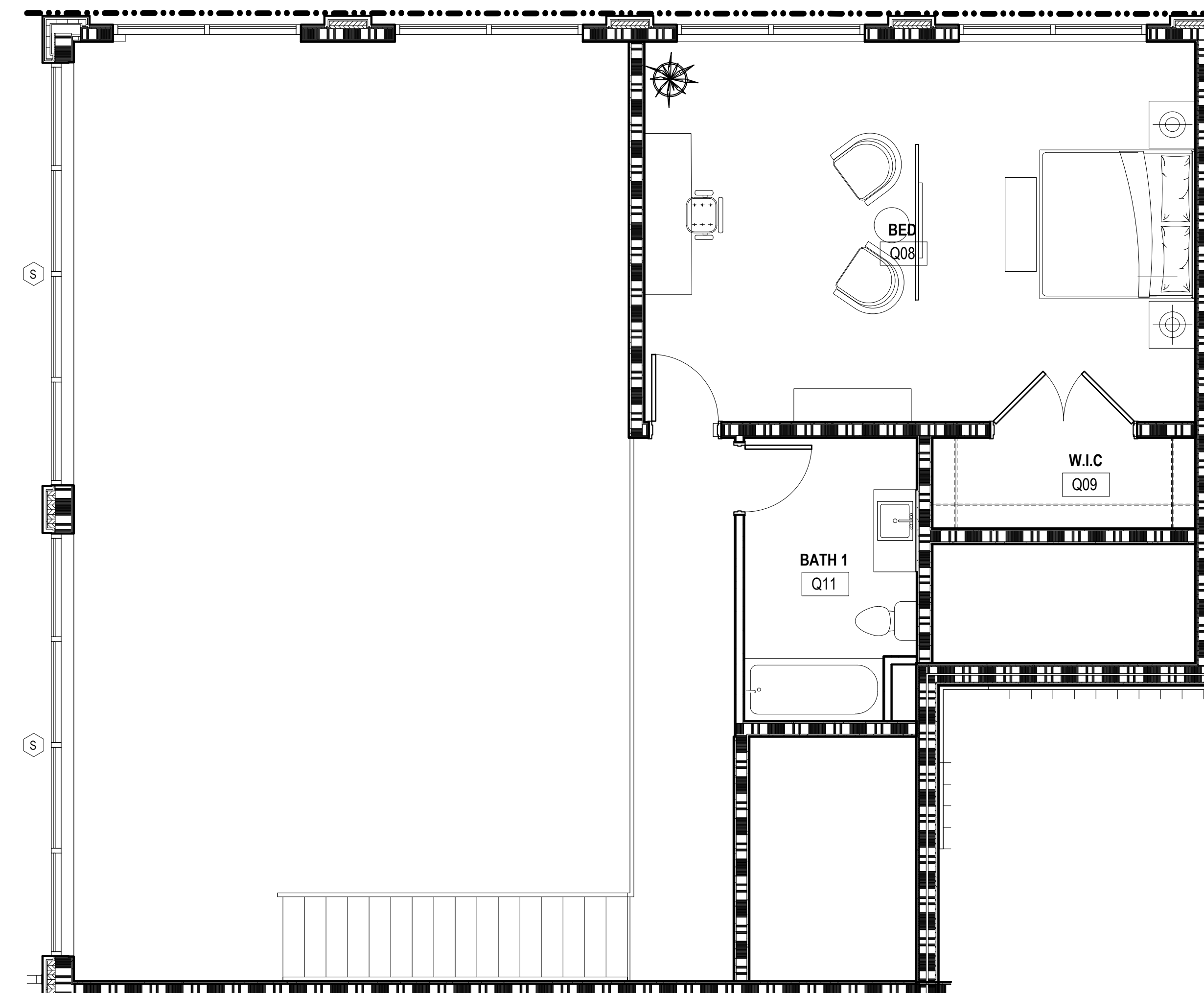
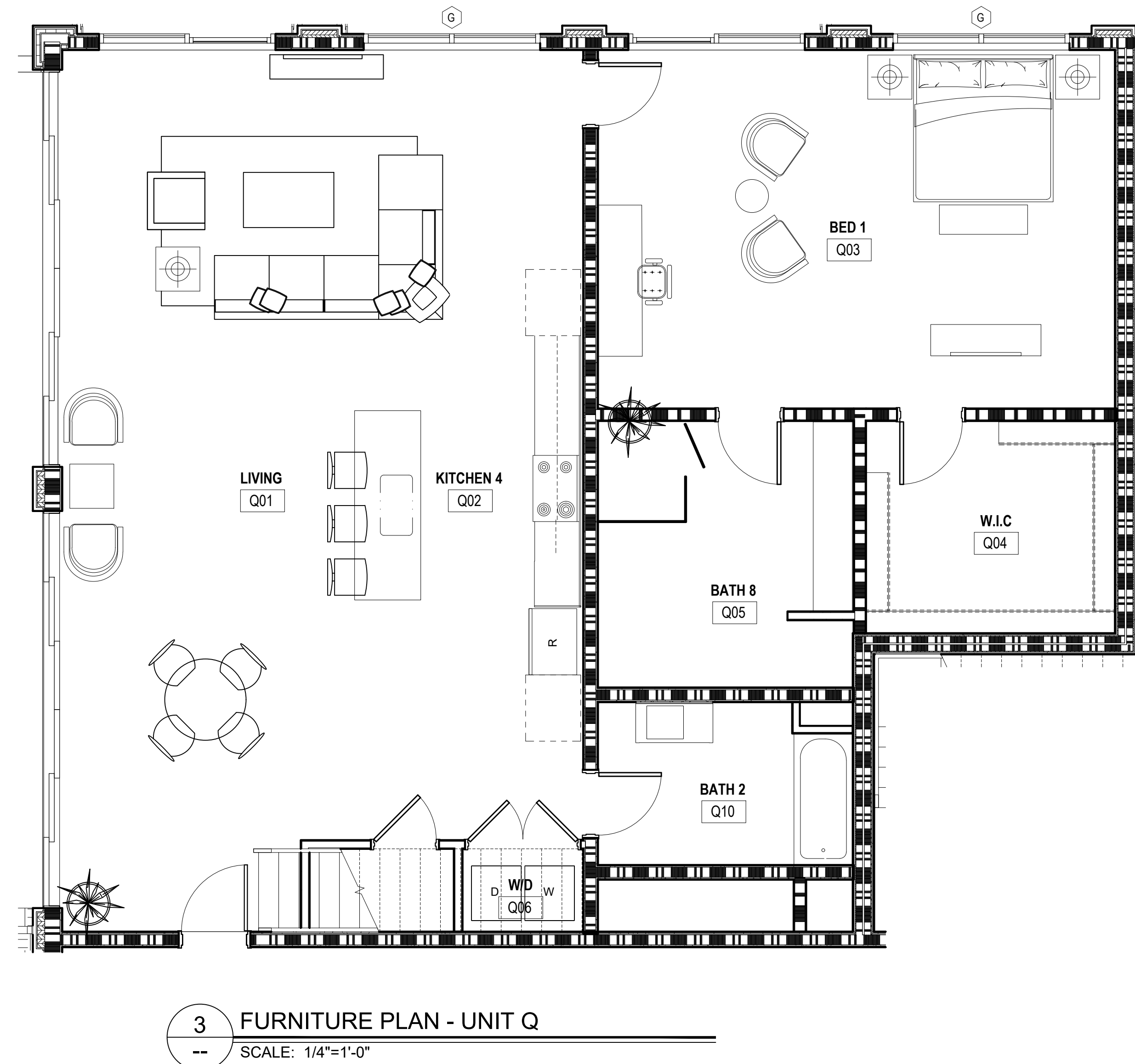
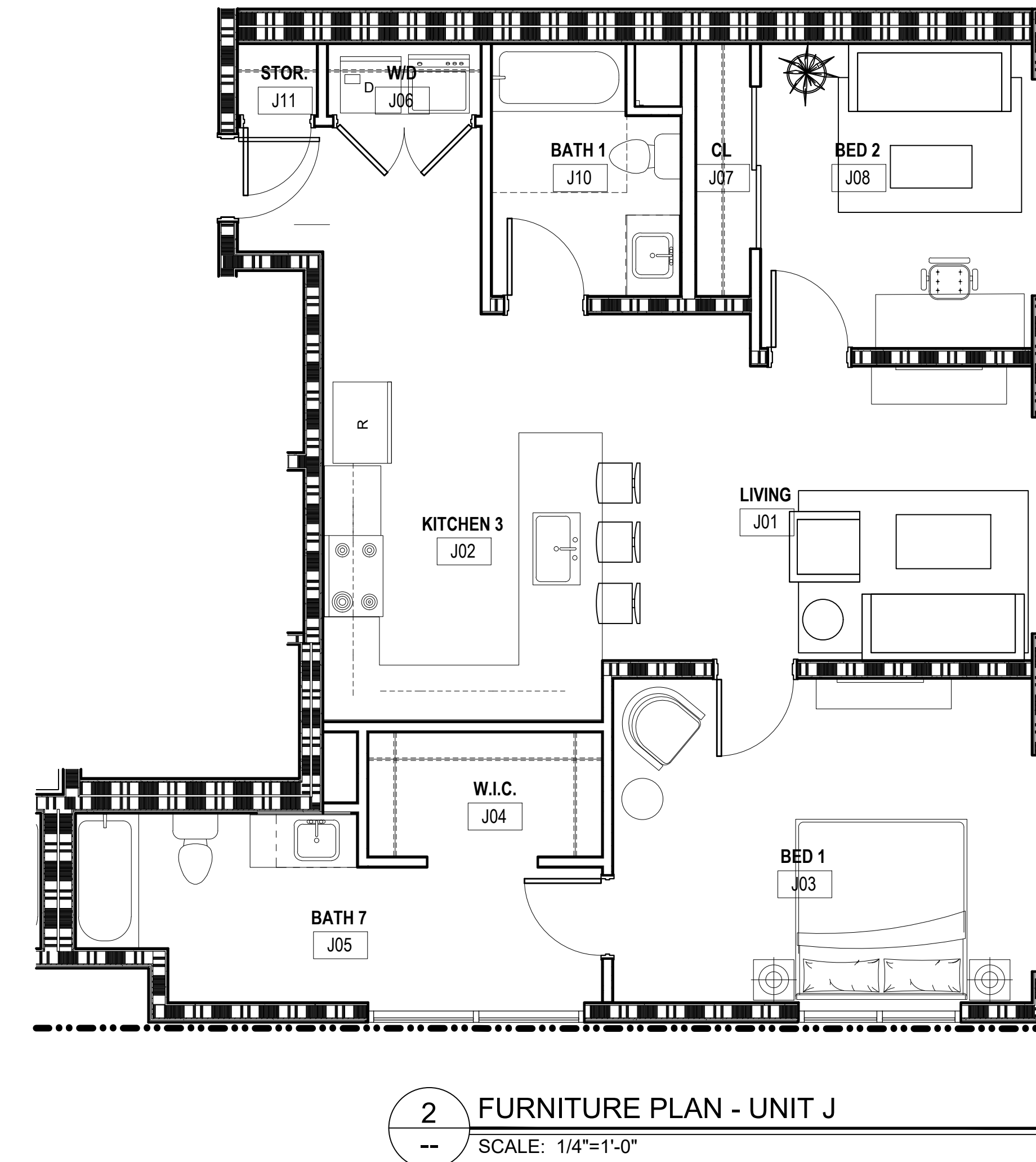
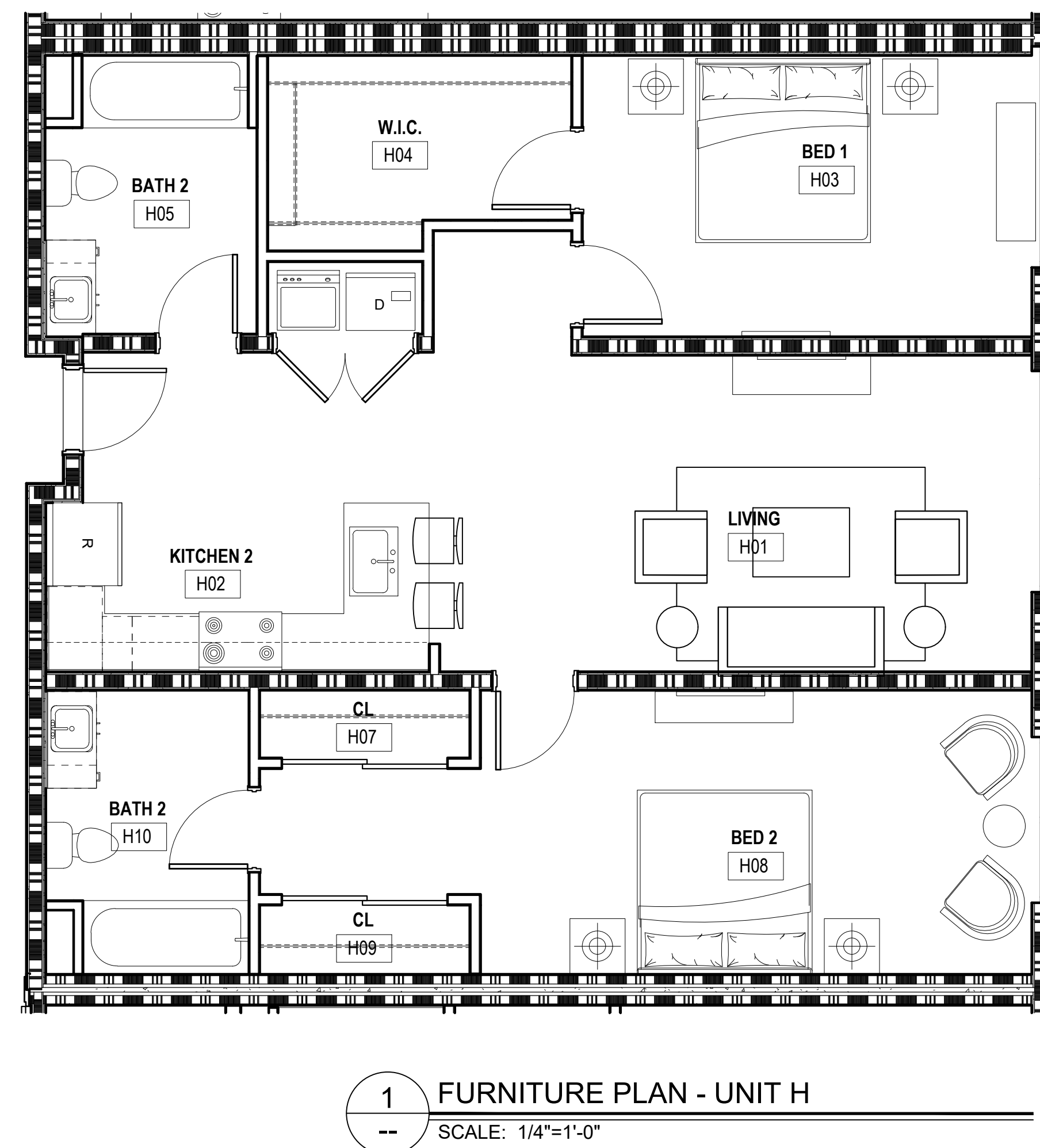
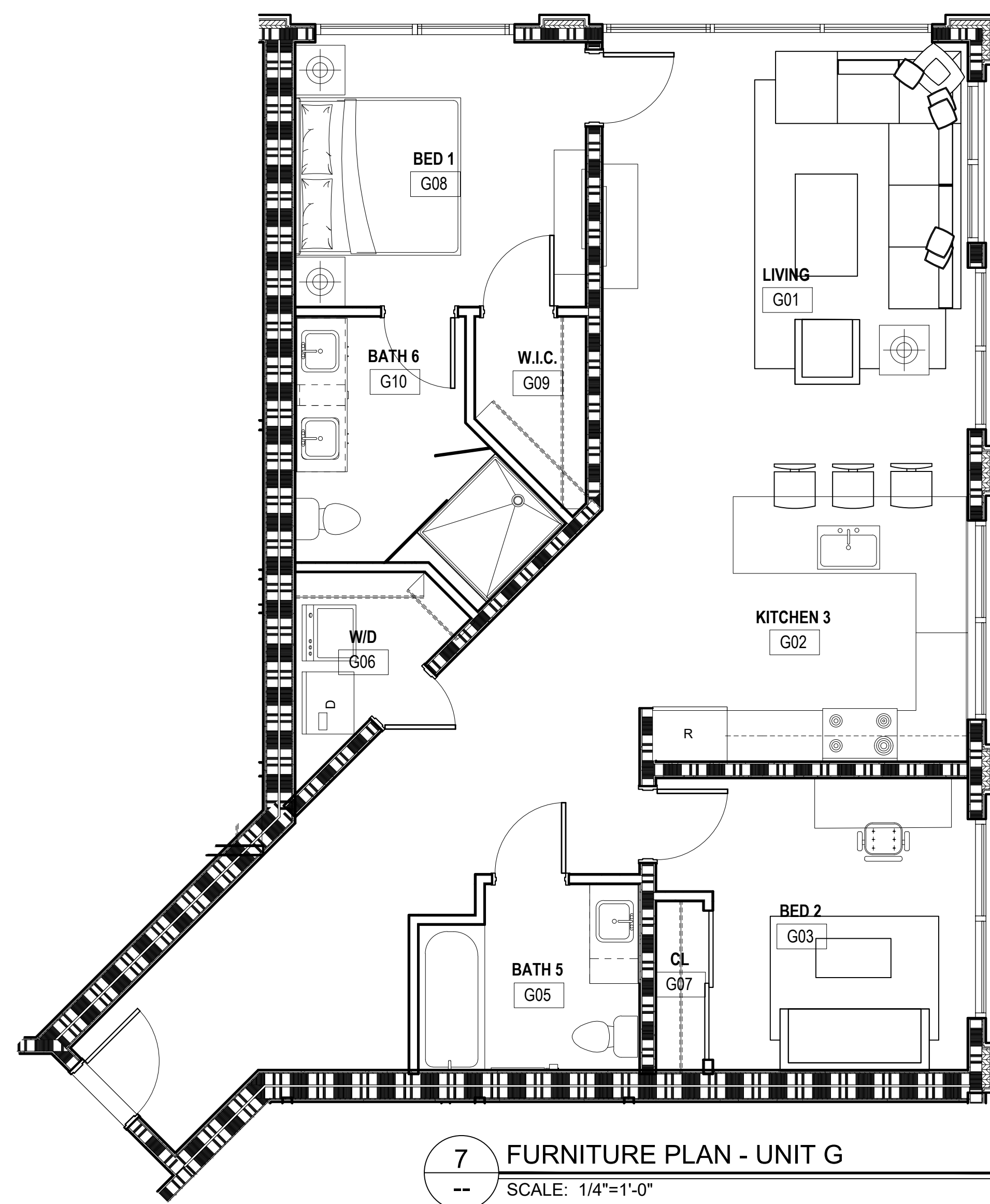
ID3.0



[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
11/01/2021	2-212306
SCALE:	AHJ PROJECT NUMBER:

[illegible]

DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE: 11/01/2021 AL PROJECT NUMBER: 2-212306

SCALE: AHJ PROJECT NUMBER:

Development

1725 Capitol Ave.
Sacramento, CA 95811
(916) 442-2488

CYPRESS

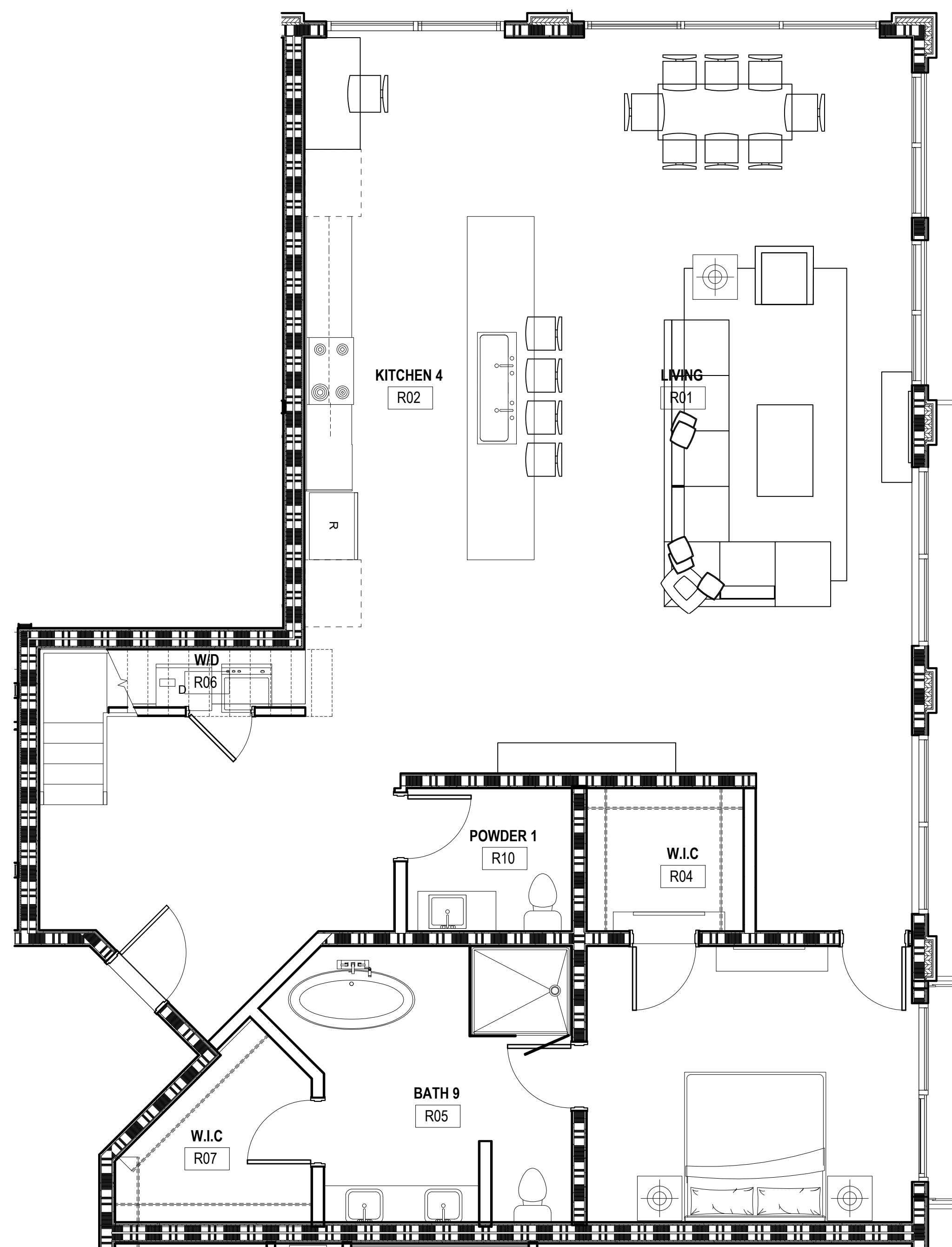
1330 N Street
Sacramento, CA
MULTI-FAMILY HOUSING

[illegible]

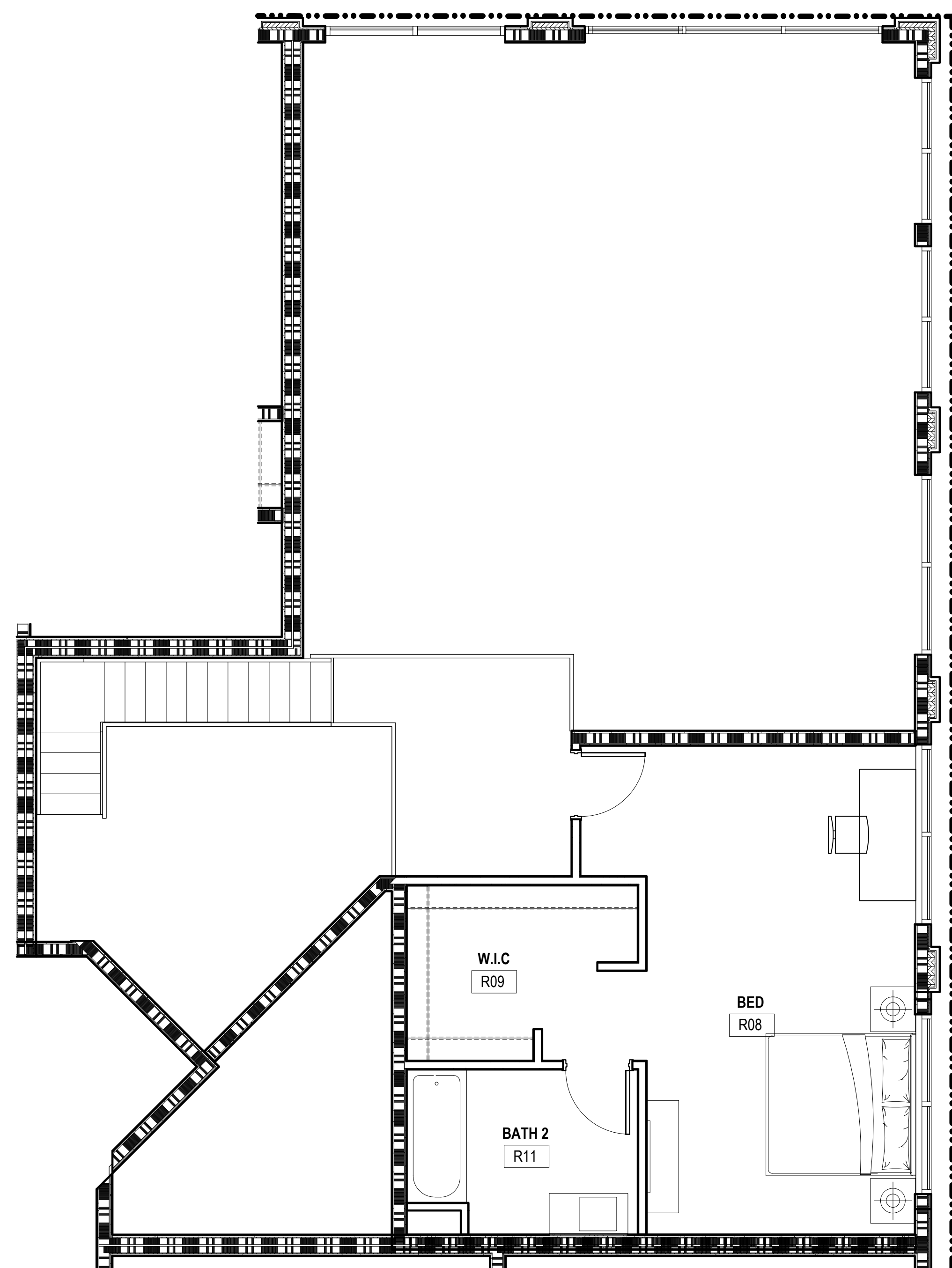
DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS GOVERN. © ARCHITECTS LOCAL 2021.

DATE:	AL PROJECT NUMBER:
11/01/2021	2-212306
SCALE:	AHJ PROJECT NUMBER:

FURNITURE PLANS - UNIT R



1 FURNITURE PLAN - UNIT R
-- SCALE: 1/4"=1'-0"



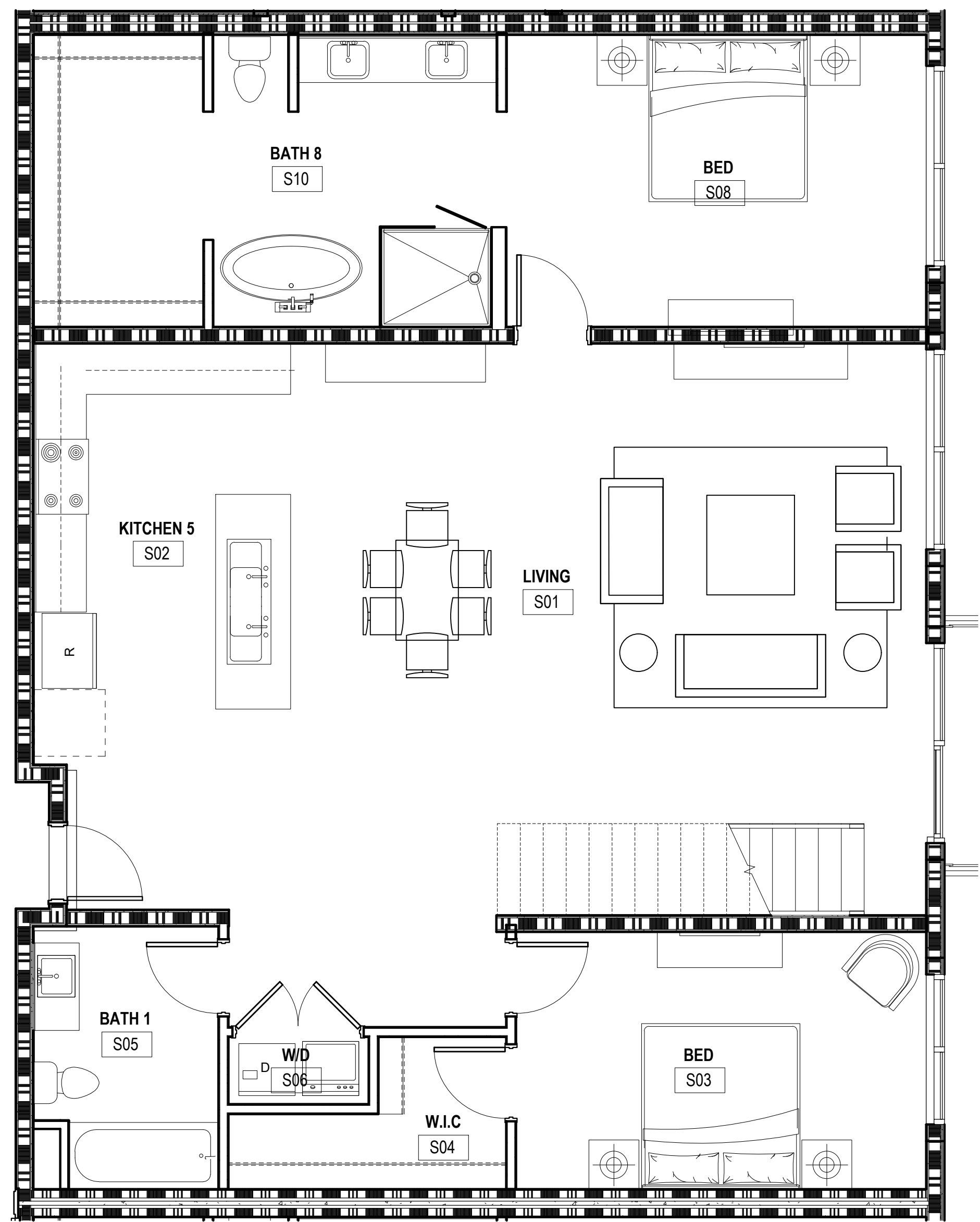
2 FURNITURE PLAN - UNIT R MEZZANINE
-- SCALE: 1/4"=1'-0"

1725 Capitol Ave.
Sacramento, CA 95811
(916) 442-2488

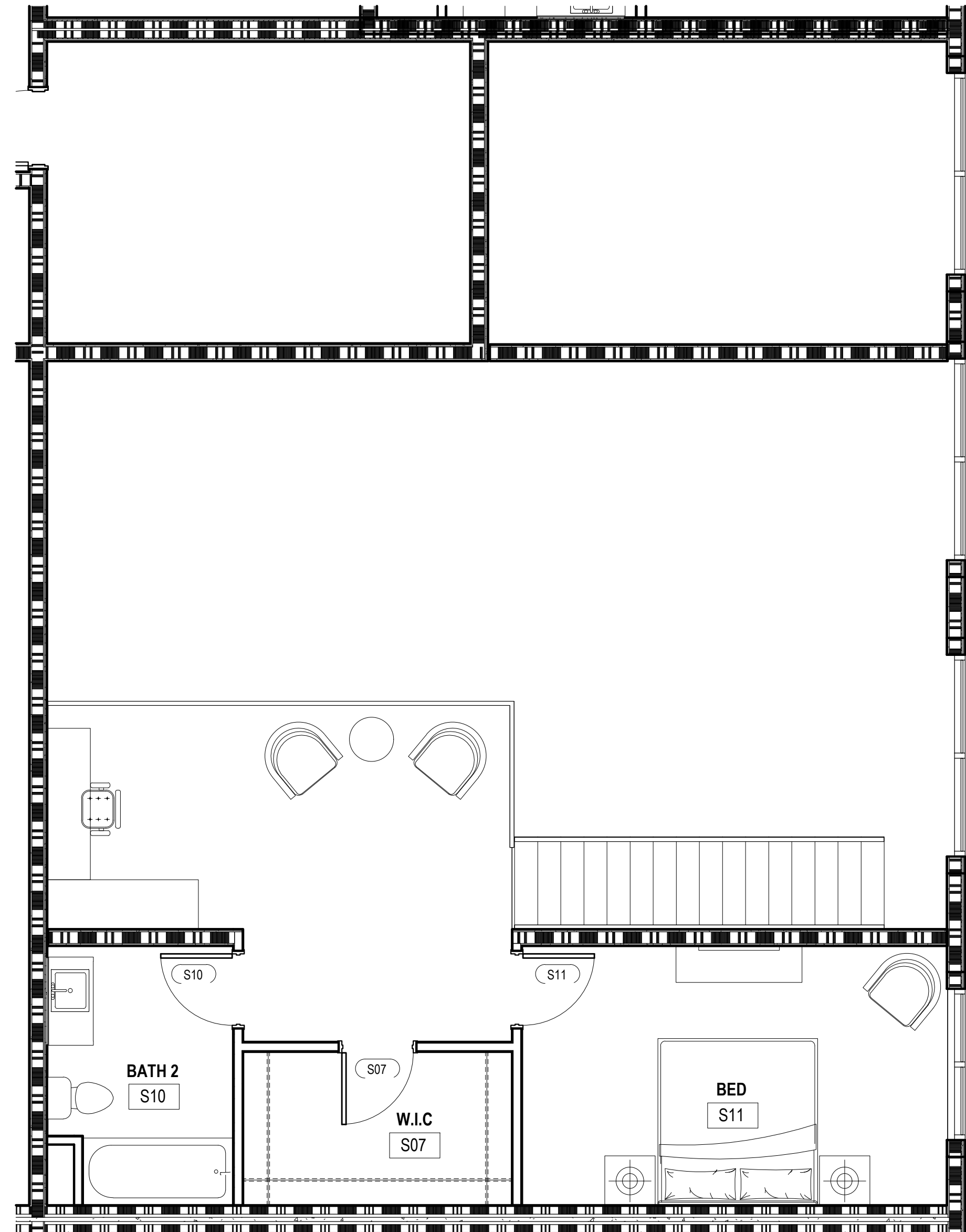
1330 N Street
Sacramento, CA
MULTI-FAMILY HOUSING

[illegible]

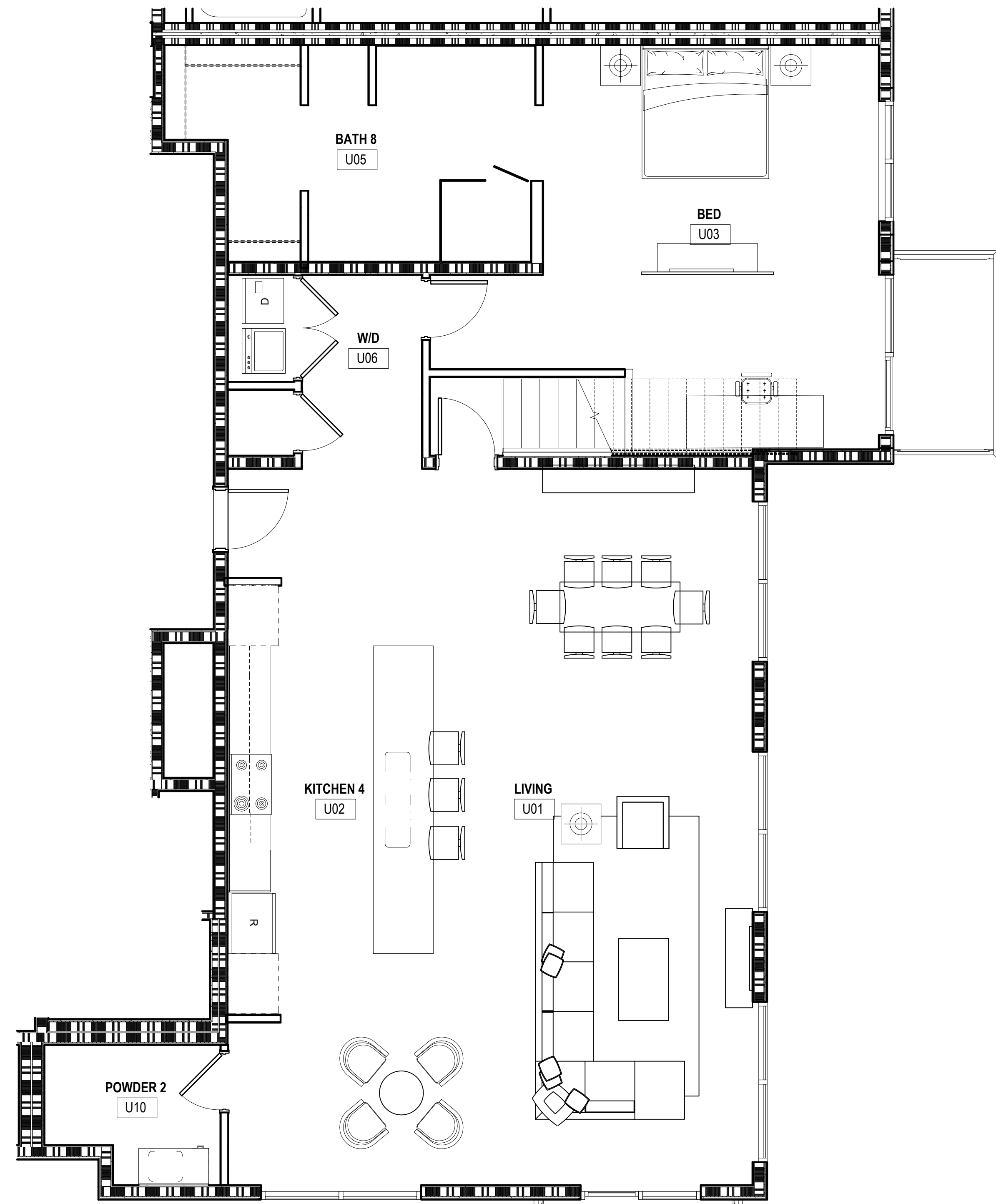
ID3.4



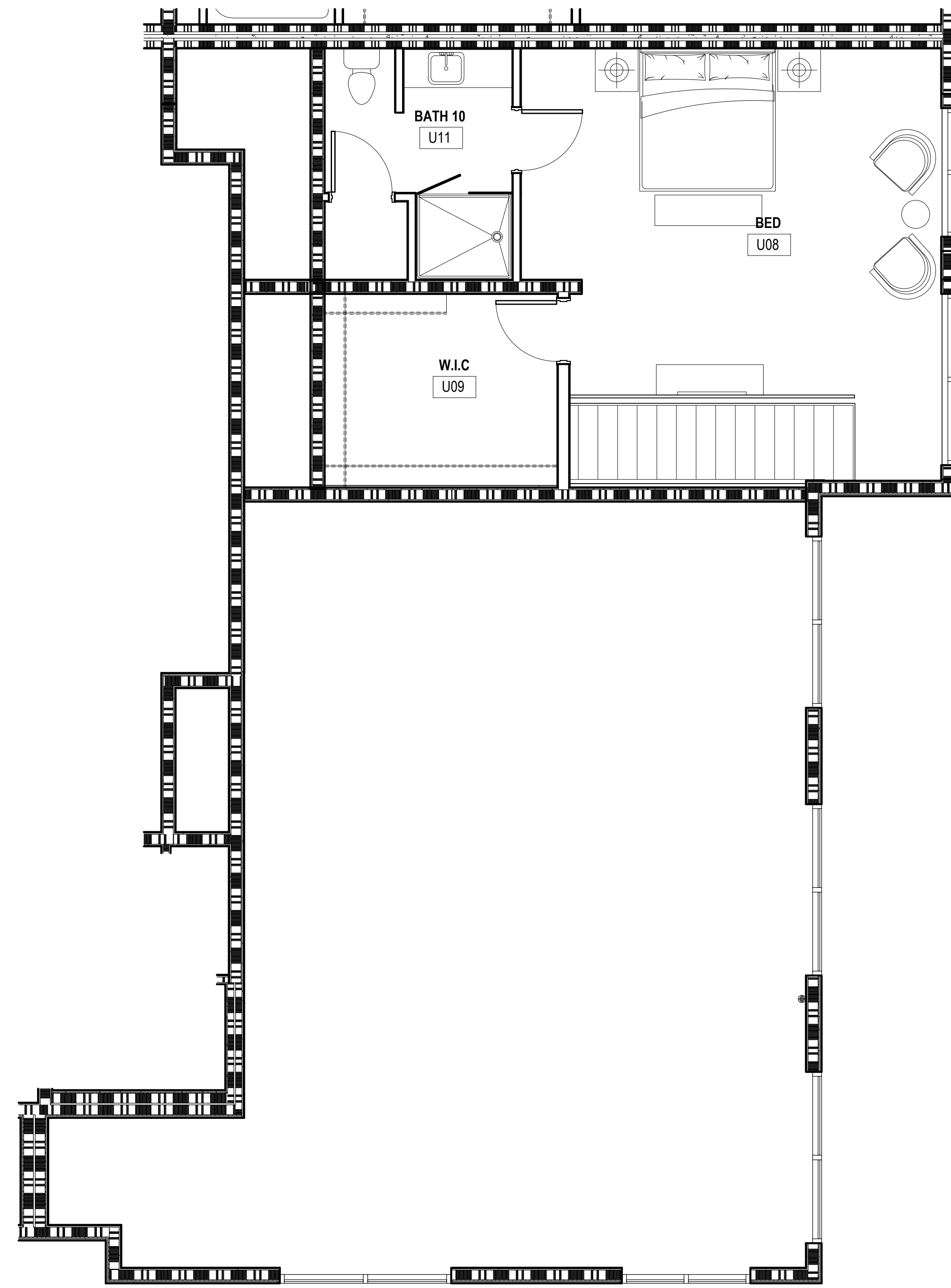
1 FURNITURE PLAN - UNIT S
-- SCALE: 1/4"=1'-0"



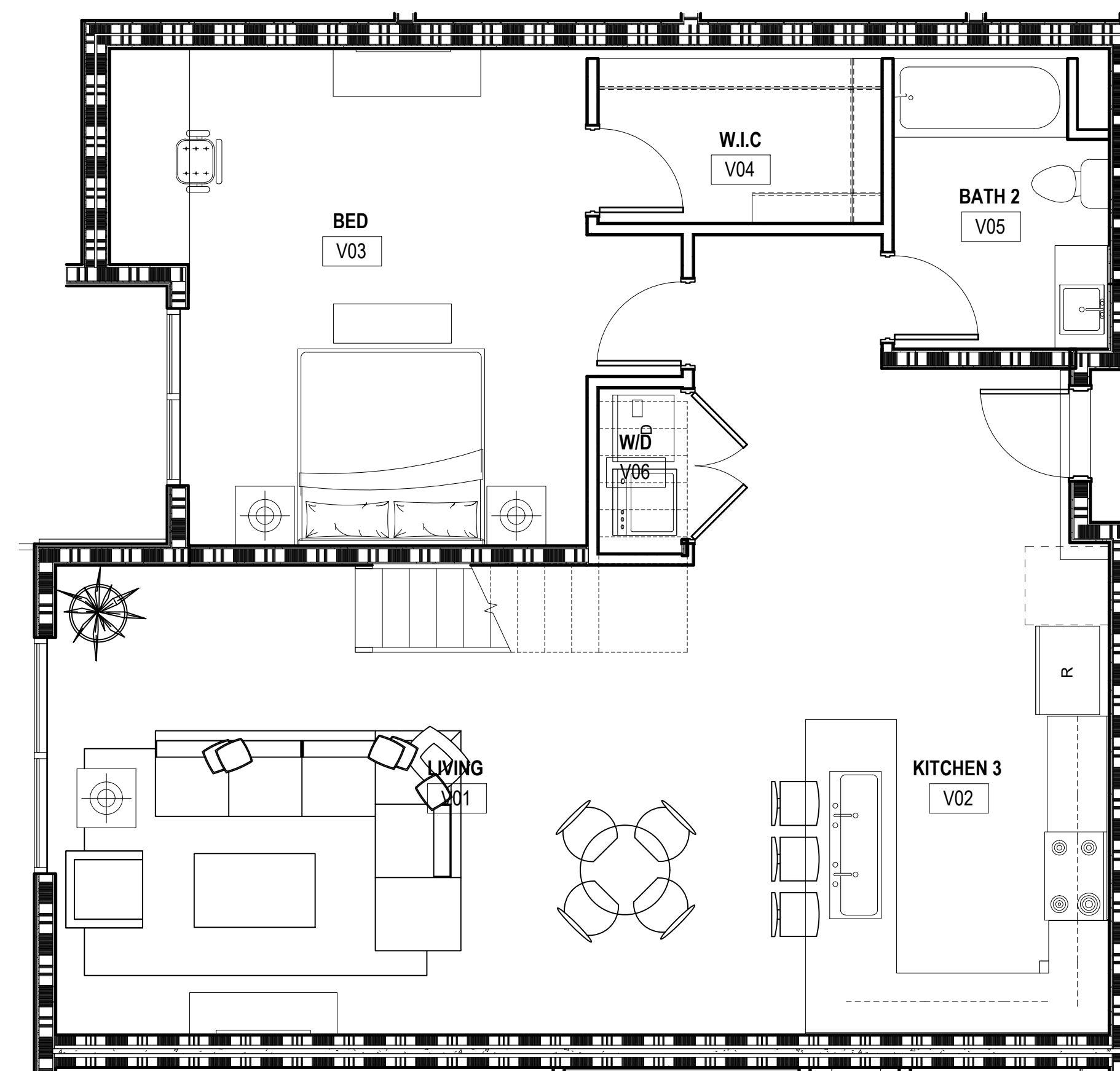
2 FURNITURE PLAN - UNIT S MEZZANINE
-- SCALE: 1/4"=1'-0"



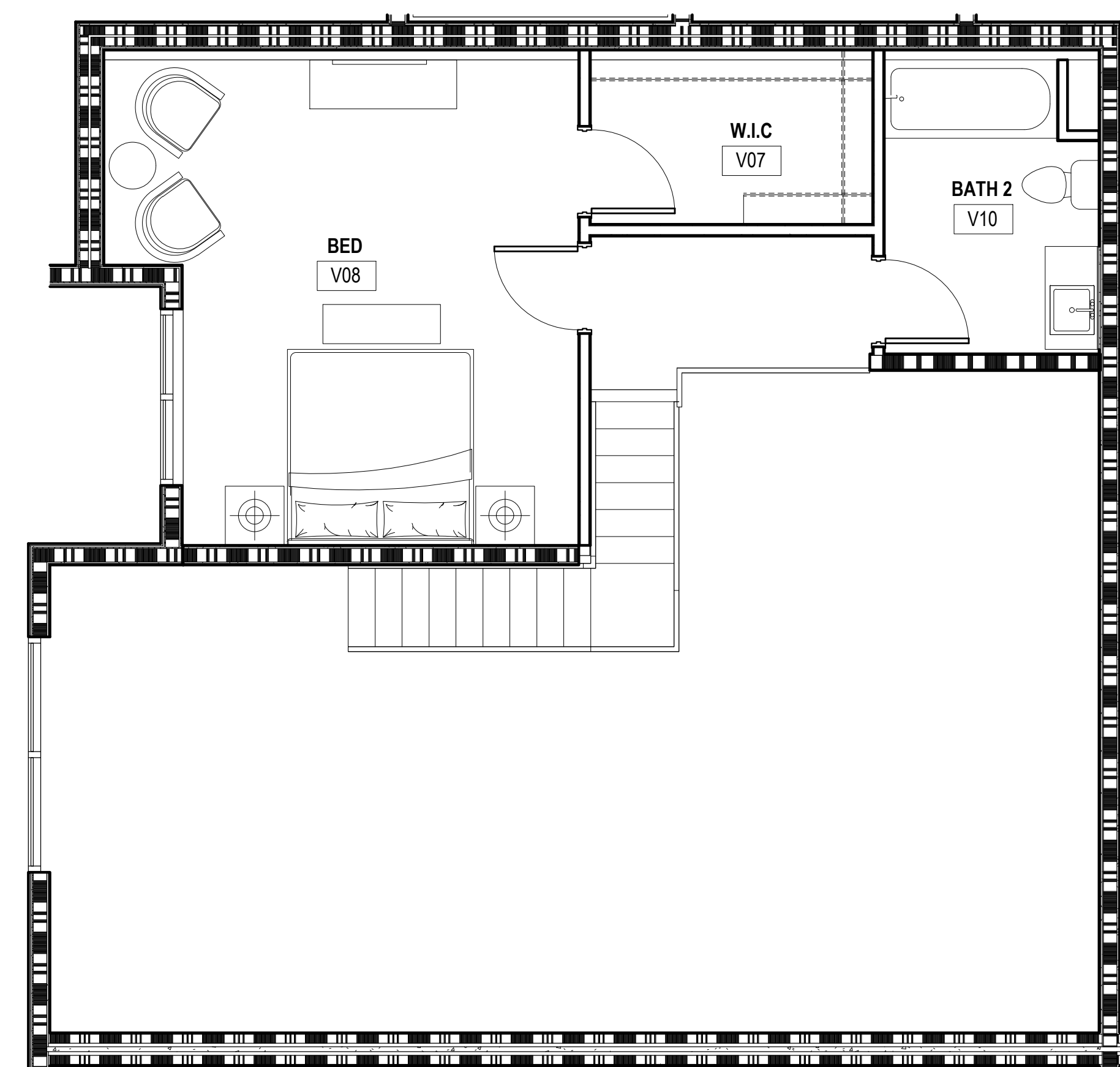
1 FURNITURE PLAN - UNIT U
-- SCALE: 1/4"=1'-0"



2 FURNITURE PLAN - UNIT U MEZZANINE
-- SCALE: 1/4"=1'-0"



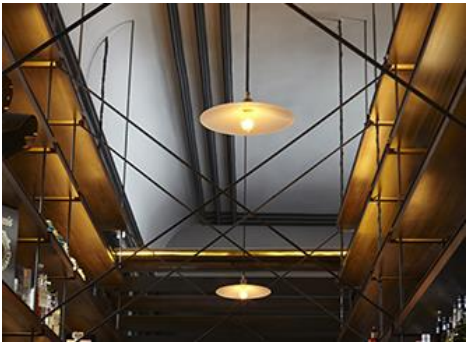
3 FURNITURE PLAN - UNIT V
-- SCALE: 1/4"=1'-0"



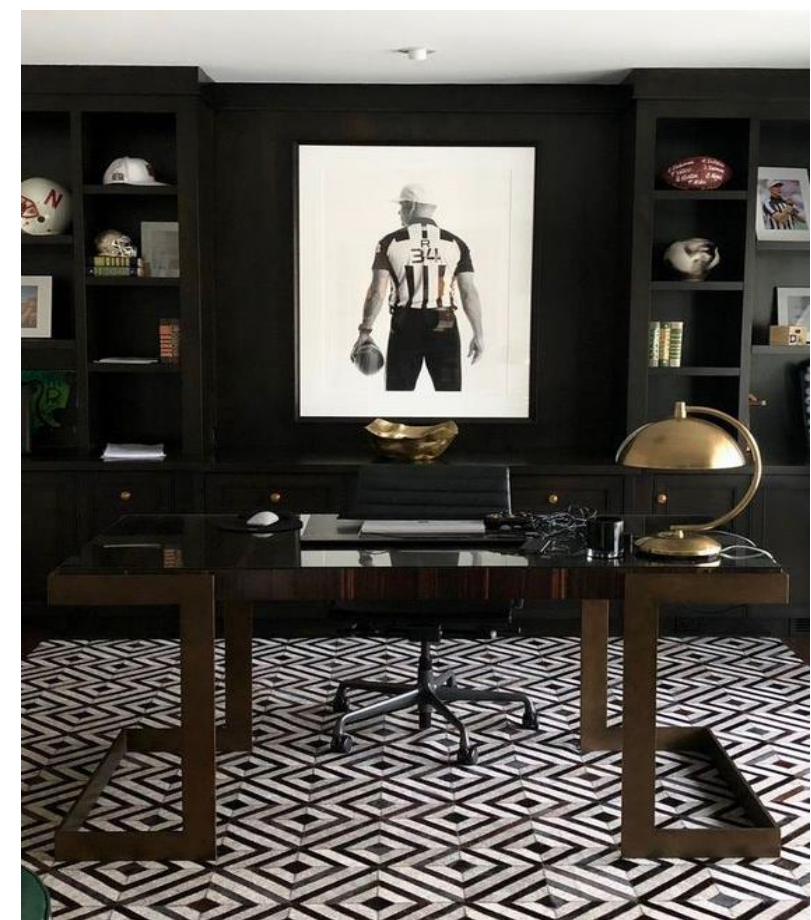
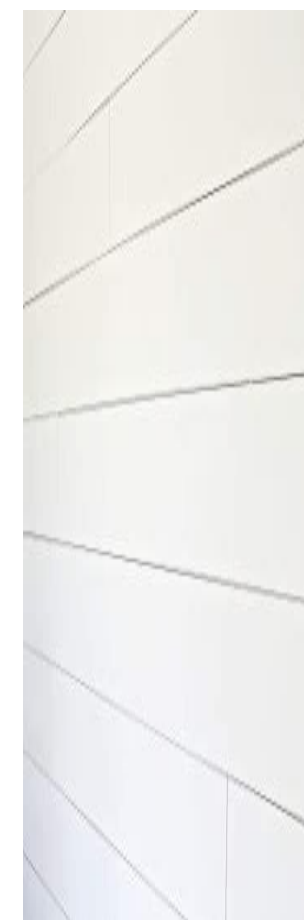
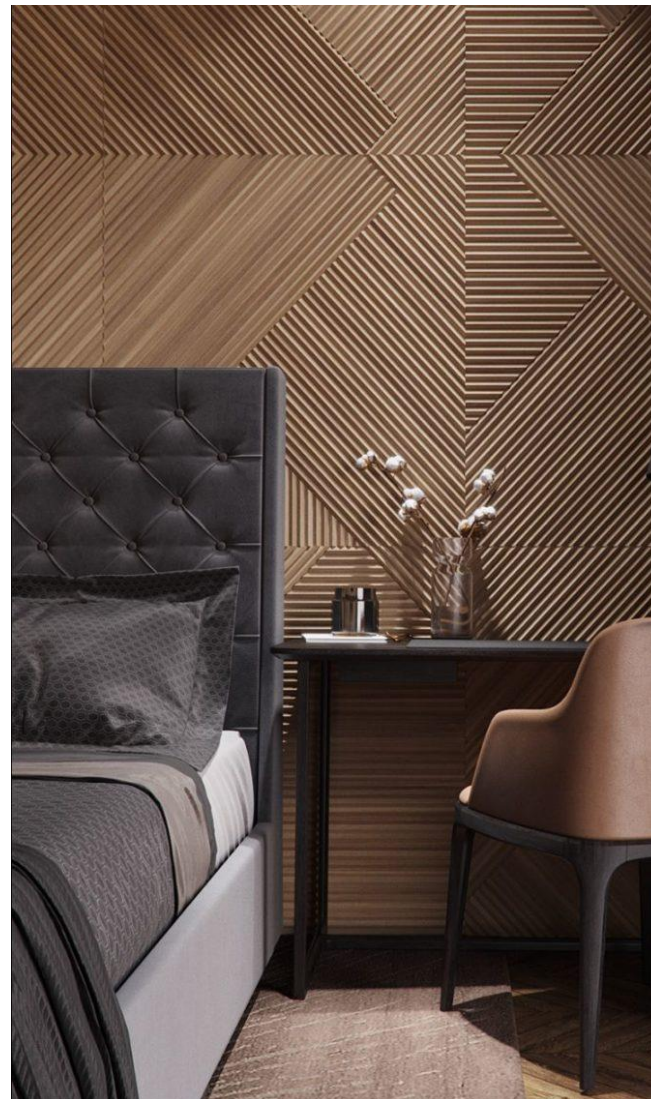
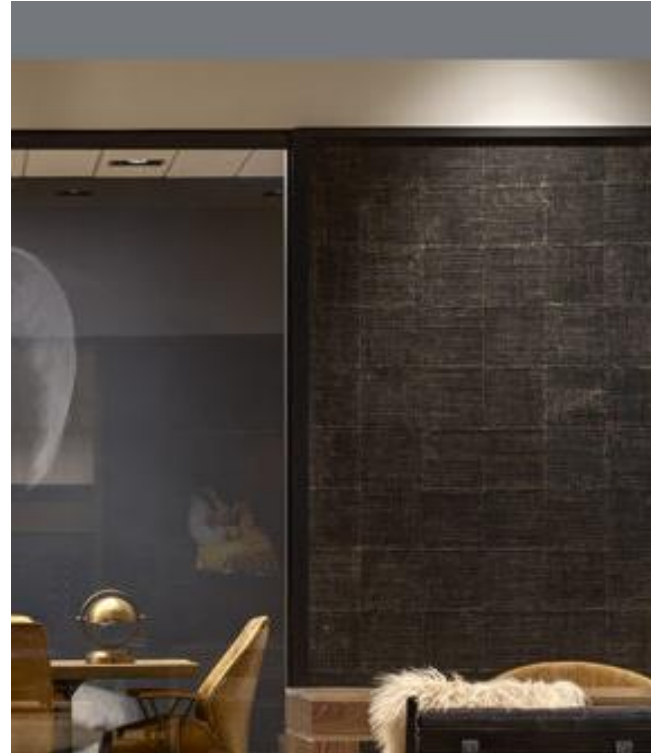
4 FURNITURE PLAN - UNIT V MEZZANINE
-- SCALE: 1/4"=1'-0"

[illegible]

CYPRESS - LOBBY



CYPRESS – APARTMENT/ CONDO





RESOLUTION NO. 22 - 05

January 14, 2022

Adopted by the Capitol Area Development Authority

RESOLUTION APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) FOR CYPRESS (SOUTHWEST CORNER OF 14th AND N STREETS, FORMERLY CADA SITE 21) WITH WEST BROADWAY 2019 INVESTMENTS LLC

WHEREAS, on March 19, 2021, the Board approved an Exclusive Negotiating Agreement (ENA) between CADA and Developer and directed CADA staff to prepare a Disposition and Development Agreement (DDA) between CADA and Developer consistent with the substantive terms of the ENA; and

WHEREAS, on March 19, 2021, the CADA Board approved the Preliminary Schematic Design for a 99-unit condominium and rental project; and

WHEREAS, the CADA staff, CADA Counsel and Developer have prepared a DDA; and

WHEREAS, Developer has presented the 100% Design Development Documents for a 96-unit rental and condominium project that is substantively consistent the previously approved Preliminary Schematic Design, and is attached as an exhibit to the DDA.

NOW, THEREFORE, BE IT RESOLVED by the Capitol Area Development Authority that the Board of Directors hereby:

1. Approves the DDA between CADA and with West Broadway 2019 Investments LLC (D&S Development), and directs the Executive Director to execute the DDA.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors