



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



36

July 2, 1984

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUL 3 1984

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

Honorable Members in Session:

**JUL 10 1984**

**SUBJECT: Sale of Old Sacramento Parcel #48, Orleans Building**

SUMMARY

Staff is seeking authorization to change the effective date and Schedule of Performances in a Contract of Sale for Private Redevelopment for Old Sacramento Parcel #48, Orleans Building. Authorization to execute Contract was granted by the Redevelopment Agency on August 9, 1983.

BACKGROUND

On August 9, 1983, the Agency adopted Resolution RA 83-060 authorizing the Executive Director to execute a Contract for Sale of Land for Private Redevelopment on the Orleans Building, Old Sacramento Parcel #48, 1018 2nd Street, and authorized assignment of the Contract (a copy of the resolution is attached).

The Redevelopers are MorCudd, a California Partnership, members of which are CUDD Management Group and Mary Morgan, Inc. Because the Redevelopers wish to obtain the property through a tax free exchange, the Agency agreed to execute the redevelopment contract with an intermediary, Alfred J. Arnaud, Esquire, and approved assignment of the Contract to MorCudd. The assignment will occur in escrow at the time the Agency conveys the parcel to the Redeveloper. The Redevelopers will pay appraised market value for the land.

At the time this Agreement was authorized, the Redevelopers submitted preliminary plans to the Agency for an 80 to 90 room hotel on the site. The plans complied with the historic requirements of the Old Sacramento project area. These preliminary plans have been approved by the Agency.

Because of problems in connection with financing the project, neither Arnaud nor MorCudd signed the redevelopment Contract. However, they continued to work with Agency staff and to keep staff informed as to the progress of the project.

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On March 23, 1984, the Executive Director wrote the Redevelopers' attorney, Daniel M. Moody, requesting the Redevelopers to take specific action prior to April 24, 1984 or staff would request that the project authorization be rescinded. The April 24 deadline was subsequently extended to June 12, 1984. The Redevelopers have substantially complied with the request of the Executive Director's letter.

Redevelopers have entered into an agreement with W.C. Mortgage Co., a mortgage broker to raise \$3.8 million for construction and permanent financing. W.C. Mortgage has confirmed that this money has been raised and that the mortgage broker expects to issue an unconditional financing commitment within a few weeks. Approximately \$1.4 million additional financing is necessary to complete construction and furnishings, fixtures and equipment for hotel operation. These funds will be provided through equity financing.

According to the Redevelopers' attorney, Mr. Moody, Dave Morgan of Mary Morgan, Inc. has executed an agreement with architectural firm, Confer and Nance for completion of the final construction plans. Confer and Nance have also executed a contract with a structural engineer to work on these plans. In order to expedite project development, Confer and Nance will first provide foundation and structural plans and then construction plans for the rest of the project. According to Moody, foundation and structural plans will be complete within 6 weeks. The MorCudd partners have established a \$50,000 trust account to pay the initial architectural costs.

Since the Redevelopers have made progress in proceeding with this project and has indicated a desire to commence construction this fall, staff recommends continuation of the Agency's authorization to proceed with this project. However, the Schedule of Performances in the existing Contract for Sale of Land for Private Redevelopment cannot be complied with. For example, that Schedule requires the Redevelopers to commence construction on April 20, 1984. The staff recommends authorization to execute a Contract for Sale of Land with a Schedule of Performances in the form attached to this staff report. The effective date of this agreement would be July 15, 1984.

The Schedule of Performances was developed to assure substantial performance by the Redevelopers within a short time and prior to conveyance of the Agency's land. The construction schedule is based on the assumption that expedited permit processing is available.

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In summary, the Schedule of Performances would provide:

Submission of Evidence of Financing	30 days from effective date of agreement
Submission of Final Foundation and Structural Plans	45 days from effective date of agreement
Deposit of Purchase Price for Land	75 days from effective date of agreement
Construction Commences	95 days from effective date of agreement
Submission of Final Construction Plans	150 days from effective date of agreement
Construction completed	15 months after foundation construction commences

## FINANCIAL DATA

There are no financial impacts caused by this action other than financial considerations at the time this contract was initially authorized. Redevelopers will pay appraised market value for the land. The existing authorization permits a deferred payment loan to the Redeveloper after construction is completed. The loan in the amount of \$270,000 has a 10 year term and an interest rate of 70% of prime rate for commercial loans. Payment is deferred for three years and repayment is amortized over the last seven years of the loan.

## POLICY IMPLICATIONS

The actions recommended in this staff report are consistent with previously approved policy and there are no policy changes being recommended.

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## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of July 2, 1984, the Sacramento Housing and Redevelopment Commission recommended adoption of the attached resolution. The vote was recorded as follows:

AYES: Amundson, Glud, Hall, Luevano, Luttrell, Miller,  
Ose, Pettit, Vargas, Teramoto


NOES: None

ABSENT: Angelides, Moose, Walton

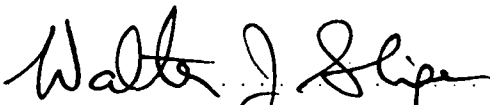
## RECOMMENDATION

It is recommended that the Executive Director be authorized to execute a Contract for Sale of Land for redevelopment with either Alfred J. Arnaud or MorCudd, a California partnership, the members of which are CUDD Management Group and Mary Morgan, Inc. in the form attached to this staff report. The effective date of the agreement is to be July 15, 1984.

Respectfully submitted,

  
WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COUNCIL:

  
WALTER J. SLIPE  
City Manager

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# RESOLUTION NO. 84-043

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF

July 10, 1984

REDEVELOPMENT OF ORLEANS BUILDING, PARCEL NO. 48,  
OLD SACRAMENTO, PROJECT AREA NO. 4

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE  
CITY OF SACRAMENTO:

Section 1: The Executive Director is authorized to execute a Contract for Sale of Land for Private Redevelopment with Alfred J. Arnaud or MorCudd, a California Partnership in the form attached to the staff report, providing for redevelopment of Old Sacramento, Parcel #48, Orleans Hotel Building.

Section 2. The authorizations and approvals of the Agency established in Resolution No. RA 83-060 on August 9, 1984 are reconfirmed.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

JUL 10 1984

CONTRACT FOR  
SALE OF LAND FOR PRIVATE REDEVELOPMENT

PART I

AGREEMENT, consisting of Part I, Exhibits "A"- "F", and Part II (Form HUD-6209B, 9-69), annexed hereto and made a part hereof (which Part I, the Exhibits and Part II are together hereinafter called "Agreement" made on or as of the 15th day of JULY, 1984, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, a public body, corporate and politic (which, together with any successor public body or officer hereafter designated by or pursuant to law, is hereinafter called the "Agency"), established pursuant to Part I (commencing with Section 33000) of Division 24 of the Health and Safety Code of the State of California (hereinafter called the "Community Redevelopment Law"), and having its office at 630 I Street in the City of Sacramento (hereinafter called the "City"), State of California, and CUDD MANAGEMENT GROUP, a California general partnership, and ALFRED J. ARNAUD, an individual (hereinafter jointly called the "Redeveloper"), and having offices for the transaction of business at the addresses set forth in Section 7(a) hereof.

WITNESSETH:

WHEREAS, in furtherance of the objectives of the Community Redevelopment Law, the Agency has undertaken a program for the clearance and reconstruction or rehabilitation of slum and blighted areas in the City, and in this connection is engaged in carrying out an urban renewal project known as the "Capitol Mall Riverfront Project, Project No. 4", in the project area particularly described in Exhibit "A" annexed hereto and made a part hereof (hereinafter called "Project Area"), a portion of Redevelopment Area No. One located in the City; and

WHEREAS, as of the date of this Agreement there has been prepared and approved by the Agency an urban renewal plan for the Project, dated May 23, 1966, and approved by the City Council of the City on August 25, 1966, by City Ordinance No. 2681, Fourth Series (which plan, as it may hereafter be amended from time to time pursuant to law, and as so constituted from

time to time, is, unless otherwise indicated by the context, hereinafter called "Redevelopment Plan"); and

WHEREAS, a copy of the Redevelopment Plan, as initially adopted, was recorded on September 18, 1967, among the land records for the place in which the Project Area is situated, namely, in the Office of the County Recorder of the County of Sacramento in Book 67-09-18 of Official Records, at page 338, as amended of record; and

WHEREAS, the Agency has offered to sell and the Redeveloper is willing to purchase and redevelop in accordance with the Redevelopment Plan and this Agreement, Parcel No. 48 and the portion of the Service Court and Access Parcel described below, in the Old Sacramento Historic Area, which property is more particularly described in Exhibit "B" annexed hereto and shown on the Parcel Map attached hereto as Exhibit "C" (hereinafter referred to as the "Property"); and

WHEREAS, the Agency believes that the redevelopment of the Property pursuant to this Agreement and the fulfillment generally of the Agreement, are in the vital and best interests of the City and the health, safety, morals and welfare of its residents and in accord with the public purposes and provisions of the applicable Federal, State and local laws and requirements under which the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the premises and the mutual obligation of the parties hereto, each of them does hereby covenant and agree with the other as follows:

SEC. 1. SALE : PURCHASE PRICE

(a) Sale and Purchase Price for Property

Subject to all the terms, covenants and conditions of this Agreement, the Agency shall convey Old Sacramento Parcel No. 48 and the portion of the Service Court and Access Parcel described herein, to the Redeveloper for, and the Redeveloper shall purchase said Property from the Agency and pay therefor, the amount of TWO HUNDRED SEVENTY-ONE THOUSAND FOUR HUNDRED TWENTY-ONE and NO/100 DOLLARS (\$271,421.00) (hereinafter called the "Purchase Price"), to be paid in cash or by certified check or checks simultaneously with the delivery of the Deed or Deeds conveying the Property or portion thereof to the Redeveloper.

(b) Purchase Price Allocable to Parcel No. 48

The portion of the Purchase Price allocable to Parcel



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No. 48 is TWO HUNDRED SEVENTY THOUSAND and NO/100 DOLLARS (\$270,000.00) for the Property described in Exhibit "B" hereof.

(c) Purchase Price Allocable to Service Court and Access Parcel

The portion of the Purchase Price allocable to the Service Court and Access Parcel is ONE THOUSAND FOUR HUNDRED TWENTY-ONE and NO/100 DOLLARS (\$1,421.00); which is the price for an undivided 50.4 percent interest in the 1,944 square feet comprising the Service Court and Access Parcel described in Exhibit "B". The remaining undivided interests in the Service Court and Access Parcel shall be held by the purchaser or purchasers of Old Sacramento Parcels Nos. 43, 44, 45, 46 and 47 in the Old Sacramento Historic Area. In the event that the boundaries of the Service Court and Access Parcel are modified, Redeveloper will pay the amount of ONE THOUSAND FOUR HUNDRED TWENTY-ONE and NO/100 DOLLARS (\$1,421.00), or 50.4 percent of the product of ONE and 45/100 DOLLARS (\$1.45) per square foot times the number of square feet actually conveyed, whichever amount is greater.

(d) Conveyance of Property in Two (2) Phases

The real property which is the subject of this Agreement shall be conveyed to the Redeveloper in two (2) Phases:

- (1) The "Phase I Property" shall refer to and include Parcel No. 48, more particularly described in Exhibit "B" attached hereto and made a part hereof;
- (2) The "Phase II Property" shall refer to and include the undivided 50.4 percent interest in the Service Court and Access Parcel, more particularly described in Exhibit "B" attached hereto and made a part hereof.

SEC. 2. CONVEYANCE OF PROPERTY

(a) Form of Deed

The Agency shall convey to the Redeveloper title to the Property by Special Warranty Deed or Deeds (hereinafter called "Deed"). Such conveyances and title shall, in addition to the condition subsequent provided for in Section 704 hereof, and to all other conditions, covenants and restrictions set forth or referred to elsewhere in this Agreement, be subject to:

(i) The Redevelopment Plan, and any amendments thereto approved by the Agency and the Redeveloper;

(ii) The Declaration of Restrictions for the Old Sacramento Historic Area dated August 30, 1971 and recorded on August 30, 1971 in Book 71-08-30 of Official Records of Sacramento County at page 342. (The Declaration of Restrictions is attached hereto as Exhibit "D" and made a part hereof.);

(iii) The obligation to purchase and maintain the portion of the Service Court and Access Parcel, as specifically set forth in Section 8(i) hereof;

(iv) Applicable building and zoning laws and regulations;

(v) Easements and rights-of-way of record or in existence as of the date of the recordation of each Deed, and other easements as agreed to by the parties; and

(vi) Encroachments of existing structures, including, but not necessarily limited to walls, cornices, foundations and foundation footings, which exist as of the date of the conveyance of the Property or portion thereof.

(b) Time, Place and Terms and Delivery of Deeds and Deposit of Purchase Price

(i) Opening Escrow and Deposit of Deeds

Within each of the times established in the "Schedule of Performances" incorporated herein and attached hereto as Exhibit "E", the Agency and the Redeveloper shall establish an escrow with the title company hereinafter named. Agency and Redeveloper shall furnish to such company appropriate instructions in conformity herewith to the end that the conveyances provided for herein shall be consummated.

Within the times established in the "Schedule of Performances" incorporated herein and attached hereto as Exhibit "E", the Agency shall deposit the Deed into escrow and the Redeveloper shall, within the same time, deposit the allocable portion of the Purchase Price for the Property into escrow. Within the times specified in the "Schedule of Performances" incorporated herein and attached hereto as Exhibit "E", the Agency and the Redeveloper shall deposit whatever fees, premiums, costs or other charges are payable by either party under this Agreement, and shall execute and submit into escrow whatever documents are necessary to be executed prior to the close of escrow.

Each Deed shall be recorded and delivered and title shall be conveyed to the Phase I and Phase II Properties within each of the times established in the "Schedule of Performances" incorporated herein and attached hereto as Exhibit "E".

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(ii) Escrow Charges and Title Insurance Premiums

Redeveloper shall pay for escrow fees, recording fees and title insurance. The escrow agent and title insurance company for the purposes of this Agreement shall be \_\_\_\_\_

unless another party is designated by mutual agreement of the parties.

(c) Apportionment of Current Taxes and In Lieu of Tax Payments

(i) Apportionment of Current Taxes

The portion of the current taxes, if any, on the Property which are a lien on the date of delivery of the Deed or Deeds to the Redeveloper allocable to buildings and other improvements which have been demolished or removed from the Property by the Agency shall be borne by the Agency, and the portion of such current taxes allocable to the land and remaining buildings and other improvements shall be apportioned between the Agency and the Redeveloper as of the date of the delivery of the applicable Deed. If the amount of the current taxes on the Property is not ascertainable on such date, the apportionment between the Agency and the Redeveloper shall be on the basis of the amount of the most recently ascertainable taxes on the Property, but such apportionment shall be subject to final adjustment within thirty (30) days after the date the actual amount of such current taxes is ascertained.

(ii) In Lieu of Tax Payments

If the Property is now, or will be, exempt from taxation by reason of its ownership by a public body (including the Redevelopment Agency), then in addition to and at the time of depositing the allocable portion of the Purchase Price into escrow, Redeveloper shall deposit therewith, for payment to the Agency a sum equal to twenty-five percent (25%) of the sales price of the Property to be conveyed, multiplied by the then last known tax rate of the City, County and other districts or public corporations that would have levied a tax upon such Property had it not been exempt. Such sum shall be prorated and paid for that portion of the fiscal year remaining after the close of escrow and fully for the next succeeding fiscal year, if such Property will be exempt from taxation during the next succeeding fiscal year.

(d) Extensions of Time

In the event that the Redeveloper should request an extension of time within which to comply with the provisions

of subdivision (b) of this Section 2 relating to depositing the Purchase Price for the Property into escrow with such additional sums as are called for hereunder and execution of all documents necessary for the close of escrow, the Agency may either deny such request or grant such request subject to such conditions and for such periods as the Agency may from time to time approve in writing. In addition, the Agency may impose as a condition of granting such request that the Redeveloper pay to the Agency on the last day of each successive month a charge of FIFTY DOLLARS (\$50.00) a day for each day during any such extension of time that there is a delay in the close of escrow due to the failure of the Redeveloper to perform its obligations pursuant to subdivision (b) of this Section 2.

### SEC. 3. GOOD FAITH DEPOSIT

#### (a) Amount

The Redeveloper has, prior to or simultaneously with the execution of the Agreement by the Agency, delivered to the Agency a good faith deposit of cash or certified check satisfactory to the Agency in the amount of TWENTY-SEVEN THOUSAND and NO/100 DOLLARS (\$27,000.00) (an amount equal to ten percent (10%) of the Purchase Price), hereinafter called "Deposit", as security for the performance of the obligations of the Redeveloper to be performed prior to return of the Deposit to the Redeveloper, or its retention by the Agency as liquidated damages, as the case may be, in accordance with the Agreement.

#### (b) Interest

The Agency shall be under no obligation to pay or earn interest on the Good Faith Deposit.

#### (c) Retention by Agency

If not previously returned to the Redeveloper pursuant to subparagraph (d) of this Section, the Good Faith Deposit may be retained by Agency as follows:

(i) Upon termination of this Agreement as provided in Sections 703 and 704 hereof, the Good Faith Deposit shall be retained by the Agency as provided in Sections 703 or 704 hereof and subsection (e) of this Section.

(ii) The Good Faith Deposit may be retained by the Agency to partially or totally offset costs for providing completion of items as described in the "Scope of Development",

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attached hereto as Exhibit "F", pursuant to the provisions of subsection (a) of Section 8 hereof.

(d) Return to Redeveloper

Upon termination of the Agreement as provided in Section 702 hereof, the Good Faith Deposit shall be returned to the Redeveloper by the Agency as provided in Section 702 hereof. If the Agreement shall not have been theretofore terminated and if no cause for termination then exists, the Agency shall return the Deposit to the Redeveloper upon issuance of a Certificate of Completion for the Phase I Improvements pursuant to Section 307 hereof.

(e) Certification of Phase II Improvements

Promptly after completion of the Improvements to be constructed on the Phase II Property, in accordance with this Agreement, Agency shall furnish the Redeveloper with an appropriate instrument so certifying, in accordance with the provisions of Section 307 hereof.

(f) Liquidated Damages

If the Redeveloper should default upon its obligations in the manner specified in Sections 703, 704, 705 or 706 hereof, making it necessary for the Agency to terminate this Agreement or the Redeveloper's estate and to procure another party or parties to redevelop the Property in substantially the manner and within the period that such Property would be redeveloped under the terms of this Agreement, then the damages suffered by the Agency by reason thereof would be uncertain. Such damages would involve such variable factors as the consideration which such party would pay for the Property; the expense of continuing or resuming the ownership and control of the Property; of interesting, and negotiating with, such parties; postponement of tax revenues therefrom to the community; the impact upon the progress of the redevelopment of other properties in the area; and the failure of the Agency to effect its purposes and objectives within a reasonable time, resulting in additional immeasurable damage and loss to the Agency and the community. It is impracticable and extremely difficult to fix the amount of such damage to the Agency, but the Agency is of the opinion, upon the basis of all information available to it, that such damages would be approximately the sum of TWENTY-SEVEN THOUSAND and NO/100 DOLLARS (\$27,000.00). By reason thereof, the Agency and the Redeveloper hereby agree in advance that the sum of TWENTY-SEVEN THOUSAND and NO/100 DOLLARS (\$27,000.00) shall be paid to the Agency upon any and all occurrences as the total of all liquidated damages for any and all of the above-specified defaults and not as a penalty. In the event that this subdivision (f) should be held

void for any reason, the Agency shall be entitled to the full extent of damages otherwise provided by law.

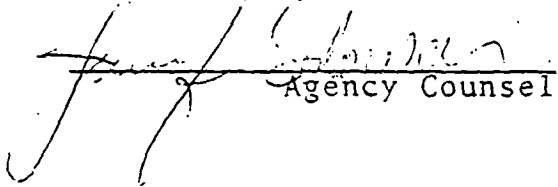
(g) Acknowledgement of Liquidated Damages Provisions

By their signatures below, the Agency and the Redeveloper agree that the provisions of Section 3, Part I, and Sections 703-706, Part II, of this Agreement, as they relate to the retention of the Good Faith Deposit and liquidated damages if Redeveloper fails to complete the construction of Improvements on the Property, are valid and binding between the parties to this Agreement.

REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO

By \_\_\_\_\_  
Executive Director

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Agency Counsel

CUDD MANAGEMENT GROUP, a California general partnership

By \_\_\_\_\_

ALFRED J. ARNAUD, an individual  
\_\_\_\_\_

SEC. 4. TIME FOR COMMENCEMENT AND COMPLETION OF IMPROVEMENTS

(a) In General

The construction of the Improvements referred to in Section 301 hereof shall be commenced and completed within the times set forth in the "Schedule of Performances" attached hereto as Exhibit "E"; Provided, that if a mortgage securing money loaned to finance the Improvements, or any part thereof, is insured by the Federal Housing Administration, then the aforesaid completion times shall not apply, but instead the construction of such Improvements or part thereof shall be completed within the times specified in the applicable Building Loan Agreement approved by the Federal Housing Administration.

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No construction of the aforementioned Improvements shall be undertaken by the Redeveloper until the Agency has approved the Construction Plans submitted by the Redeveloper to the Agency pursuant to the provisions of this Agreement.

(b) Extensions of Time

Pursuant to Agency policies adopted by Agency Resolution No. 85-045, and as amended from time to time, in the event that the Redeveloper should request an extension of time within which to comply with the provisions of subdivision (a) of this Section 4 as it relates to the commencement or completion of construction, the Agency may either deny such request or grant such request subject to such conditions and for such periods as the Agency may from time to time approve in writing. In addition, the Agency may impose as a condition of granting such request that the Redeveloper pay to the Agency on the last day of each successive month a charge of FIFTY DOLLARS (\$50.00) a day for each day during any such extension that there is a delay in commencing or completing construction. This subdivision (b) shall not apply to any delays, extensions or requests for extension coming under the provisions of Section 707 of this Agreement.

SEC. 5. TIME FOR CERTAIN OTHER ACTIONS

(a) Preliminary Plans and Construction Plans for Redeveloper's Improvements

(i) Time for Submission of Preliminary Plans

The Redeveloper shall prepare and submit Preliminary Plans for Redeveloper's Improvements to be constructed on the Phase I Property within the time set forth in the "Schedule of Performances" attached hereto as Exhibit "E".

(ii) Time for Submission of Construction Plans

The Redeveloper shall prepare and submit its Construction Plans (as defined in Section 301 hereof) to the Agency in any event, pursuant to Section 301 hereof, within the times set forth in the "Schedule of Performances" attached hereto as Exhibit "E".

(iii) Time for Agency to Approve or Disapprove Plans

The Agency shall approve or disapprove the Plans referred to in Sections 5(a)(i) and (ii) of this Agreement within

the times established in the "Schedule of Performances" incorporated herein and attached hereto as Exhibit "E". Failure by the Agency to either approve or disapprove within forty-five (45) days shall be deemed an approval.

(b) Corrected Plans

(i) Time for Submission of Corrected Plans

If the Agency disapproves any Plans referred to in Sections 5(a)(i) or 5(a)(ii), the Redeveloper shall submit corrected Plans within a reasonable time set by the Agency in light of the nature of the necessary revisions or corrections. In no event shall such times be less than thirty (30) days from the date the Redeveloper receives written notice from the Agency of the Agency's disapproval.

(ii) Time for Agency Action on Corrected Preliminary Plans

The Agency must approve or disapprove corrected Preliminary Plans submitted pursuant to Section 5(b)(i) of this Agreement within forty-five (45) days from the date such Plans have been submitted to the Agency.

(iii) Time for Agency Action on Corrected Construction Plans

The Agency must approve or disapprove corrected Construction Plans submitted pursuant to Section 5(b)(i) of this Agreement within forty-five (45) days from the date such Plans have been submitted to the Agency.

(c) Maximum time for Approved Construction Plans

In any event, the time within which the Redeveloper shall submit Construction Plans which conform to the requirements of Section 301 hereof and are approved by the Agency shall be no later than the number of days fixed by the Agency at the time the Agency disapproves the corrected Plans, which number of days shall be reasonable in light of the nature of the necessary revisions or corrections.

(d) Time for Agency Action on Change in Construction Plans

The time within which the Agency may reject any change in any approved Construction Plans, as provided in Section 302 hereof, shall be sixty (60) days after the date of the Agency's receipt of notice of such change.



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(e) Time for Submission of Evidence of Equity Capital and Mortgage Financing

The Redeveloper shall submit to the Agency evidence of equity capital and any mortgage commitments necessary, as provided in Section 303 hereof, within the time set forth in the "Schedule of Performances" attached hereto as Exhibit "E"; or, if the Construction Plans shall be deemed to have been approved as provided in Section 301 hereof, not later than the expiration of forty-five (45) days following the date of receipt by the Agency of the Construction Plans, as more specifically set forth in the "Schedule of Performances" attached hereto as Exhibit "E".

SEC. 6. PERIOD OF DURATION OF COVENANT ON USE

The covenant pertaining to the uses of the Property set forth in subdivision (a) of Section 401 hereof shall remain in effect from the date of the Deed until August 25, 1996, a period of thirty (30) years from the effective date of the Ordinance specified or referred to in the Redevelopment Plan, or until such date thereafter to which it may be extended by proper amendment of the Redevelopment Plan, on which date, as the case may be, such covenant shall terminate. The covenants hereof respecting restrictions upon the basis of race, color, creed, religion, sex, marital status, national origin or ancestry set forth in subdivisions (b), (c) and (e) of Section 401 hereof shall run in perpetuity.

SEC. 7. NOTICES AND DEMANDS

A notice, demand or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) In the case of the Redeveloper, is addressed to or delivered personally as follows:

CUDD MANAGEMENT GROUP  
c/o Daniel M. Moody, Esq.  
199 North Hartz Avenue, Suite M  
Danville, California 94526

ALFRED J. ARNAUD  
1255 Post Street, Suite 744  
San Francisco, California 94109;

(b) In the case of the Agency, is addressed to or delivered personally as follows:

REDEVELOPMENT AGENCY OF THE CITY OF  
SACRAMENTO  
630 I Street  
Sacramento, California 95814;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

SEC. 8. SPECIAL PROVISIONS

(a) Scope of Development

Redeveloper's Improvements are described in the "Scope of Development" incorporated herein and attached hereto as Exhibit "F".

(b) Substantial Changes

Redeveloper covenants and agrees that before and during the period of construction of Redeveloper's Improvements, Redeveloper shall not make or permit to be made any substantial changes in the Construction Plans, as approved by the Agency, without first submitting such changes to the Agency for approval. Redeveloper shall have the responsibility of notifying his contractors, architects and engineers of the requirements of this subdivision, and Redeveloper shall be responsible for compliance with said requirements. For purposes of this subdivision, substantial changes shall include (but not necessarily be limited to) the following and similarly important changes in the construction or in the approved Construction Plans:

(i) Change in size or design materially affecting bulk, building coverage or floor area ratio, or number of floors;

(ii) Material changes affecting the size or design or use of exterior finishing materials noticeably affecting architectural appearance or functional use and operation of the Improvements;

(iii) Material changes in size or placement of service facilities; or in the number of elevators, stairs and ramps; and changes in general pedestrian or vehicular circulation in, around or through the Improvements;

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(iv) Any changes requiring approval of any City or State board, body, commission or officer, or any change required by any City or State board, body, commission or officer;

(v) Material changes in number, size, placement, graphics, design, or materials of all exterior signs, if any shown in the Construction Plans, differing from those shown and specified in the approved Construction Plans.

(vi) Material change in landscape planting and site improvements; and

(vii) Material changes in size or quality of exterior pavement, pedestrian malls, plazas, retaining walls, pools and fountains, exterior lighting and other site and entourage development of the Property other than that shown and specified in the approved Construction Plans.

(c) Racial Covenants

Redeveloper shall refrain from restricting the rental, sale or lease of the Property on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(i) In deeds: "The grantee herein covenants by and for himself, his 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 himself or any person claiming under or through him 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, sublessees, subtenants or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(ii). In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and this lease is made and accepted upon and subject to the following conditions: 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 leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall

the lessee himself or any person claiming under or through him, 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, sublessees, subtenants or vendees in the land herein leased."

(iii) In contracts: "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, nor shall the transferee himself or any person claiming under or through him, 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."

(d) Requirement to Reconstruct Historically Authentic Building

In order to insure accurate and authentic historic atmosphere in the Old Sacramento Project, Redeveloper agrees to faithfully reconstruct the historical building which is more fully described in Exhibit "F" attached hereto, by using historical and architectural plans, data, schematic drawings and sketches and other information or material which the Agency may provide. More specifically, Redeveloper shall reconstruct the Improvements described in Exhibit "F" attached hereto, to as exact detail as possible the facade depicted in the approved Schematic and Historical documentation for Building No. 48 (Orleans Building), as evidenced in the Agency files.

(e) Pre-Performance Conference on Nondiscrimination

Not later than thirty (30) days before commencement of construction of Redeveloper's Improvements on the Phase I Property, Redeveloper, at the request of the Agency, shall meet with Agency staff members to discuss the Redeveloper's responsibilities and obligations in respect to the nondiscrimination provisions of this Agreement and its obligation for affirmative action to achieve the objectives of Title VI of the Civil Rights Act of 1964. Such conference shall deal with the Redeveloper's obligation not to discriminate in public access and use of the Property to the extent that it is open to the public and the Redeveloper's and his contractors' obligation not to discriminate in employment in the construction of any Improvements.

(f) Affirmative Action Requirements

Redeveloper shall, in constructing the Improvements herein described, take all affirmative action necessary to ensure

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equal employment opportunity in all aspects of employment, regardless of race, color, religion, sex or national origin.

(g) Parking

The off-street parking requirements imposed on the subject Property in Section 6(e) of the Declaration of Restrictions will be satisfied by the Redevelopment Agency in the manner provided in Resolution No. 1367, adopted by the Agency on October 7, 1968, as amended by Resolution No. 1475, adopted April 21, 1969, Resolution No. 1885, adopted June 7, 1971, and Resolution No. 2247, adopted January 22, 1973, or in the manner provided by any resolution amending or superseding that Resolution.

(h) Lighting

Redeveloper shall submit his supplemental lighting scheme, as required by Section 6(h)(vii) of the Declaration of Restrictions, to the Agency for approval at the time the Construction Plans for the Phase I Property are submitted to the Agency.

(i) Obligation to Purchase and Maintain Service Court and Access Parcel

Redeveloper agrees to purchase and maintain a 50.4 percent undivided interest in the Service Court and Access Parcel for the purpose of satisfying the loading and service area requirements imposed on the Property by the Declaration of Restrictions. Redeveloper agrees, and the Deed shall so state, that in the event that the owner or owners of Parcels Nos. 43, 44, 45, 46 and 47 in the Old Sacramento Historic Area fail to maintain the Service Court and Access Parcel as herein required or fail to pay the property taxes on said owner or owners undivided interest in the said Service Court and Access Parcel, then the Redeveloper or the owners of Parcels Nos. 43, 44, 45, 46 and 47, or the Redevelopment Agency, shall have the right to perform such work or maintenance or repair, including removal of debris or other hazardous conditions and shall have the right to pay any delinquent taxes. If Redeveloper shall fail to maintain in good repair or pay the property taxes upon the portion of such area owned by it for a period of five (5) days after notice in writing addressed to the owner, then upon completion of such work, or from time to time if the work is of a continuing nature, or upon payment of the taxes, an itemized statement of the cost of such work and/or taxes shall be submitted to the persons specified above and the amount thereof shall be immediately due and payable. The statement of account shall be paid to the person performing the work or paying the taxes within fifteen (15) days from the date of submission, and if not so paid, shall thereupon become delinquent and bear interest from such date at the rate of nine

percent (9%) per annum until paid. A lien for such charges and interest thereon shall attach to each square foot of the land in Redeveloper's Parcel No. 48, and the portion of the Service Court and Access Parcel owned by it as of the date of the recording of a notice of delinquency by the person performing the work and/or paying the taxes in the office of the County Recorder of the County of Sacramento, and shall so continue until fully paid. Said lien shall also secure the reasonable costs and expenses of enforcing the same, including attorneys fees. Said lien or liens may be foreclosed in accordance with the provisions of Sections 3082-3153 of the California Civil Code. The provisions hereof shall be liberally construed and no delay or irregularity in the procedure herein provided for shall invalidate any charge or the lien therefor, except as to any persons who shall be actually prejudiced thereby.

(j) Reimbursement for Sidewalk Costs

Agency shall construct 83.33 lineal feet of sidewalk along Second Street adjoining the Property described herein. Such sidewalk will be of the hollow-type over which a six inch (6") concrete slab will be placed and supported by the existing brick buttress wall at the curb line and by eight inch (8") diameter columns at eight foot (8') intervals on centers three feet (3') from the property line. Wooden planks shall be fastened atop the concrete slab.

Redeveloper shall reimburse Agency for a portion of the cost of such sidewalk in the amount of TWO THOUSAND ONE HUNDRED TWENTY-FIVE and NO/100 DOLLARS (\$2,125.00). Said reimbursement shall be made to the Agency simultaneously with the delivery of the Deed conveying the Phase I Property to the Redeveloper.

(k) Development of the Phase II Property

Notwithstanding the provisions contained in the "Schedule of Performances" for the Phase II Property, attached hereto as Exhibit "E", the Redevelopment Agency, at its option, may cause the preparation of Final Construction Plans for the redevelopment of said Phase II Property, and the Redeveloper agrees to reimburse the Agency for the pro rata cost to Agency of preparing said Final Construction Plans, based on Redeveloper's ownership interest in the said Phase II Property.

Said reimbursement shall be made to the Agency simultaneously with the delivery of the Deed conveying the Phase II Property to the Redeveloper.

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Damage (1) Responsibility for Injury, Death and Property

Redeveloper shall indemnify Agency and hold it harmless from any and all liability for bodily injury, death and property damage caused by or resulting from the acts of Redeveloper, its officers, employees or agents.

(m) Redeveloper's Obligation to Protect Public Safety

Redeveloper shall immediately take all necessary steps including the erection of fences, barricades and warning devices to protect private contractors and their employees and the public from the risk of injury arising out of or in any way connected with the Property, including, but not limited to, fire, or the failure, collapse, or deterioration of any improvements or buildings. Agency agrees to permit Redeveloper, upon request, to enter upon the Property for the purpose of performing its obligations pursuant to this paragraph.

(n) Construction Loan

Agency and Redeveloper shall enter into an agreement within ninety (90) calendar days from the effective date of this Agreement under which Agency shall agree to loan to Redeveloper an amount not to exceed TWO HUNDRED SEVENTY THOUSAND and NO/100 DOLLARS (\$270,000.00). The agreement shall contain all of the following terms but may contain additional terms:

(i) The loan amount shall be \$270,000.00 to reimburse Redeveloper for part of the costs of constructing the Improvements subject to this Agreement.

(ii) Disbursements shall start no sooner than the date of Certificate of Occupancy and may be made at six (6) month intervals thereafter for a period of three (3) years. The entire amount of the loan may be drawn down in the first disbursement.

(iii) Disbursements shall be made after Agency review of a request for disbursement from Redeveloper which shall specify the amount of disbursement requested and construction costs to be covered by the disbursement and shall include copies of paid invoices for the specified construction costs. No disbursements may be made for services or materials provided by Redeveloper.

(iv) The term of the loan shall be ten (10) years from the date of Certificate of Occupancy.

(v) Repayment shall be deferred for the first three (3) years and then repayment of principal and interest shall be amortized over the remaining seven (7) years of the loan.

(vi) The interest rate shall be seventy percent (70%) of the prime commercial rate charged by the Bank of America National Trust and Savings Association of San Francisco, or its successor, as of the date of the Certificate of Occupancy.

(vii) The Redeveloper shall agree to operate the Hotel in compliance with applicable local, State and Federal law.

(viii) The loan shall be evidenced by a promissory note executed by Redeveloper and payable to Agency and a second deed of trust over the Property described in Exhibit "B" of this Agreement ("Trust Deed").

(ix) Prior to disbursement, Redeveloper shall:

- (1) Provide a standard form CLTA title insurance policy insuring that the Trust Deed is a valid second lien on the Property subject only to the first Trust Deed, utility easements, current real property taxes and assessments not yet due and payable and such other liens, encumbrances and matters approved in writing by the Agency. Such insurance shall be endorsed to insure against liens which may have attached prior to each disbursement;
- (2) Provide Agency with a copy of the Hotel's operations budget; and
- (3) Not be in default under the terms of the Loan Agreement.

(x) The occurrence of the following shall constitute an event of default and will give the Agency the right, at its option to refuse to disburse any undisbursed loan proceeds, make all outstanding loan principal and accrued interest immediately due and payable and to exercise any and all remedies set forth in the Loan Agreement or Trust Deed or otherwise established by law:

- (1) The condemnation, seizure, or appropriation of all or, in the opinion of the Agency, a substantial part of the Property;



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- (2) A default shall have occurred under this Contract for Sale of Land for Private Redevelopment, the Special Warranty Deed conveying the Property, the Note evidencing the loan, the Trust Deed or any senior encumbrances on the Property;
- (3) Any representation or warranty of Redeveloper contained in this Agreement, the Note, Trust Deed or any statements, certificates or schedules furnished by Redeveloper shall prove to have been untrue in any material respect when made or Redeveloper shall have concealed any material fact from the Agency;
- (4) Redeveloper or a general partner of Redeveloper applies for or consents to appointment of a receiver, trustee or liquidator for any of its properties; admits in writing any inability to pay its debts as they mature, makes a general assignment for the benefit of creditors, files a petition for bankruptcy or reorganization or arrangement with creditors or is adjudged bankrupt;
- (5) The Redeveloper ceases to operate the Improvements on the Property as a Hotel or if Redeveloper is a partnership, the general partners of Redeveloper shall have dissolved or terminated the partnership;
- (6) There is filed any claim of lien against the Property or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the loan and the continued maintenance of said claim of lien or notices to withhold for a period of ten (10) days without discharge or satisfaction thereof or provision therefor satisfactory to Agency;
- (7) Redeveloper sells or otherwise transfers the Hotel or the Property or any part thereof without the prior written consent of the Agency.

SEC. 9. MODIFICATIONS OF PART II

(a) Conflicts

In the event of any inconsistency or conflict between the provisions of this Part I and Part II, the provisions of this Part I shall prevail over those contained in Part II.

(b) Defined Terms

In addition to those terms elsewhere defined in this Agreement, the following terms shall have the respective meanings ascribed to them below, and unless the context otherwise requires, shall include the plural:

(i) "Urban Renewal Act" and "state law" shall mean the Community Redevelopment Law of the State of California (Part I of Division 24 of the Health and Safety Code, Sections 33000, et seq.).

(ii) "Urban Renewal Project" shall mean and include the Capitol Mall Riverfront Project, Project No. 4, a portion of Redevelopment Area No. One, in the City of Sacramento, California, the area of which is more particularly described in Exhibit "A" attached hereto and by reference made a part hereof.

(iii) "Urban Renewal Plan" shall mean and include the Redevelopment Plan for the Capitol Mall Riverfront Project, Project No. 4, adopted by City Ordinance No. 2681, Fourth Series, August 25, 1966, and recorded September 18, 1967 in the office of the County Recorder of the County of Sacramento, in Book 67-09-18 of Official Records at page 338, as amended of record.

(iv) The term "Redeveloper's Improvements" shall mean and include those improvements to be developed and constructed on the Property under this Agreement by the Redeveloper.

(v) "Preliminary Plans" shall mean and include (1) site and roof plan that shows all on-site improvements and rooftop equipment; (2) floor plans of each typical floor indicating dimensions and materials; (3) elevations of each exposed facade indicating dimensions and proposed materials; (4) sections at 1/2" to 1' scale, indicating dimensions, materials, structure, method of construction, etc., of primary facade(s); (5) appropriate drawings from each consultant, namely, structural, mechanical and electrical, showing their proposed work; and (6) outline specifications for all proposed work.

(vi) The term "commencement of construction" shall mean site preparation and shall include such activities as excavation, filling, leveling and grading of the Property, the demolition of buildings and the removal of buildings.

(vii) The terms "date of this Agreement", "execution", "execution of this Agreement by the Agency", "execution of this Agreement", and "effective date of this Agreement" shall mean in this Agreement (unless the context clearly indicates otherwise) the date of adoption by the Governing Board of the Agency of the Resolution approving this Agreement.

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(c) Work to be Performed by Agency

Section 101 shall be amended by adding the following paragraph at the end of said Section:

"Notwithstanding the provisions of this Section 101, Redeveloper acknowledges that it has inspected the Property, and agrees to accept the Property in its present condition."

(d) Agency's Responsibilities for Certain Other Actions

The Agency shall be under no obligation to sod, seed, or maintain public areas between sidewalks or the curb lines of public streets as provided for in subdivision (e) of Section 103.

(e) Restrictions Upon Use of Property

(i) Section 401 shall be amended by deleting subsection (b) and inserting in lieu thereof the following:

"(b) Not discriminate upon the basis of race, color, religion, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof."

(ii) The following subsections are hereby added to Section 401:

"(c) All advertising (including signs) for sale, and/or rental of the whole or any part of the Property, shall include the legend 'An Open Occupancy Building' in type or lettering of easily legible size and design. The word 'Project' or 'Development' may be substituted for the word 'Building' where circumstances require such substitution.

"(d) Comply with the regulations issued by the Secretary of Housing and Urban Development set forth in 37 F.R. 22732-3 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures undergoing Federally assisted construction or rehabilitation and require the elimination of lead-based paint hazards.

"(e) Agree 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 Property herein conveyed, nor shall the Redeveloper himself or any person claiming under or through him, 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 Property herein conveyed."

(iii) Section 402 is modified by inserting on line 4, after "covenants running with the land", the phrase "and equitable servitudes thereon".

(iv) Section 402 is further modified by inserting on line 16, after "or any part thereof or any interest therein" the phrase "any subcontracting party or parties or other transferees under this Agreement,".

(f) Resale of Reacquired Property; Disposition of Proceeds

In subdivision (a) of Section 704 delete "City assessing official" and insert in lieu thereof the phrase "appropriate local assessing authorities."

SEC. 10. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding and agreement of the parties. This Agreement supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. The respective parties shall have no further or additional obligations other than those which are expressly contained within the pages of this Agreement.

SEC. 11. COUNTERPARTS AND EXECUTION BY REDEVELOPER

(a) Counterparts

This Agreement is executed in three (3) counterparts, each of which shall constitute one and the same instrument.

(b) Execution by Redeveloper

This Agreement shall be executed by the Redeveloper prior to the date set for public hearing on this Agreement.

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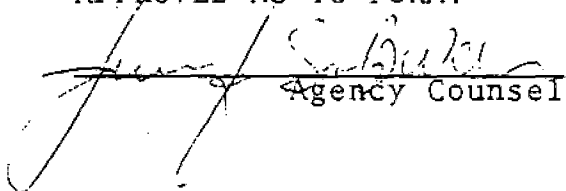
Failure to comply with this provision shall, at the option of the Agency, render this Agreement null and void and neither party shall have any further rights each against the other by reason of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Contract for Sale of Land for Private Redevelopment, effective as of the date first above written.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

By \_\_\_\_\_ Executive Director

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Agency Counsel

CUDD MANAGEMENT GROUP, a California general partnership

By \_\_\_\_\_

ALFRED J. ARNAUD, an individual

\_\_\_\_\_

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF \_\_\_\_\_)

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me (proved to me on the basis of satisfactory evidence) to be the person(s) that executed this instrument on behalf of CUDD MANAGEMENT GROUP, the partnership therein named, and acknowledged to me that the partnership executed it.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public in and for said  
County and State.

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF \_\_\_\_\_)

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me (proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public in and for said  
County and State.

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STATE OF CALIFORNIA )  
                          ) ss.  
COUNTY OF SACRAMENTO )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1983, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me to be the person who executed this instrument as \_\_\_\_\_ of the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, a public body, corporate and politic, and acknowledged to me that the Redevelopment Agency of the City of Sacramento executed it.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public in and for said  
County and State.

EXHIBIT "A"

DESCRIPTION OF BOUNDARIES OF PROJECT NO. 4,  
A PORTION OF REDEVELOPMENT AREA NO. ONE,  
AS SET FORTH IN CITY ORDINANCE NO. 2681, FOURTH SERIES,  
ADOPTED AUGUST 25, 1966

Beginning at the intersection of the westerly City Limits of the City of Sacramento and the center line of the I Street Bridge; thence easterly along the center line of the I Street Bridge and Viaduct to the northerly property line of Camellia Place; thence easterly along said northerly line of Camellia Place to its intersection with the continuation of the easterly line of 5th Street; thence northeasterly to the point of intersection of the center line of H Street and the center line of 6th Street; thence southerly along the center line of 6th Street to its intersection with the center line of I Street; thence easterly along the center line of I Street to its intersection with the center line of 7th Street; thence southerly along the center line of 7th Street to its intersection with the center line of J Street; thence westerly along the center line of J Street to its intersection with the center line of 2nd Street; thence southerly along the center line of 2nd Street to its intersection with the center line of N Street; thence easterly along the center line of N Street to its intersection with the center line of 4th Street; thence southerly along the center line of 4th Street to its intersection with the center line of P Street; thence easterly along the center line of P Street to its intersection with the northerly continuation of a line parallel to and twenty-five feet (25') east of the west line of Lot 2 in the block bounded by 6th, 7th, P and Q Streets; thence southerly along said line and its southerly continuation to its intersection with the center line of Q Street; thence easterly along the center line of Q Street to its intersection with the center line of 9th Street; thence southerly along the center line of 9th Street to its intersection with the northerly right-of-way line of R Street; thence easterly along the northerly right-of-way line of R Street to its intersection with the center line of 10th Street; thence southerly along the center line of 10th Street to its intersection with the center line of S Street; thence westerly along the center line of S Street and its continuation to a point of intersection with the westerly City Limits of the City of Sacramento; thence northerly along said City Limits to the place of beginning.



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EXHIBIT "B"

LEGAL DESCRIPTION OF THE PROPERTY

PHASE I PROPERTY:

All that portion of Parcel 17 as shown on that certain parcel map entitled "Block Bounded by I, J, K, L and the Embarcadero and 2nd Street" recorded in the Office of the Recorder, County of Sacramento, Sacramento, California, the 1st day of April, 1970 in Book 3 of Parcel Maps at page 21, described as follows:

Beginning at a point on the Easterly right-of-way line of Firehouse Allee, said point being located South 18° 25' 11" West 35.84 feet from the Northwest corner of said Parcel 17; thence from said point of beginning South 71° 38' 03" West 150.51 feet to the Westerly line of Second Street; thence along the Westerly line of Second Street South 18° 28' 50" East 83.35 feet; thence North 71° 38' 03" West 76.37 feet; thence North 71° 25' 00" West 34.46 feet; thence North 18° 25' 11" East 18.50 feet; thence North 71° 25' 00" West 15.00 feet; thence North 18° 25' 11" East 18.40 feet; thence North 71° 25' 00" West 25.00 feet; thence North 18° 25' 11" East 47.51 feet along the Easterly line of Firehouse Allee to the point of beginning.

PHASE II PROPERTY:

An undivided 50.4 percent interest in the following described property:

All that portion of Parcels 17 and 18 as shown on the parcel map entitled "Block Bounded by I, J, K, L and The Embarcadero and Second Street", recorded in the Office of the Recorder of Sacramento County on April 1, 1970 in Book 3 of Maps at page 21, described as follows:

Beginning at the Northwest corner of said Parcel 18, said point being on the Easterly right-of-way line of Firehouse Allee; thence from the said point of beginning along said Easterly right-of-way line of Firehouse Allee North 18° 25' 11" East 36.90 feet; thence South 71° 25' 00" East 25.00 feet; thence South 18° 25' 11" West 18.40 feet; thence South 71° 25' 00" East 15.00 feet; thence South 18° 25' 11" West

EXHIBIT "B" (Continued)

18.50 feet to a point on the Northerly line of said Parcel 18; thence South  $71^{\circ} 25' 00''$  East 34.46 feet; thence South  $18^{\circ} 25' 11''$  West 10.00 feet; thence North  $71^{\circ} 25' 00''$  West 74.46 feet to a point on the Easterly right-of-way line of said Firehouse Allee; thence along said Easterly right-of-way line North  $18^{\circ} 25' 11''$  East 10.00 feet to the point of beginning.

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N 18° 25' 11" E HIGHWAY ALLEY

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Parcel 18

N 71° 38' 03" W 74.01'

N 71° 25' 00" W

25.00'  
5.00' S.M.I.D.  
18.50'  
20.33'  
36.90'

15.00'

N 53° 05' 00" E  
10.00'

19.69'

7.43'

N 71° 58' 03" W 74.37'

205.15'

83.35'

S 18° 28' 50" W

2nd Street

2/11/70  
10-2-21

LT

S 71° 58' 03" W

37.23'

N 72° 10' 55" W

## EXHIBIT "D"

Recorded August 30, 1971  
Book 71-08-30 , page 342  
Official Records of Sacramento  
County

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
1006 Fourth Street -- Sacramento, California

## DECLARATION OF RESTRICTIONS

Conditions, Covenants, Restrictions and Easements  
Affecting the Property of the  
Redevelopment Agency of the City of Sacramento,  
a public body, corporate and politic,  
in Redevelopment Project No. 4

THIS DECLARATION, made this 30th day of August,  
1971, by the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, herein-  
after called the "Agency".

## WITNESSETH:

WHEREAS, the Agency is the owner of certain redevelopment sites and parcels in the Capitol Mall Riverfront Project, Project No. 4, in the City of Sacramento, State of California, which Project is covered by the Redevelopment Plan for said Project, adopted by the City Council of the City of Sacramento by Ordinance No. 2681, Fourth Series, adopted on the 25th day of August, 1966, said Redevelopment Plan being recorded September 18, 1967 in the office of the County Recorder of the County of Sacramento in Book 67-09-18 of Official Records at page 338, as amended of record; and

WHEREAS, the Community Redevelopment Law provides that adequate safeguards shall be imposed so that the work of redevelopment will be carried out pursuant to the Official Redevelopment Plan for said Project and provides for the retention of controls and the establishment of restrictions and covenants running with the lands sold or leased for private use; and

WHEREAS, for the purpose of providing adequate safeguards in order that the work of redevelopment will be carried out pursuant to the Redevelopment Plan for Project No. 4; to insure the best use and the most appropriate redevelopment and improvement of each building site thereof; to protect the owners of building sites against improper use of surrounding building sites; to protect against depreciation in value of property in Project No. 4; to preserve insofar as practicable the aesthetic development of said Project; to guard against the erection of poorly designed or proportioned structures; to insure the highest and best development of said property; to encourage and secure the erection of attractive structures thereon, with appropriate location of such structures on building sites; to

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secure and maintain proper and safe setbacks from streets; to provide free space between structures; and in general to provide an adequate plan for safeguarding the work of redevelopment in maintaining a high quality of improvements on said property, thereby enhancing the value of investments made by purchasers of building sites therein, the Agency is desirous of subjecting the real property hereinafter described to the restrictions, covenants, reservations, easements, liens and charges hereinafter set forth, each and all of which is and are for the benefit of all property within the Capitol Mall Riverfront Project, Project No. 4, and for each owner thereof, and shall inure to the benefit of all of such property and each and every parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, the Redevelopment Agency of the City of Sacramento hereby declares that the real property described and referred to in Paragraph 1 hereof, is and shall be held, transferred, sold and conveyed subject to the conditions, restrictions, covenants, reservations, easements, liens and charges hereinafter set forth.

1. Property Subject to this Declaration

The real property which is, and shall be, held and shall be conveyed, transferred, and sold subject to the conditions, restrictions, covenants and reservations, easements, liens and charges with respect to the various portions thereof, set forth in the various paragraphs and subparagraphs of this Declaration, is described as follows:

All that certain real property being a portion of Project No. 4 situated, lying and being in the City of Sacramento, County of Sacramento, State of California, more particularly described as follows:

Beginning at the intersection of the westerly City Limits of the City of Sacramento and the center line of the I Street Bridge; thence easterly along the center line of the I Street Bridge and Viaduct to the easterly line of 2nd Street extended; thence southerly along the east line of 2nd Street and extension thereof to a point of intersection with the right of way of the Division of Highways, State of California, as shown on Right of Way Map Division of Highways District 3 Sac 5 24.0, Sheet 17 of 50 dated September 4, 1968; thence southerly along said right of way to a point of intersection with the center line of J Street; thence westerly along the center line of J Street to a point of intersection with the center line of 2nd Street; thence southerly along the center line of 2nd Street to a point of intersection with the south line of L Street; thence westerly to the west line of 2nd Street; thence southerly along the westerly

line of 2nd Street to the southeast corner of Parcel No. 40, said parcel as shown on parcel map entitled "Blocks Bounded by I, J, K, L and by the Embarcadero and 2nd Street", filed April 1, 1970 in Book 3 of Parcel Maps, Page No. 21, by the County Recorder of Sacramento County; thence along the southerly boundary of said Parcel No. 40 to the westerly line of the Embarcadero; thence southerly along the westerly line of the Embarcadero to the center line of Capitol Mall; thence westerly along the center line of Capitol Mall to the intersection of the City Limits of the City of Sacramento; thence north along the City line of the City of Sacramento to the point of beginning.

## 2. Map of Property Subject to this Declaration

Attached hereto and by reference made a part hereof is a map of the property subject to this Declaration designating the parcels of property covered hereby.

## 3. Resubdivision

The subject property shall not be resubdivided without the specific approval of the Agency; which approval will not be unreasonably withheld, but this shall not prevent a property owner from leasing all or part of his property.

## 4. Land Use

The property covered hereby shall be used for one or more of the following purposes:

(a) Commercial Uses. Permitted commercial uses shall include general and specific purpose offices; banks and other financial institutions; retail stores and services; hotels, residence halls, private clubs, lodges; theatres; restaurants (except drive-in); saloons and cocktail lounges; museums; art galleries and studios; arts and crafts shops and studios with or without associated light-type fabrication or processing activities essential to the production of the finished product, primarily produced for retail sale on the premises; printing and publishing activities, primarily of a handicraft nature; specialty food processing shops of a primarily handicraft nature, such as nuts, confectionery, and candy processing, bakery and pastry shops, coffee, tea and spice shops where the finished product is primarily processed and packaged for sale on the premises; other compatible commercial uses as approved by the Redevelopment Agency.

(b) Residential Uses: Other than those of a transient nature in hotels, residence halls, lodges, private clubs of an overnight, weekly or monthly tenure shall, in general, include apartments

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in the rear of and/or above street floor commercial uses.

Town or row houses may be developed on some of the more narrow street frontage properties for exclusive residential uses, or for combined residential and professional office purposes.

(c) Other Permitted Uses: Shall include public park, recreational, educational and cultural uses, as determined by the Redevelopment Agency.

The Historic-Commercial-Residential area includes public uses that may be deemed appropriate for the fulfillment of the objectives for "Old Sacramento".

It is the intent of these Restrictions to promote insofar as proves practicable a Planned Unit Development Concept for the Historic-Commercial-Residential area, or substantial portions thereof.

5. Easements for Utilities

Any easements for the installation and maintenance of utilities affecting the property covered hereby are reserved as shown on the map of property subject to this Declaration, attached hereto and by reference made a part hereof. Use of the property designated as easement areas on the map attached hereto shall be limited solely to the installation, inspection, repair and maintenance of utilities.

6. Physical Standards and Requirements

(a) City Codes and Ordinances. All buildings to remain in the Project Area shall be rehabilitated as necessary to conform with all applicable codes and ordinances of the City and County of Sacramento, and the State of California, for new construction, and specifically including the following:

- (1) Uniform Building Code, latest edition, as adopted and amended by the City of Sacramento;
- (2) The prevailing fire zone requirements adopted by the City Council of the City of Sacramento for the Old Sacramento Historic Area;
- (3) Sacramento City Electrical Code;
- (4) Sacramento City Plumbing and Gas Code;
- (5) Sacramento City Housing Code;
- (6) Sacramento City Dilapidated and Damaged Building Ordinances;

- (7) Sacramento Comprehensive Zoning Ordinance;
- (8) Sacramento Fire Prevention Code.

(b) Floor Area Ratio. The maximum floor area ratio<sup>1/</sup> for any particular building shall generally not exceed 3:1. However, in the interest of historical and architectural authenticity, and economic soundness of a particular building development, the Redevelopment Agency may permit a variance of this requirement to allow reasonably more building bulk for a specific building development where historic documentary evidence, acceptable to the Redevelopment Agency, can be produced indicating that a building with a floor area ratio in excess of 3:1 occupied such site during the 1849-1870 period, and where such variance in the judgment of the Redevelopment Agency will not pre-empt excessive floor area building development of the total projected for the whole Old Sacramento Historic (Historic-Commercial-Residential) area, and which might have a depressive effect or jeopardize the reasonable financial feasibility of full development of other properties in this land use area in accordance with the intent of these Restrictions.

(c) Building Setbacks. There are no street front building setbacks required, except as may be determined by the Redevelopment Agency for a given building site on the existing historic streets -- L, K, J, I, Front and 2nd Streets. Rear building setbacks will be established by the Redevelopment Agency for buildings on the north side of I Street, the south side of L Street, the east side of 2nd Street, as well as within the two (2) full blocks bounded by L Street on the south, Front Street on the west, J Street on the north and 2nd Street on the east, in order to encourage interior block landscaped courts, plazas and yards, and to provide adequate light, air, ventilation and fire and panic egress protection for facing and/or abutting residential and public assembly uses and to facilitate truck service wherever possible at the rear (off the alleys) of commercial, residential and mixed use buildings.

(d) Number and Height of Buildings. The number of buildings in the Historic-Commercial-Residential area shall generally be governed by historic documentation in the interests of architectural authenticity in order to facilitate an accurate re-creation of the historic scene in general and harmonious architectural appearance of the street scenes in particular. However, in the interests of encouraging redevelopment of as much of the area as practicable along planned unit concepts, in order to reduce preservation,

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<sup>1/</sup> As used throughout these Restrictions, "Floor Area Ratio" means the ratio of gross floor area to gross land area of a building site. "Gross floor area" includes all square footage within a building except for space used for off-street parking and truck service. "Gross land area" includes any area within property lines.



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restoration, and reconstruction building costs as much as possible, and to better and more efficiently serve contemporary commercial and residential functions, such does not preclude the grouping and inter-connection of what were formerly several adjacent independent structures in the 1849-1870 period. In such consolidation, the early street facades of the several individual former structures so grouped shall be reproduced insofar as practicable.

The height of historic buildings is generally flexible between a minimum of one (1) story and a maximum of three (3) stories above existing street grades. In certain isolated and more important historic situations this flexibility does not exist and the Redevelopment Agency shall judge each individual situation on the basis of all of the major influencing factors involved.

The height of the street facade of any historically oriented building shall not normally exceed that of the original buildings and/or as they were added to during the 1849-1870 period, and in no event shall exceed sixty feet (60') from the sidewalk grade to the top of the parapet. Rear additions and/or penthouse structures, and other mechanical equipment housings shall not be permitted to be constructed to a height above the roof level which would make them visible from the normal height of eye from any street or public way within the area.

The proposed north and south off-street parking garage structures are exempt from these height and architectural facade restrictions, as they can obviously bear no relation to the 1849-1870 scene, and are so situated that their normal bulk will not generally be visible from the aforementioned historic streets. Adjacent U. S. Interstate Freeway Route 5 and its connecting ramps are likewise not subject to these conditions, nor are they considered a street or public way as used hereinabove.

(e) Parking. The minimum off-street parking requirements in the Historic-Commercial-Residential area are as follows:

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|---|--|
| General Retail Merchandising Uses:  | One (1) space for each four hundred (400) gross square feet of floor area.   |
| Hotels, Residence Halls, Private Clubs, Lodges (overnight, weekly or monthly residence facilities other than apartments): | One (1) space for each guest room for developments of one (1) to twenty-four (24) rooms; one (1) space for each one and one-half (1-1/2) guest rooms for developments of twenty-five (25) to forty-nine (49) guest rooms; one (1) space for each two (2) guest rooms for developments of fifty (50) or more guest rooms. |

Offices and Banks:	One (1) space for each four hundred (400) gross square feet of floor area.
Multi-family Residential Uses: (Apartments and Town Houses)	One (1) space for each dwelling unit.
Museums, Art Galleries, Arts and Crafts Studios, Antiques and Specialty Shops and other General Commercial uses of a specialty type:	One (1) space for each five hundred (500) gross square feet of floor area.
Restaurants and Bars:	One (1) space for each five (5) seats.
Theaters:	One (1) space for each ten (10) seats.
Other Uses:	To be provided in accordance with the prevailing off-street parking requirements of the City of Sacramento.

Off-street parking facilities shall not be provided on-site, but within eight hundred feet (800') in consolidated off-street parking garage facilities, approved by the Agency. Such off-street parking facilities, to conform to the foregoing minimum parking, need not be provided or furnished by the property owners of the property that is the subject of this Declaration of Restrictions. The same shall be provided by the Redevelopment Agency in the manner and at the time hereunder provided. Such facilities may include, but shall not be limited to, the following:

- (1) A parking structure which may be constructed on the block bounded by Capitol Mall, L, Front and 2nd Streets;
- (2) A parking structure which may be constructed on the block bounded by Front, 2nd, I Streets and the I Street Viaduct;
- (3) Under the Viaduct between K Street and the J Street eastbound off-ramps;
- (4) Under the Viaduct between the J Street eastbound off-ramp and the north access-egress road from 3rd and I Streets; and
- (5) A parking structure which may be constructed on the blocks bounded by 3rd, 4th, J and L Streets.

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Parking facilities will be developed in two phases. Phase I will provide spaces in surface parking lots to be physically provided and prepared as the demand for spaces for occupied buildings requires. The Redevelopment Agency, in its sole and absolute discretion, shall determine when the demand for said space requires the furnishing and preparation of said surface parking facilities.

The Redevelopment Agency, in its sole and absolute discretion, may furnish and provide additional temporary spaces, if required and agreed to by the State of California, on the State's surface parking lot to be built north of I Street, as well as on certain vacant disposition sites within the Project itself.

Phase II will involve the construction of multi-level parking structures. When, in the sole and absolute discretion of the Agency, the parking demand is sufficient to allow satisfactory financing of multi-level parking structures, and when the Agency determines that it is in the best interests of the Old Sacramento Historic Area to channel this expressed demand into parking structures, the Agency will proceed with the development of multi-level parking structures within the above described sites. As the Old Sacramento Historic Area develops and customers and tourists require additional parking spaces, efforts will be made to encourage the State of California to develop a multi-story parking garage on its surface lot in the State Historic Park.

(f) Truck and Service Facilities. Truck and service facilities for loading and unloading supplies and materials and refuse disposal from all buildings, courts, plazas, gardens and yards shall be cooperatively developed by the owner and other interested owners of conveniently-located property. Such facilities need not provide for accommodation of the parking of service vehicles off the public way while performing loading or unloading functions. However, it is the intent of these Restrictions that all service and utilities areas, adjacent to those public alleys, be attractively designed in a manner compatible with the architectural character of the environment, and that rubbish and garbage disposal receptacles storage in connection therewith be provided in such a manner that they are located on the private property and screened from public view along these alleys and/or the public streets and ways, at the intersection with these alleys, and from the view toward such alleys from the properties they serve and surrounding properties in the block.

All service areas shall be adequately and appropriately lighted, drained and provision made for maintaining them in a clean, neat and health condition, free of odors, attraction of flies, and other insects and rodents.

Where planned unit development of one-half (1/2) a block of properties, or a major portion thereof can be practically accomplished, it is the intent of these Restrictions that truck and

service facilities serving all of the buildings, courts, plazas, and gardens therein, be concentrated in one (1) or more central locations in order to reduce the number of such service areas and facilitate their compatibility with adjacent developments of yards, courts, plazas and gardens in these rear portions of the properties.

In cases where rear service facilities cannot reasonably be developed off the alleys without excessive or complicated rights of easement over adjacent properties from the service area to the building, court, yard, garden or plaza served, truck service will be permitted by vehicles parked parallel from the adjacent street, while loading or unloading. In such cases, however, adequate provision shall be made within the building for the swift, healthful, safe and efficient supply (loading) and disposal (unloading) of goods, materials, garbage and rubbish to and from the basement level of the building and/or ground level of courts, plazas, gardens or yards without recourse to such devices as trapdoors, sidewalk elevators, or areaways in or adjacent to the public street and sidewalk rights-of-way.

The design of all truck and service facilities shall be submitted to and subject to the approval of the Redevelopment Agency.

(g) Land Coverage. Maximum coverage of buildings to land area shall not exceed eighty percent (80%) unless specifically excepted in the interest of historic accuracy and architectural authenticity by the Redevelopment Agency. It is the intent of these Restrictions to encourage insofar as practicable the attractive and well-landscaped development of the rear yards into courts, gardens and plazas wherever possible and to stimulate the development of appropriately designed and functional open and semi-open space adjacent and accessible to the private commercial, residential and public or quasi-public uses of the adjacent buildings themselves, as well as the re-creation of the historic street scenes. In this regard, therefore, the floor areas of open or covered (overhead) balconies, open or semi-open terraces, courts, plazas, arbors and collonades, and miscellaneous semi-open free standing, attached or detached garden gazebos, or utility structures, set forth in subsection (f) above, at or near grade shall not be included in the computation of land coverage.

(h) Other Environmental Controls.

(i) Exterior Architectural Controls. The exterior architectural treatment shall be governed generally by historic documentations as compiled by the Agency in historical studies. It will be required of the owner to restore or rehabilitate his building to a degree and detail that is acceptable to the Agency from the standpoint of historical and architectural authenticity. Architectural control, through review and approval by the Agency,

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will govern all visible exterior items of the building, including, but not limited to, the front (and side) facades, the rear treatment, the balcony and/or canopy, roof top equipment, color, etc.

(ii) Interior Design Controls. It is the desire of the Agency that the interior architecture and designing treatment be harmonious and complementary to the historic character of the building exterior and Project Area.

(iii) On-Site Improvements. Certain improvements to the property within the property lines are contemplated, especially to the rear of most buildings. The owner will be required to work with the Agency and adjacent property owners in order that a unified rear yard treatment will result. It will be the owner's responsibility to develop with the Agency's approval and maintain all areas of his site not occupied by the building.

(iv) Sign Control. All signs displayed from, on, or in the building and visible from any public area outside of the building will be subject to the review and approval of the Agency. The Agency will adopt a signing program and will have for distribution copies of the signing guidelines that make up the signing program.

Signs not directly related to the uses in the Project Area are prohibited. All proposed signs shall be presented to the Redevelopment Agency for approval. No sign shall be located on the roof of a building or project above the roof of a building to which it is affixed unless the sign represents a documented historic presentation and is specifically approved by the Agency. No signs relating to a specific development may be placed off-site unless approved by the Agency. The Agency may establish such other reasonable standards as it deems necessary for individual use in land areas.

For the purpose of this control, the following are defined:

- (1) "Sign" shall include any symbol, device, image, poster, flag, banner, billboard, design or directional sign used for advertising purposes, whether painted upon, attached to, erected on or otherwise maintained on any premises, containing any words, letters or parts of letters, figures, numerals, phrases, sentences, emblems, devices, trade names or trade marks by which anything is made known, such as are used to designate an individual, a firm, an association, a corporation, a profession, a business or a commodity or product, which is visible from any public highway and is used to attract attention.

- (2) "Display" includes erect, paint, repaint, place, replace, hang, rehang, repair, maintain, paint directly upon a building or other structure, inlay, imbed in or otherwise exhibit in public view.

(v) Maintenance. It is the responsibility of the Agency not only to oversee the re-creation of a portion of the Old City into an historic area, but to insure and protect its continuous economic stability, historic character and unique environment. Therefore, the owner will be required to maintain properly and consistently his real property and all improvements on it to a degree that does not detract from or degrade that of his neighbor or the public property adjacent to his own. The Agency does not anticipate setting minimum standards of maintenance. It feels that this can be best left to the good faith and discretion of the owner. However, after due notice to the owner and review by the Agency of a breach of the owner's good faith in regard to proper maintenance, the Agency shall have the authority to take specific action as outlined in Paragraph 10 of this Declaration of Restrictions.

(vi) Building Exhaust. To eliminate the exhaust and odors from kitchen areas posing an environmental nuisance, all exhaust from kitchens located in buildings in the Old Sacramento Historic Area will be ducted to the roof.

(vii) Lighting. It is the intent of the Agency that the historical character of the area will be maintained both at night as well as during the day. Therefore, the primary source of illumination for the area is to be provided by a system of street gas lighting. The street gas lighting plan includes placement of publicly-owned gaslights on the following privately-owned buildings at alley corner locations which are approximately nine feet (9') down the alley from the front property line and approximately twelve feet (12') above the street level finished floor elevation of the building to which it is attached:

- (1) Bennett's Masonic Hall [Building No. 17];
- (2) Mechanics Exchange Hotel and Annex [Building No. 31];
- (3) City Market Building [Building No. 54];
- (4) Harris-Winkle Building [Building Nos. 43-44];
- (5) Winkle Bakery [Building No. 59];
- (6) W. F. Brown Hotel [Building No. 72];
- (7) Latcher Building [Building No. 95];
- (8) Pioneer Telegraph Building [Building No. 108];
- (9) Fashion Saloon [Building No. 122].

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Since it is impossible at this time, however, to determine whether the gas lighting will be sufficient for an acceptable standard of sidewalk illumination, it will be the responsibility of the developer to provide additional sources of lighting from his building. These sources are to augment the gas lighting to establish an acceptable level of illumination along the sidewalks and alleys as determined by the Redevelopment Agency and the City of Sacramento. The sources of light must meet two important criteria to be approved by the Agency. First, they must be inconspicuously placed; second, they must be of a character that complements the gas lighting. It will be generally required that this lighting must remain on during the entire evening. No other type of floodlighting or illumination will be allowed unless approved by the Redevelopment Agency.

(viii) Historic Plaques or Markers. It is anticipated that the Old Sacramento Historical Area will become a major tourist attraction. To facilitate the need to inform the public about the individual buildings and their history some form of plaque or marker will be attached on or adjacent to each one. The Agency will have the authority for the design and placement of these plaques to facilitate continuity. The Agency may place an historic plaque or marker on any building in Old Sacramento where it deems it necessary to mark and publicize an historic person, place, or event. However, the owner will be encouraged to participate in the purchase of the plaque. Any additional plaque or marker desired by the owner must be submitted to the Agency for review and approval.

(i) General Controls.

(i) Planned Unit Development Concept. It is the intent of these Restrictions to encourage the design of well-planned facilities which offer a variety of historical, commercial, and residential, or other land uses through creative and imaginative planning. To accomplish this end the Planned Unit Development Concept may be permitted, thus providing greater flexibility in the design of integrated developments than would otherwise be possible through strict applications of the controls of these Restrictions. The Redevelopment Agency may justify exceptions to these Restrictions and permit such modifications as it deems warranted where a Planned Unit Development Concept appears to be in the best interest of the Project.

(ii) Elimination of Overhead Wiring. All wiring for electricity, telephone, telegraph and similar purposes shall be put underground throughout the Project Area, and existing poles or structures supporting overhead wiring shall be removed. Exception to this requirement may be granted by the Redevelopment Agency, at its sole discretion wherever unique conditions render undergrounding infeasible.

(iii) Applicability of Controls. Redevelopers as well as owner participants in property not to be acquired will be

obligated by means of covenants running with the land to devote the land to the uses allowed in the Redevelopment Plan, and to refrain from effecting or executing any agreement, lease, conveyance or other instrument whereby any parcel in Project No. 4 owned by them is restricted upon the basis of race, color, religion, national origin, or ancestry in the sale, lease, or occupancy thereof, and to refrain from permitting discrimination or segregation on account of race, color, religion, national origin or ancestry. All deeds, leases, or contracts for the sale, lease, sublease, or other transfer of any land in the Project shall contain the nondiscrimination clauses prescribed in Section 33436 of the California Health and Safety Code.

(iv) Parking. Off-street parking facilities may be publicly owned and/or publicly operated, or privately developed and operated for the use of one or more buildings in the Project, or developed by a nonprofit corporation or association with or without public sponsorship and operated for the use of one or more buildings in the Project, or any combination of the above.

Minimum Dimensions. All off-street parking facilities shall be developed with not less than the following minimum dimensions and shall be designed so that each parking space can function independently of any other parking space. Further, no off-street parking facility shall be approved which, in the judgment of the Redevelopment Agency cannot properly function due to the site or a building obstruction, or restricted access and turning radius, or which requires excessive maneuvering. In addition, parking stalls must be marked on the parking area.

PARKING TABLE  
(Minimum Dimensions)

<u>Parking Angle</u>	<u>Stall Width <sup>1/</sup></u>	<u>Stall Depth <sup>2/</sup></u>	<u>Aisle Width <sup>2/</sup></u>	<u>Double Bank Served by Single Aisle <sup>3/</sup></u>
90° <u>4/</u>	9 feet	19 feet	24 feet	62 feet
60° <u>4/</u>	8.75 feet	20 feet	18 feet	58 feet
45° <u>4/</u>	8.50 feet	17 feet	14 feet	48 feet
30° <u>4/</u>	8.25 feet	15 feet	12 feet	42 feet
0° (Parallel)	8.00 feet	22 ft. <u>5/</u>	14 feet	30 feet

- 1/ Measured at right angle to parking angle.
- 2/ Measured at right angle to direction of aisle.
- 3/ Mean overall dimension measured at right angle to direction of aisle.
- 4/ All angle parking shall be front end head-in type.
- 5/ Stall depth measured in direction of aisle.



(v) Off-Street Truck Service. Requirements of off-street truck service facilities are continually changing because of trends in truck body manufacture and State laws, and their design shall be subject to approval of the Agency upon satisfaction of the Agency by the developer that reasonable assumptions of the type of service vehicles that are most apt to use the facilities can be adequately accommodated.

(vi) Landscape Planting. Landscape planting as used in these Restrictions refers generally to lawns, shrubs, and trees. All such planting shall include a self-contained irrigation system.

7. Review of Plans

No construction of any buildings or other improvements may be commenced upon any parcel of property covered hereby, until architectural plans, site plans and specifications for the construction of buildings, signs, landscaping and other improvements have been submitted to and approved by the Redevelopment Agency. Such plans and specifications shall be in sufficient detail to enable the Agency to determine their compliance with these Restrictions, and to insure the proper development of the area in accordance with the intention of the Redevelopment Agency. The Redevelopment Agency shall examine these plans and specifications and they shall be deemed approved unless the Agency shall give written notice of its rejection of such plans and specifications within the time specified in the applicable Contract for Sale of Land for Private Redevelopment, or Owner Participation Agreement. Such written rejection shall specify, in detail, the reasons therefor. The provisions of this paragraph shall also apply to any amended or corrected plans.

8. Nondiscrimination

There shall be no discrimination against or segregation of any person or group of persons on account of race, creed, color, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, and tenure or enjoyment of the property subject hereto, nor shall any grantee of the property covered hereby or any person or persons claiming under or through him 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, sublessees, or vendees in the premises conveyed.

9. Term

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them. All lots, parcels, and property which shall be sold or conveyed, held, used and leased shall be subject to these Restrictions which are hereby declared to be for the benefit of all property in the Capitol

Mall Riverfront Project, Project No. 4, and each and every owner thereof, and shall pass with said property and each and every parcel thereof and are applied to and bind the respective successors in interest of the Redevelopment Agency. Covenants and conditions contained herein shall run for a period of thirty (30) years from the effective date of the Ordinance adopting the Redevelopment Plan for the Capitol Mall Riverfront Project, Project No. 4, except the covenants and conditions contained in Paragraph 8 hereof, shall run in perpetuity. All other covenants and provisions contained herein may be extended for successive periods of ten (10) years by an instrument agreeing to such extension or extensions filed by a majority of the owners of the parcels of property in the Capitol Mall Riverfront Project, Project No. 4, and then recorded in the office of the County Recorder of Sacramento County, State of California.

#### 10. Enforcement

In the event of any breach of the covenants contained herein, the Agency shall endeavor immediately to remedy such breach by conference, conciliation and persuasion. In the event of failure so to remedy such breach or in advance thereof, if in the opinion of the Agency circumstances so warrant, said breach shall be enjoined or abated by appropriate proceedings brought by the Agency.

The Agency may institute or prosecute in the name of the owners of property in the Capitol Mall Riverfront Project, Project No. 4, or in its own name any suit which such Agency may consider advisable in order to compel and obtain a decree for specific performance of any obligation of any owner to develop and maintain the property in conformity with this Declaration of Restrictions. Any owner or owners, singly or collectively, of any of the real property in the Capitol Mall Riverfront Project, Project No. 4, may at any time prosecute any proceedings in law or in equity in the case of any violation or attempt to violate any of the covenants contained herein. The provisions contained herein shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title.

#### 11. Foreclosure and Enforcement of Liens

The provisions of this Declaration of Restrictions do not limit the right of obligees to foreclose or otherwise enforce any mortgage, Deed of Trust, or other encumbrances upon the property covered hereby or any portion thereof, or the right of any obligees to exercise any of its remedies for the enforcement of any pledge or lien upon property covered hereby; provided, however, that in the event of any foreclosure, under any such mortgage, Deed of Trust, or other lien or encumbrance, or a sale pursuant to any power of sale included in any such mortgage or Deed of Trust, the purchaser or purchasers and their successors and assigns and the property, shall be, and shall continue to be subject to all of the conditions, restrictions and covenants contained herein.

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12. Amendment

If at any time the Redevelopment Plan is amended in any manner as is now or hereafter permitted by law, this Declaration of Restrictions may be amended accordingly. The Redevelopment Agency may amend or modify this Declaration of Restrictions at any time without having first modified or amended the Redevelopment Plan so long as such amendment or modification of the Declaration of Restrictions does not conflict with existing provisions of the Redevelopment Plan.

13. Dissolution

In the event the Agency shall be abolished or its designation changed by or pursuant to law, its powers, rights and functions under this Declaration of Restrictions may be transferred by or pursuant to law to any other governmental officer or agency; provided, that in the event of such abolition of the Agency without specific provision of law for such transfer of powers, duties, rights and functions, then the City of Sacramento, County of Sacramento, State of California, shall succeed to the same.

14. Other Property of the Declarant

The restrictions, covenants and conditions contained herein apply only to that real property described in Section 1 of this Declaration and do not apply to any other land which the Agency now owns, or may hereafter acquire.

15. Existing Buildings

Certain existing buildings and parcels in the area covered by these Restrictions are each covered by an Owner Participation Agreement recorded in the Official Records of the County of Sacramento. To the extent that physical standards and requirements of such buildings and parcels are specifically provided for in such Owner Participation Agreements, the provisions of said Agreements shall govern instead of these Restrictions.

16. City Codes and Redevelopment Plan

Nothing contained herein shall be construed as permitting the violation of any requirement of the ordinances or other laws or rules of the City of Sacramento, or any of the provisions of the Redevelopment Plan for Project No. 4, it being the intent thereof to impose additional restrictions over and above the requirements of any such ordinances, rules, or provisions of the Redevelopment Plan for Project No. 4.

17. Property Owners' Association

It is anticipated that an Association or Corporation will be formed by the property owners in the Old Sacramento Historic Area to improve and maintain certain areas used by or visible to the public, such as, the courtyard areas, the rear facades of buildings, and public rights of way. If such an organization is formed, it is expected that each property owner will become a member of that organization, and will agree to be bound by its rules of operation and by any conditions, covenants, and restrictions established by that organization relating to the improvement or maintenance of areas within Old Sacramento used by or visible to the public. It is also expected that each property owner will pay any assessments regularly imposed by such organization.

18. Separability of Provisions

If any of the provisions of this Declaration of Restrictions shall be held invalid by any court of law, the validity of the remainder of this Declaration of Restrictions and the applicability of such provisions to any other owner or owners of parcels of land shall not be affected thereby.

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IN WITNESS WHEREOF, the Redevelopment Agency of the City of Sacramento has caused these presents to be executed as of the day and year first above written.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

By /s/ Kneeland H. Lobner  
Chairman

By /s/ Robert B. Bradford  
Secretary

STATE OF CALIFORNIA )  
                          ) ss.  
COUNTY OF SACRAMENTO )

On this 30th day of August, 1971, before me, the undersigned, a Notary Public in and for said County and State, personally appeared KNEELAND H. LOBNER, known to me to be the Chairman, and ROBERT B. BRADFORD, known to me to be the Secretary, of the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, a public body, corporate and politic, that executed the within Declaration of Restrictions and known to me to be the persons who executed the within Declaration of Restrictions on behalf of said Agency, and acknowledged to me that such Agency executed the same, and acknowledged that said Agency executed the same pursuant to a resolution of the Members thereof.

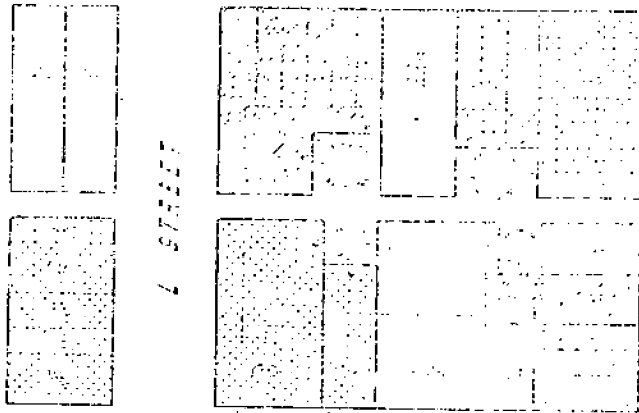
WITNESS my hand and official seal.

/s/ James M. Bull

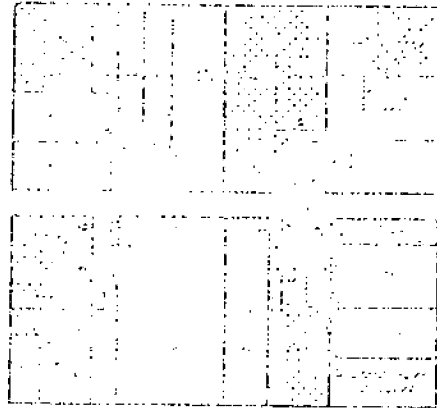
Notary Public in and for said  
County and State.

[S E A L]

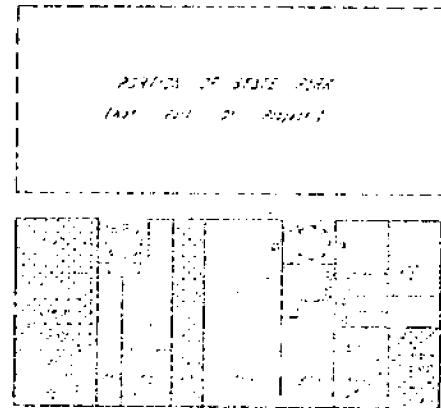
FRONT STREET



L STREET



K STREET



M STREET

PROJECT 4

2<sup>ND</sup> STREET



PROJECT 3

HOSPITAL SQUARE AREA

Lot No.	Area (sq. ft.)	Area (sq. m.)	Owner	Address	Area (sq. ft.)	Area (sq. m.)	Owner	Address
1	1,200	111.5	...	...	1,200	111.5	...	...
2	1,500	139.4	...	...	1,500	139.4	...	...
3	1,800	167.3	...	...	1,800	167.3	...	...
4	2,100	194.2	...	...	2,100	194.2	...	...
5	2,400	222.1	...	...	2,400	222.1	...	...
6	2,700	250.0	...	...	2,700	250.0	...	...
7	3,000	277.9	...	...	3,000	277.9	...	...
8	3,300	305.8	...	...	3,300	305.8	...	...
9	3,600	333.7	...	...	3,600	333.7	...	...
10	3,900	361.6	...	...	3,900	361.6	...	...
11	4,200	389.5	...	...	4,200	389.5	...	...
12	4,500	417.4	...	...	4,500	417.4	...	...
13	4,800	445.3	...	...	4,800	445.3	...	...
14	5,100	473.2	...	...	5,100	473.2	...	...
15	5,400	501.1	...	...	5,400	501.1	...	...
16	5,700	529.0	...	...	5,700	529.0	...	...
17	6,000	556.9	...	...	6,000	556.9	...	...
18	6,300	584.8	...	...	6,300	584.8	...	...
19	6,600	612.7	...	...	6,600	612.7	...	...
20	6,900	640.6	...	...	6,900	640.6	...	...
21	7,200	668.5	...	...	7,200	668.5	...	...
22	7,500	696.4	...	...	7,500	696.4	...	...
23	7,800	724.3	...	...	7,800	724.3	...	...
24	8,100	752.2	...	...	8,100	752.2	...	...
25	8,400	780.1	...	...	8,400	780.1	...	...
26	8,700	808.0	...	...	8,700	808.0	...	...
27	9,000	835.9	...	...	9,000	835.9	...	...
28	9,300	863.8	...	...	9,300	863.8	...	...
29	9,600	891.7	...	...	9,600	891.7	...	...
30	9,900	919.6	...	...	9,900	919.6	...	...
31	10,200	947.5	...	...	10,200	947.5	...	...
32	10,500	975.4	...	...	10,500	975.4	...	...
33	10,800	1003.3	...	...	10,800	1003.3	...	...
34	11,100	1031.2	...	...	11,100	1031.2	...	...
35	11,400	1059.1	...	...	11,400	1059.1	...	...
36	11,700	1087.0	...	...	11,700	1087.0	...	...
37	12,000	1114.9	...	...	12,000	1114.9	...	...
38	12,300	1142.8	...	...	12,300	1142.8	...	...
39	12,600	1170.7	...	...	12,600	1170.7	...	...
40	12,900	1198.6	...	...	12,900	1198.6	...	...
41	13,200	1226.5	...	...	13,200	1226.5	...	...
42	13,500	1254.4	...	...	13,500	1254.4	...	...
43	13,800	1282.3	...	...	13,800	1282.3	...	...
44	14,100	1310.2	...	...	14,100	1310.2	...	...
45	14,400	1338.1	...	...	14,400	1338.1	...	...
46	14,700	1366.0	...	...	14,700	1366.0	...	...
47	15,000	1393.9	...	...	15,000	1393.9	...	...
48	15,300	1421.8	...	...	15,300	1421.8	...	...
49	15,600	1449.7	...	...	15,600	1449.7	...	...
50	15,900	1477.6	...	...	15,900	1477.6	...	...
51	16,200	1505.5	...	...	16,200	1505.5	...	...
52	16,500	1533.4	...	...	16,500	1533.4	...	...
53	16,800	1561.3	...	...	16,800	1561.3	...	...
54	17,100	1589.2	...	...	17,100	1589.2	...	...
55	17,400	1617.1	...	...	17,400	1617.1	...	...
56	17,700	1645.0	...	...	17,700	1645.0	...	...
57	18,000	1672.9	...	...	18,000	1672.9	...	...
58	18,300	1700.8	...	...	18,300	1700.8	...	...
59	18,600	1728.7	...	...	18,600	1728.7	...	...
60	18,900	1756.6	...	...	18,900	1756.6	...	...
61	19,200	1784.5	...	...	19,200	1784.5	...	...
62	19,500	1812.4	...	...	19,500	1812.4	...	...
63	19,800	1840.3	...	...	19,800	1840.3	...	...
64	20,100	1868.2	...	...	20,100	1868.2	...	...
65	20,400	1896.1	...	...	20,400	1896.1	...	...
66	20,700	1924.0	...	...	20,700	1924.0	...	...
67	21,000	1951.9	...	...	21,000	1951.9	...	...
68	21,300	1979.8	...	...	21,300	1979.8	...	...
69	21,600	2007.7	...	...	21,600	2007.7	...	...
70	21,900	2035.6	...	...	21,900	2035.6	...	...
71	22,200	2063.5	...	...	22,200	2063.5	...	...
72	22,500	2091.4	...	...	22,500	2091.4	...	...
73	22,800	2119.3	...	...	22,800	2119.3	...	...
74	23,100	2147.2	...	...	23,100	2147.2	...	...
75	23,400	2175.1	...	...	23,400	2175.1	...	...
76	23,700	2203.0	...	...	23,700	2203.0	...	...
77	24,000	2230.9	...	...	24,000	2230.9	...	...
78	24,300	2258.8	...	...	24,300	2258.8	...	...
79	24,600	2286.7	...	...	24,600	2286.7	...	...
80	24,900	2314.6	...	...	24,900	2314.6	...	...
81	25,200	2342.5	...	...	25,200	2342.5	...	...
82	25,500	2370.4	...	...	25,500	2370.4	...	...
83	25,800	2398.3	...	...	25,800	2398.3	...	...
84	26,100	2426.2	...	...	26,100	2426.2	...	...
85	26,400	2454.1	...	...	26,400	2454.1	...	...
86	26,700	2482.0	...	...	26,700	2482.0	...	...
87	27,000	2509.9	...	...	27,000	2509.9	...	...
88	27,300	2537.8	...	...	27,300	2537.8	...	...
89	27,600	2565.7	...	...	27,600	2565.7	...	...
90	27,900	2593.6	...	...	27,900	2593.6	...	...
91	28,200	2621.5	...	...	28,200	2621.5	...	...
92	28,500	2649.4	...	...	28,500	2649.4	...	...
93	28,800	2677.3	...	...	28,800	2677.3	...	...
94	29,100	2705.2	...	...	29,100	2705.2	...	...
95	29,400	2733.1	...	...	29,400	2733.1	...	...
96	29,700	2761.0	...	...	29,700	2761.0	...	...
97	30,000	2788.9	...	...	30,000	2788.9	...	...
98	30,300	2816.8	...	...	30,300	2816.8	...	...
99	30,600	2844.7	...	...	30,600	2844.7	...	...
100	30,900	2872.6	...	...	30,900	2872.6	...	...

- LEGEND**
- [Symbol] AREAS TO BE DEVELOPED UNDER THE DISTRICT
  - [Symbol] EXISTING BUILDINGS
  - [Symbol] EXISTING DRIVEWAYS
  - [Symbol] EXISTING SIDEWALKS
  - [Symbol] EXISTING UTILITIES
  - [Symbol] EXISTING CURBS
  - [Symbol] EXISTING STREETS
  - [Symbol] EXISTING ALLEYS
  - [Symbol] EXISTING EASEMENTS
  - [Symbol] EXISTING RIGHTS OF WAY
  - [Symbol] EXISTING ZONING

**Easements for Utilities**

OLD SURVEYS  
HOSPITAL SQUARE  
DISTRICT 100  
APPROX. SITE PLAN

PROJECT NO. 100  
APPROX. SITE PLAN

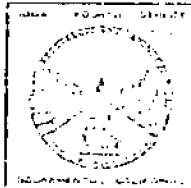


EXHIBIT E

SCHEDULE OF PERFORMANCES

The effective date of this Agreement is July 15, 1984.

Phase I Property

1. Redeveloper shall prepare and submit to the Agency Preliminary Plans for Redeveloper's Improvement and Agency shall approve or disapprove Preliminary Plans  
Plans have already been submitted and approved
2. Redeveloper shall submit evidence of commitment for unconditional construction and permanent financing and sufficient equity capital to complete the project  
Within thirty (30) days from effective date of this Agreement, but not later than August 14, 1984
3. Agency shall approve or disapprove Evidence of Financing  
Within twenty-one (21) days after submission of Evidence of Financing by Redeveloper
4. Redeveloper shall submit Final Foundation and Structural Construction Plans to Agency  
Within forty-five (45) days from effective date of this Agreement, but no later than August 29, 1984
5. Agency shall approve or disapprove Final Foundation and Structural Construction Plans  
Within twenty-one (21) days after submission by Redeveloper
6. Redeveloper shall deposit into escrow, the purchase price for the property and all other documents and fees necessary to close escrow  
Within seventy-five (75) days after effective date of this Agreement, but no later than September 28, 1984
7. Agency shall deposit into escrow, the Special Warranty Deed and all other documents and fees necessary to close escrow  
Within seventy-five (75) days after the effective date of this Agreement, but no sooner than the date Redeveloper deposits purchase price for the property and has provided Agency with approved Evidence of Financing and Agency approved Foundation and Structural Construction Plans



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8. Escrow shall close  
Within ten (10) days after Agency and Redeveloper deposit into escrow, the Special Warranty Deed, the purchase price for the property and all other documents and fees necessary to close escrow
  
9. Redeveloper shall commence construction of the foundation and other improvements pursuant to the approved Final Foundation and Structural Construction Plans  
Within ninety-five (95) days from the effective date of this agreement but no later than October 18, 1984
  
10. Redeveloper shall prepare and submit to Agency Final Construction Plans for Redevelopers Improvements  
Within one hundred fifty (150) days from effective date of this Agreement, but no later than December 12, 1984
  
11. Agency shall approve or disapprove Final Construction Plans  
Within forty-five (45) days after submission of Final Construction Plans by Redeveloper
  
12. Redeveloper shall complete construction of all improvements on the Phase I property  
Within fifteen (15) months after commencing construction of the foundation and structural improvements but no later than January 18, 1986.

EXHIBIT "E"

PHASE II PROPERTY:

1. Agency shall notify Redeveloper that the Phase II Property is available for disposition. Not later than ten (10) years following the effective date of the Agreement.
2. Agency shall submit to Redeveloper conceptual plans for the Improvements to be constructed on the Phase II Property. Concurrent with notification that the Phase II Property is available for disposition.
3. Redeveloper shall submit to the Agency Final Construction Plans for the Improvements to be constructed on the Phase II Property. Within one hundred twenty (120) days following receipt by Redeveloper of notification from the Agency that the Phase II Property is available for disposition.
4. Agency shall approve or disapprove Redeveloper's Final Construction Plans for the Improvements on the Phase II Property. Within thirty (30) days after submission of such Final Construction Plans.
5. Redeveloper shall deposit the Purchase Price for the Phase II Property into escrow. Within thirty (30) days after the Agency approves Redeveloper's Final Construction Plans.
6. Agency shall deposit the Deed for the Phase II Property into escrow. Within thirty (30) days after the Agency approves Redeveloper's Final Construction Plans.
7. The Purchase Price for the Phase II Property shall be paid to the Agency, the Deed delivered to the Redeveloper, and escrow shall be closed. Within two (2) weeks after the Agency deposits the Deed into escrow.
8. Redeveloper shall commence construction of the Improvements on the Phase II Property. Within one (1) month after the close of escrow.
9. Redeveloper shall complete construction of the Improvements on the Phase II Property. Within one hundred fifty (150) days after the commencement of construction.

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EXHIBIT "F"

SCOPE OF DEVELOPMENT

1. Redeveloper shall reconstruct the Orleans Hotel Building (Parcel No. 48) based on approved schematic and historical documentation of the Redevelopment Agency and its consultants. However, in order to accommodate the proposed reuse of the Property, the Redeveloper may add additional floor area within the height of the historic street facade and the previously approved height of the prototyped rear elevation. The historic street facade will remain unaltered from previously approved plans. It is proposed that the rear elevation will express the additional floor(s) and floor area and thus, will be modified from previously approved plans.

All reconstruction work will be completed in accordance with Agency plans and specifications and consultant studies and as approved by the Agency. Plans and specifications or modifications of existing plans for specific reconstruction work shall be prepared by an architect licensed in the State of California. The architect shall also supervise and approve the entire construction project from the Preliminary Plan stage through construction completion for compliance with plans and specifications. Such supervision shall include periodic on-the-job inspection. Specific reconstruction work shall be done pursuant to a contract with a contractor licensed in the State of California.

2. Redeveloper agrees that the structure shall be utilized as an 80 to 95 room hotel with related amenities.
3. Notwithstanding any other provisions of the Agreement, in the event the Redeveloper, and its successors and assigns, changes the intended or actual uses of the Orleans Hotel Building from the uses specified in Paragraph 2 above without the written consent of the Agency, the Agency may elect, at its option:
  - (a) Prior to conveyance of the Phase I Property, to terminate the Agreement in the manner provided in Section 703 of Part II of this Agreement;
  - (b) Prior to completion of the Improvements on the Phase I Property, to re-enter and take possession of the Property

and terminate (and re-vest in the Agency) the estate conveyed by the Deed to the Redeveloper, in the manner provided in Section 704 of Part II of this Agreement; and

- (c) Subsequent to completion of the Improvements on the Phase I Property, and for a period of two (2) years from the date of such completion, to demand of and receive from the Redeveloper, its successors and assigns, the sum of FIFTY DOLLARS (\$50.00) per day as liquidated damages for each day an unpermitted use remains in operation. Agency and Redeveloper agree that the damage to the Agency resulting from an unpermitted use would be impracticable or extremely difficult to fix, and that said sum of FIFTY DOLLARS (\$50.00) per day is a fair and reasonable estimate of the loss which would be suffered by the Agency.
4. Redeveloper agrees that during the period of reconstruction, and until the reconstruction of the building is completed, the Redeveloper shall require its contractors, subcontractors, agents and employees, and the agents and employees of such contractors and subcontractors, to park their personal vehicles in parking areas other than on-street parking spaces in the Old Sacramento Historic Area.