



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



TO CONTINUED
7-14-87

June 15, 1987

Redevelopment Agency of the
City of Sacramento and
Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Termination of Contract with VICTORIA PARK ASSOCIATES
and Execution of Predevelopment Agreement with 1111 G
STREET PARTNERS for Mixed use Project in Alkali Flat
Redevelopment Area

SUMMARY

This report recommends several actions on behalf of the City of Sacramento and the Redevelopment Agency regarding land disposition in Alkali Flat. 1) The first recommended action authorizes the Executive Director to terminate a contract of sale for private redevelopment of a 24-unit condominium project on the northwest corner of 11th & G Streets for nonperformance. 2) The second recommended action authorizes the City Manager of the City of Sacramento and the Executive Director of the Redevelopment Agency to enter into a Predevelopment Agreement with the 1111 G Street Partners for development of a mixed use project consisting of residential, office and retail buildings to be constructed on city and agency owned properties in Alkali Flat. A third and optional recommended action allows the Executive Director to terminate all existing contracts, and negotiations and report back to the Agency and the Council on their options for disposition of the property if the Termination Agreement and Predevelopment Agreement are not executed within sixty (60) days of the date of this resolution.

6-30-87
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BACKGROUND

History:

A contract with Victoria Park Associates was executed on November 20, 1979 by Resolution RA-2878. The developer was to construct 24 condominium units on the northwest corner of 11th and G Streets on property owned by the Agency as depicted in Attached A. This project suffered from numerous delays and requests for extensions for several years as the developer attempted to work out design problems and financing difficulties. On March 22, 1983, the Agency adopted Resolution 83-023 which established specific conditions for contract amendment and assignment of the project to William A. Cook. Despite the assignment, the project has not been constructed due to disagreement between the developer and the Agency with reference to the precise terms of the construction loan subordination clause and the maximum price of the condominiums.

On September 19, 1984, a development group consisting of William A. Cook (Victoria Park Associates) Dennis Gardemeyer, Richard Hyde, Ed Kado and Greg Rossini, (latter identified as the 1111 G STREET PARTNERS) approached the Agency with a new proposal to construct a mixed use development. The partnership's proposed project would utilize the agency owned site as well as the half block bounded by 11th Street, 12th Street and G Street under the ownership of the City of Sacramento. This proposal would also require abandonment of 11th Street from G Street to the alley. Following initial meetings with staff, the Redevelopment Agency at its regular meeting of November 20, 1984 authorized exclusive negotiations with the 1111 G Street Partners while certain actions and reviews were carried out. Since consensus could not be reached on the price of the various parcels of land both the development group and the Agency initiated requests for appraisals and the 1111 G Street Partner revised its initial project concept and submitted a new proforma.

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Summary of Negotiations:

Even though the original exclusive negotiation period expired, staff continued to negotiate based on the good faith efforts made by the 1111 G Street Partners as evidenced by submission of several schematics, proformas and independent appraisals, as well as partnership papers, resumes, financials, etc. Both City and Agency staff considered the merits of advertising this project to the general public versus the existing sole source approach. It was generally agreed, however that to do so might unnecessarily complicate the termination of VICTORIA PARK ASSOCIATES. (It should be noted that Mr. William A. Cook is a partner both in VICTORIA PARK ASSOCIATES and in 1111 G STREET PARTNERS). Moreover, staff acknowledges a number of concessions made by the 1111 G Street Partners to build this project to conform to the adopted Alkali Flat Redevelopment Plan. Specifically, this project would provide forty (40) units of housing built to condominium specifications and 20% of them would be "affordable" to individuals earning 80% of median income. For these reasons, in February 1987 Agency and City staff agreed upon a tentative business arrangement which would be mutually acceptable for the development of this site. This business arrangement is predicated on the condition that termination agreement is executed by VICTORIA PARK ASSOCIATES prior to execution of the Predevelopment Agreement.

Scope of Development and Business Proposal:

Summarized below are the key elements of the proposed development:

SUMMARY OF SCOPE OF DEVELOPMENT

- . 40 residential units built to condominium specifications of which 8 units to be affordable to low income persons (80% of median income).
- . 40,000 square feet of office space
- . 171 surface parking spaces
- . 12,400 square feet of retail space
- . Estimated total development costs: \$8,100,000

Residential:	2,000,000
Office/Commercial/Parking	6,100,000

All uses are consistent with the Alkali Flat Redevelopment Plan, as well as city parking and zoning codes.

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BUSINESS PROPOSAL

I. Sales Price of Land (based on 1986 MAI Re-use appraisal)

A. Commercial Land

- | | |
|-------------------------------------------|-------------|
| 1. Cash in Escrow | \$ 800,000* |
| 2. Deferred loan at 0% due
in 13 years | \$ 140,000 |

SUB-TOTAL COMMERCIAL \$ 940,000

B. Residential Land

- | | |
|-------------------------------------------|------------|
| 1. Deferred loan at 0% due
in 13 years | \$ 125,000 |
|-------------------------------------------|------------|

TOTAL LAND SALE VALUE \$1,065,000

- * \$400,000 is due and payable to the City of Sacramento at escrow opening. These funds are to be used by the City to clear the site. The balance of \$400,000 is due at the close of escrow.

II. Terms of Public Assistance

- A. City to relocate all businesses, demolish existing structures, and make available a cleared site for development.
- B. City to complete soils tests and analysis relative to toxic waste liability issue. Developer, City and Agency to review results and determine mitigation measures, assign costs as well as responsibilities prior to execution of DDA.
- C. City to sell commercial land for \$940,000 appraised market value with \$800,000 cash due in escrow and the \$140,000 balance due in 13 years as a deferred 0% interest note. This note becomes due and payable upon sale, transfer or refinance.

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- D. Agency to defer repayment of the \$125,000 loan for the purchase of residential land for 13 years at 0% interest or until land is refinanced, transferred or sold. "A Qualified refinance" would be permitted.
- E. Agency to make a construction loan in an amount not to exceed \$415,000 which represents 20% of the residential construction cost. The loan of \$415,000 would be for the purpose of meeting the Agency's 20% low/moderate occupancy requirements. The term of the loan would be thirteen (13) years with 0% interest accrued or paid in years one through three from the date of completion of the residential units. In years four through thirteen the interest rate shall be 5.5% amortized (principal and interest) based on a 30 year term but due and payable in ten (10) years from day one of year four or upon sale, transfer or refinance.

Additional duties and responsibilities are identified in the full predevelopment agreement such as tentative condominium map lot merger, street abandonment, utility relocation, preliminary plans, equity contribution, etc. Staff recommends that the developer enter into this predevelopment agreement in order to ensure that the land entitlements are secured and "in place" prior to the execution of a final Disposition and Development Agreement (DDA). A public hearing to transfer title of the land would not be set until and unless all predevelopment obligations are met. A copy of the predevelopment agreement available in the City/Agency Clerk's Office. Default of predevelopment obligations automatically terminates this project and authorizes staff to report back to the Agency and Council regarding disposition options.

The project concept and site plan has been tentatively reviewed by the City Planning Division with the developer, and the business proposal has been reviewed by the City Manager's Office and the City Attorney's Office. As indicated previously, the DDA would not be executed until all the terms of the predevelopment agreement have been met and both the Agency and the City are satisfied that the project would proceed to completion.

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The City of Sacramento (12th and G Site) will receive a net land value for the commercial parcel of \$724,000. This is based on the sales price of \$940,000* minus relocation, testing and clearance costs which are estimated at \$216,000. Clearance and relocation costs will precede the actual land transfer and a budget amendment for these activities is the subject of a separate report. The Redevelopment Agency will not receive any upfront value from the residential portion at sale but will receive principal and interest on the following loans:

FINANCIAL DATA

\$415,000	Deferred construction loan for Residential Units
\$125,000	Deferred loan for purchase of Residential Land

Estimated increased annual tax increment flow as a result of this project is \$81,000 and business tax, utility user's tax and sales tax increases are estimated at \$40,800 annually.

The Agency's commitment to this project is in terms of financial assistance for only the residential units. The proposed financial assistance directly related to the Agency's requirement that 20% of the residential units be affordable to families who are low and moderate income. Since the proposed project has been designed to conform to the Alkali Flat Redevelopment Plan and enforcement of the plan constricts development, and the operating proforma indicates a need for financial assistance it is necessary to defer the sales price for a period of 13 years at 0% interest (unless the land is refinanced or sold) in order to make the project feasible. Alkali Flat Housing Program funds (Cost Center A00682) have been identified to make the \$415,000 deferred loan for the residential units since the proposed project incorporates Site 1 and Site 6 of an approved housing program.

* Note that \$140,000 of the 940,000 is a deferred no interest note. The principal is due to the City in 13 years from the date of notice of construction completion on the project.

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ENVIRONMENTAL REVIEW

Environmental review procedures will be initiated as a prerequisite to the construction phase. The City, as lead agency and property owner of the 12th and G (commercial site) will be required to prepare environmental documents on the proposed demolition covered under this agreement.

POLICY IMPLICATIONS

The proposed actions in this staff report pose a policy issue regarding sole source vs. RFP developer selection procedures. The recommendation, however, is consistent with the policy directions of the Redevelopment Agency in November 1984, directing staff to negotiate exclusively with the 1111 G Street Partners. The land uses of the proposed development is in accordance with the uses specified in the adopted Alkali Flat Redevelopment Plan.

VOTE AND RECOMMENDATION OF PROJECT AREA COMMITTEE

At its regular meeting of June 3, 1987 the Alkali Flat Project Area Committee adopted a motion recommending that you adopt the attached resolution, by the following vote:

AYES: Booher, Bustamonte, Dolinar, Glauz, Huerta, Camacho,
Williams C., Barrientos

NOES: None

ABSENT: Geminiani, Davila, Domingues, Mercado, Williams T.

ABSTAIN: Hyde, Cabrera

The PAC however expressed concern that the design of the project should complement the Alkali Flat Neighborhood, and preserve the 11th Street view corridor to the Capital.

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VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of June 15, 1987 the Sacramento Housing and Redevelopment Commission adopted a motion recommending that you adopt the attached resolution with the following conditions:

- 1) That the development team work with an architect/designer who is sensitive to the Alkali Flat area in order to ensure that the development is both architecturally and aesthetically compatible to the area.
- 2) That the site plan be re-worked to preserve the 11th Street view corridor to the Capital, if possible.
- 3) That the development team explore alternatives to surface parking for the development.
- 4) That the design should emphasize and highlight retail use along the 12th Street Corridor, and
- 5) That an updated proforma be provided prior to action on the DDA.

AYES: Glud, Moose, Pettit, Sheldon, Simon, Simpson, Wiggins,
Wooley and Yew

NOES: None

ABSENT: Sanchez

NOT PRESENT TO VOTE: Amundson

RECOMMENDATION

Staff concurs with the Commission and PAC's recommendation on design and recommends the adoption of the attached resolutions which authorize the City Manager and/or the Executive Director to:

1. Terminate the Contract of Sale for Private Redevelopment for 24 condominium units with VICTORIA PARK ASSOCIATES;
2. Enter into a Predevelopment Agreement with the developer, 1111 G STREET PARTNERS, for purchase and development of parcels 002-153-23 & 24, 002-155-22, 23, & 24 and 12,800 square feet of 11th Street from G Street north to alley, contingent upon developer meeting all terms of said agreement including the adding of conditions to the Agreement which address the PAC and Commission's comments as recorded above;

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3. Set a public hearing for sale of City owned and Agency owned property as identified in this report, only if all terms and conditions of this Predevelopment Agreement are met; and
4. Terminate all existing contracts and/or negotiations if either the Termination Agreement or the Predevelopment Agreement are not signed within sixty (60) days of the date of this resolution; and authorize the City Manager and the Executive Director to prepare a report back to the Council and the Agency regarding the options for disposition of this land.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL

Walter J. Slupe

WALTER J. SLIPE
City Manager

Attachments: A - Site Map (Location within Alkali Flat)
B - Developer's Site Plan
C - Predevelopment Agreement

Contact Person: Trish Davey, 440-1322

0148Q

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

June 30, 1987

EXECUTION OF PREDEVELOPMENT AGREEMENT WITH
1111 G STREET PARTNERSHIP
FOR DEVELOPMENT OF A MIXED-USE PROJECT IN ALKALI FLAT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SACRAMENTO:

Section 1: The City Manager is authorized to enter the
Predevelopment Agreement attached hereto as Attachment "C" with
1111 G STREET PARTNERSHIP for development of a mixed use project
in ALKALI FLAT REDEVELOPMENT AREA NO. 6, Sacramento, California.

Section 2: Upon developer's fulfillment of terms and
conditions of said Predevelopment Agreement, the City Manager is
authorized to set a public hearing for sale of certain property
owned by the City of Sacramento to the 1111 G Street Partnership.

MAYOR

ATTEST:

CLERK

WPP106(L)
154WPP1

RESOLUTION NO.

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

June 30, 1987

TERMINATION OF CONTRACT WITH VICTORIA PARK ASSOCIATES AND
EXECUTION OF PREDEVELOPMENT AGREEMENT WITH
1111 G STREET PARTNERSHIP

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

Section 1: The Executive Director is authorized to execute the Termination Agreement documents related thereto with Victoria Park Associates.

Section 2: The Executive Director is authorized to execute the Predevelopment Agreement attached hereto as Attachment "C" as modified to address concerns of the Project Area Committee (PAC) and Sacramento Housing and Redevelopment Commission (SHRC) as stated in the associated staff report of this date with 1111 G STREET PARTNERSHIP for development of a mixed-use project in Alkali Flat Redevelopment Project Area, contingent upon the receipt of the fully executed Termination Agreement as specified in Section 1 above and a quitclaim deed in accordance with the staff report filed with this Resolution.

Section 3: The Executive Director is authorized to set a public hearing for sale of certain property owned by the Redevelopment Agency and described in Attachment "C" attached hereto upon fulfillment of the terms, conditions and Schedule of Performance set forth in the Predevelopment Agreement.

Section 4: The Executive Director is further authorized to terminate all existing contracts and negotiations with VICTORIA PARK ASSOCIATES and/or the 1111 G STREET PARTNERSHIP and issue a Request for Proposal (RFP) on the Agency-owned portion of

the mixed-use project, should VICTORIA PARK ASSOCIATES fail to execute the Termination Agreement or should 1111 G STREET PARTNERSHIP fail to execute the Predevelopment Agreement on or before July 1, 1987.

CHAIR

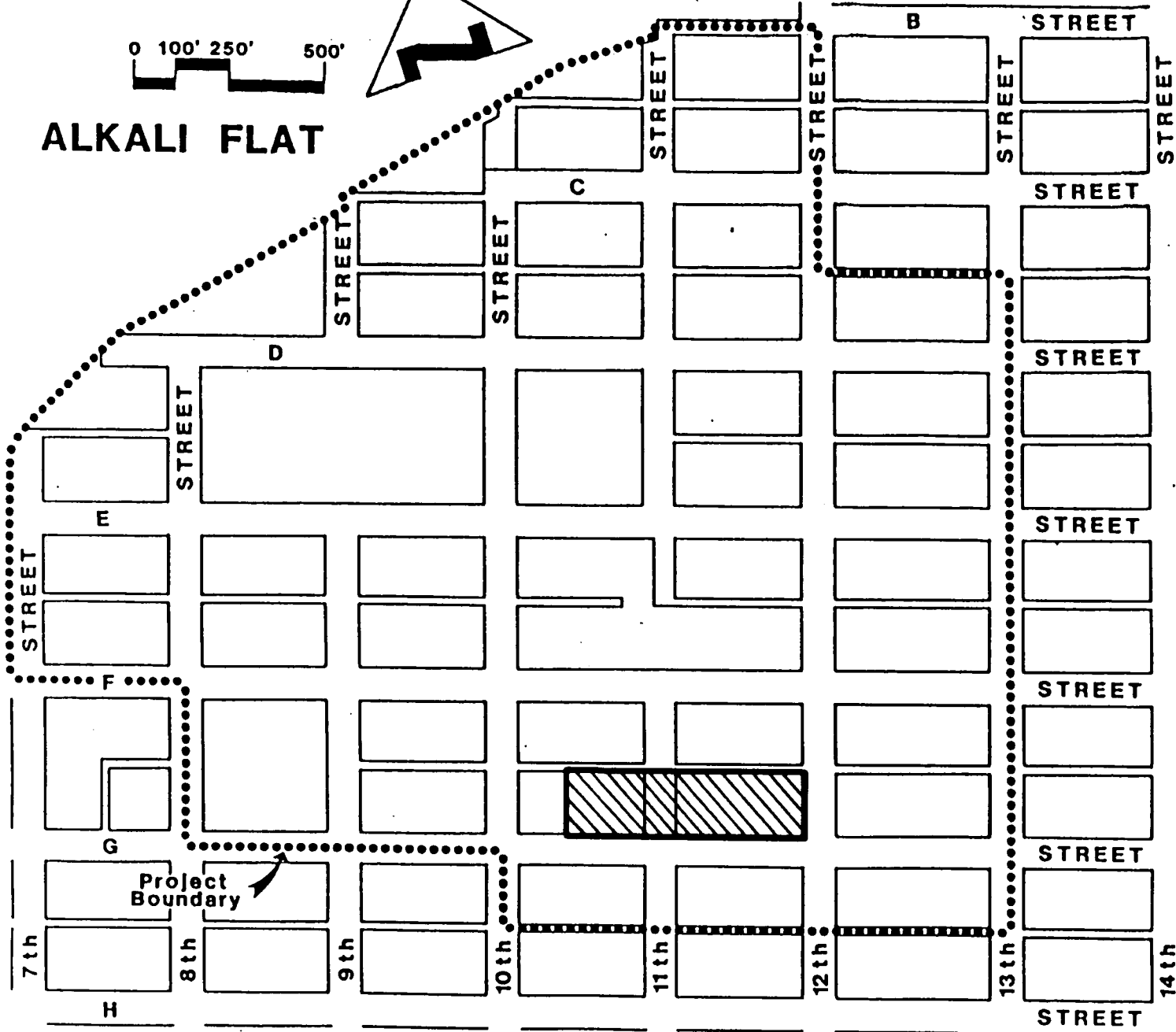
ATTEST:

SECRETARY

0895L

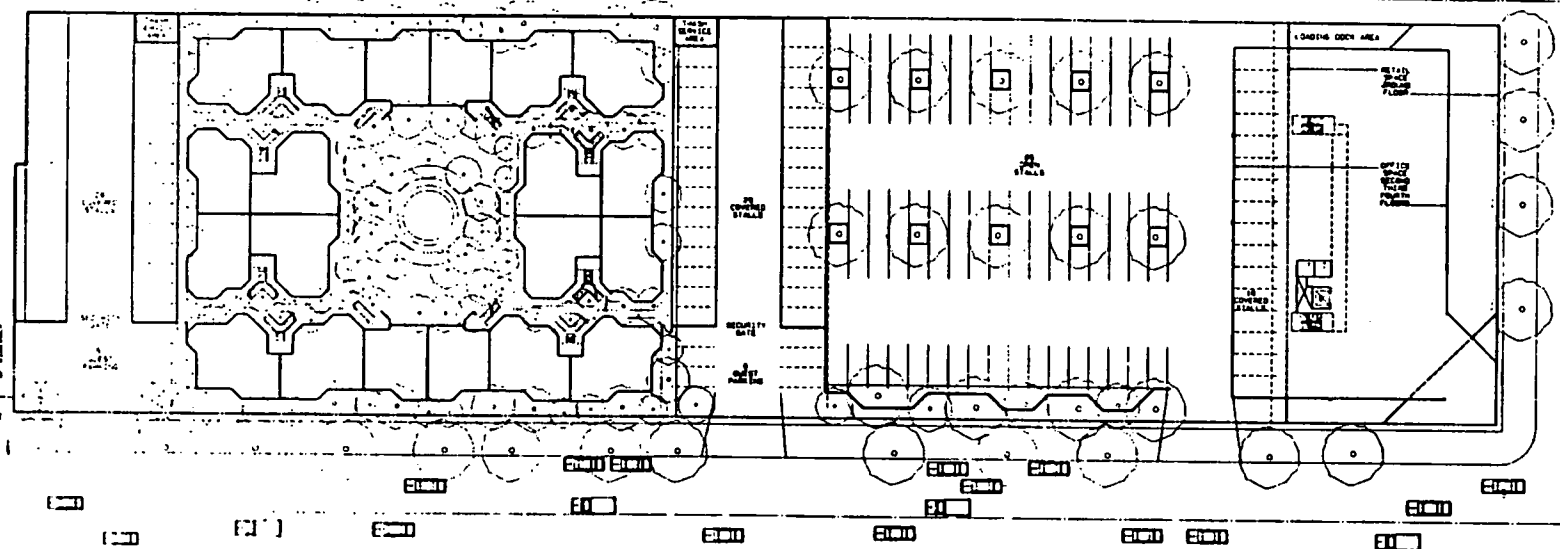
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ALKALI FLAT





PROFILE-SECTION-THRU-SITE



S I T E P L A N



HOUSING - 40 UNITS, AVG 895 SQ FT - 36,220 SQ FT
 OFFICE BUILDING - 3 FLOORS ABOVE RETAIL SPACE - 40,400 SQ FT
 RETAIL - GROUND LEVEL - 12,400 SQ FT
 TOTAL - 89,020 SQ FT

SCALE 1" = 20'-0"

8422004-1598

74-COVERED PARKING STALLS
 27-OPEN PARKING STALLS
 171 TOTAL PARKING STALLS

HOUSING - 1.75 STALLS PER UNIT 70 - STALLS
 OFFICE - 1 STALL PER 4000 SQ. FT. 101 - STALLS
 RETAIL - 0

1111 G
 MIXED USE
 DEVELOPMENT
 SACRAMENTO

1111 G
 PARTNERSHIP
 1825-1817 ST
 SAC, CA

SCHEMATIC
 SITE PLAN
 SCALE 1" = 20'-0"

SK. 1

PREDEVELOPMENT AGREEMENT

The REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ("Agency"), THE CITY OF SACRAMENTO ("City"), and 1111 G STREET PARTNERS, a California General Partnership, ("Redeveloper") enter into this Agreement, which includes Attachments 1 through 7 attached, on the terms and provisions set forth below.

THE AGENCY, THE CITY, AND THE REDEVELOPER HEREBY AGREE AS FOLLOWS:

I. PREDEVELOPMENT PERIOD

A. The predevelopment period ("Predevelopment Period") covered by this Agreement shall commence on the date of this Agreement and shall terminate on a date ("Termination Date") which is 195 days from the date of this Agreement or January 4, 1988, whichever first occurs. If on the termination date, the Redeveloper has not signed and submitted a Disposition and Development Agreement to the Agency (together with any required deposit) this Predevelopment Agreement shall automatically terminate unless the Predevelopment Period has been mutually extended by the Agency and the Redeveloper. If a Disposition and Development Agreement is signed and submitted by the Redeveloper (together with such deposit) within the Predevelopment Period, this Agreement shall be extended for 45 days from the date of such submittal to provide the Agency with the time necessary for public notice and hearing on the Disposition and Development Agreement and to obtain authority to execute it. Notwithstanding the foregoing, the Predevelopment Period shall be extended by the period of any Agency and/or City delays in reviewing and/or approving any matter required to be submitted by Redeveloper under this Agreement beyond the time specified in this Agreement and "Schedule of Performances" attached as Attachment 7.

B. Upon termination of this Agreement for any reason, the Agency shall have the absolute right to enter into a Disposition and Development Agreement relating to the real properties (collectively, "the Property") identified in Attachments 4 ("Agency Property") and 5 ("City Property") with any other developer, and the Agency shall have no legal or financial obligations or liabilities to the Redeveloper relating to the activities under this Agreement.

II. REDEVELOPER

A. The Redeveloper is 1111 G Street Partners, a California general partnership, composed of the following general partners:

1. Dennis A. Gardemeyer
2. Richard H. Hyde
3. Edwin M. Kado
4. Gregory A. Rossini
5. William A. Cook

No additional persons or entities may become a principal of Redeveloper or obtain an interest in or joint venture with Redeveloper or a principal of Redeveloper without the prior written approval of the Agency.

- B. The Redeveloper proposes that title to the Property be held in the name of the Redeveloper as follows:

1111 G Street Partners, a California general partnership

- C. The principal offices of the Redeveloper are located at:

428 J. Street, Suite 400
Sacramento, CA 95814

- D. Redeveloper has designated the following person or persons who will negotiate the Development Agreement with the Agency and who will engage in the activities necessary to determine the feasibility of the development:

1. Dennis A. Gardemeyer
2. Richard H. Hyde
3. Edwin M. Kado
4. Gregory A. Rossini
5. William A. Cook

Upon the request of the Agency, Redeveloper will designate an individual spokesman for Redeveloper who shall negotiate on behalf of Redeveloper.

- E. Redeveloper's architect will be:

E.M. Kado Associates Inc., AIA
1661 Garden Highway
Sacramento, CA 95833

- F. Redeveloper's engineering consultant will be:

Cole Yee Schubert & Associates
1515 River Park Drive
Sacramento, CA 95815

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G. Redeveloper's economist will be:

Greg Rossini
c/o Gardemeyer Development
1825 16th Street
Sacramento, CA 95814

H. Redeveloper's attorney will be:

Richard H. Hyde
428 J Street, Suite 400
Sacramento, CA 95814

I. Redeveloper's building contractor will be designated by Redeveloper after the Redeveloper has obtained prior written approval of such contractor by the Agency.

J. Redeveloper shall make full disclosure to the Agency of all of its principals, officers, stockholders, partners, joint venturers, directly-involved employees, associates and persons or entities having an interest in Redeveloper, and all other pertinent information concerning the Redeveloper and its associates.

Redeveloper's principals, associates, partners, joint venturers, negotiators, development manager, consultants, professionals, and directly-involved employees are subject to the approval of the Agency.

III. REDEVELOPER'S FINANCIAL CAPACITY

A. Redeveloper shall provide Twenty Percent (20%) of the equity of the development. Redeveloper proposes to obtain its equity capital in the following manner:

Cash Deposits
Cash-on-Hand

Redeveloper shall provide proof acceptable to Agency in the Agency's sole discretion, of its equity contribution or its ability to make such equity contribution prior to execution of a Disposition and Development Agreement for the development.

B. Redeveloper proposes to obtain its construction financing for the development in the following manner:

Conventional construction loan
from lending institution on
customary terms.

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C. Redeveloper proposes to obtain its long-term development financing in the following manner:

Conventional permanent loan from lending institution on customary terms.

D. Redeveloper will be required to make and maintain full disclosure to the Agency of the methods and sources of financing and generation of equity capital to be used in the development and specifically including any change, whatsoever in information set forth in this Section III.

IV. REDEVELOPER'S EXPERIENCE

A detailed description of Redeveloper's development experience is attached as Attachment 1. A detailed description of the development experience of Redeveloper's principals, associates, employees, partners, and/or joint venturers is also contained in that attachment.

V. REDEVELOPER'S PROPOSED DEVELOPMENT

A. Attached hereto as Attachment 2 is Redeveloper's Development Concept which is a narrative description of the general scope of development proposed.

B. Attached hereto as Attachment 3 is Redeveloper's Architectural Concept which is a site plan of the Architectural concepts proposed by Redeveloper. Design and architecture of the development will be developed during the life of this Agreement. Redeveloper shall submit to the Agency all basic concept drawings, schematic plans, and preliminary and final plans and specifications for Agency approval pursuant to this Agreement.

C. If the parties do not enter into a Disposition and Development Agreement, Redeveloper will submit to Agency all plans, studies and reports made by Redeveloper for proposed development which shall be the property of the Agency.

VI. CALIFORNIA ENVIRONMENTAL QUALITY ACT

The California Environmental Quality Act is applicable to the project areas. Upon Agency request, Redeveloper shall supply data and information both to determine the environmental impact of the development on the environment and to assist in the preparation of environmental impact reports or supplements to the environmental impact reports. Redeveloper shall coordinate and obtain the environmental review for the development.

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VII. RESPONSIBILITIES OF THE PARTIES

1. Redeveloper and Agency shall present the proposed development to Alkali Flat Project Area Committee and to Sacramento Housing and Redevelopment Commission for review.
2. Redeveloper shall have provided the Agency and the Agency shall have approved architectural concept plans for the proposed development for review by the Agency concurrent with execution of this Agreement. Agency shall review said plans and shall have the right to approve or disapprove such plans in its sole discretion. The Redeveloper shall have a qualified architect prepare preliminary plans and schematic drawings conforming to said concept plans and construction cost estimates for the proposed development. Redeveloper shall submit said plans to City Planning Department and Design Review/Preservation Board for approval of the development before a Disposition and Development Agreement is submitted to the Agency for approval.
3. Redeveloper shall have a licensed civil engineer or surveyor prepare and process a tentative map or a parcel map in accordance with local and state laws for the merger and creation of new lots and street abandonment as necessary to implement the development and for the creation of condominium residential units on the residential portion of the proposed development. Redeveloper shall obtain tentative map approval for the development at least 30 days prior to approval of a new Disposition and Development Agreement by the Agency. Agency and City shall provide to Redeveloper the Letters of Agency required for the actions set forth in this subparagraph within ten days of execution of this Agreement.
4. Redeveloper shall, within sixty (60) days after the date of this Agreement, prepare and submit to Agency the estimated costs to construct the total development which shall be the same as submitted to Redeveloper's construction lender.

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5. Redeveloper shall provide Agency with the Redeveloper's method for financing the proposed development, including:
 - a. Redeveloper's equity contribution.
 - b. Construction financing.
 - c. Long-term financing.
6. Prior to execution of a Disposition and Development Agreement with the Agency, Redeveloper shall obtain evidence of financing acceptable to Agency, in its sole discretion, which indicate that the funds required to complete the proposed development will be available to the Redeveloper, in accordance with the Schedule of Performances attached as Attachment 7. Prior to any transfer of either the Agency Property or the City Property, Redeveloper shall close all loans and provide all equity required for the purchase and development by Redeveloper of the portion of that Property to which such loans and equity relate.
7. Redeveloper shall provide the Agency with a comprehensive marketing plan for the proposed development.
8. Redeveloper shall deposit \$106,500 in the forms of cash or an irrevocable, unconditional standby letter of credit, in favor of the Agency, with the Agency upon execution of this Agreement as option fee equivalent to 10 percent of the purchase price of the Property being sold by the Agency and City to Redeveloper. If the parties execute a Disposition and Development Agreement, such deposit shall be used to satisfy the Disposition and Development Agreement's option or deposit fee requirements. If the parties fail to execute a Disposition and Development Agreement, such deposit shall be refunded to Redeveloper. However, if Redeveloper has failed or refused to act in good faith in negotiating or doing any act necessary for execution of such Disposition and Development Agreement, the Agency shall deduct from said deposit all damages incurred by Agency as a result of Redeveloper's failure to act in good faith, and shall refund only the balance of said deposit then remaining.

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VIII. TERMS OF PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT

If the proposed development's preliminary plans have been approved and if Redeveloper has provided proof of financing in a form acceptable to Agency and if the parties are satisfied and have agreed with all other terms to be set forth, the parties to this Agreement shall draft a new Disposition and Development Agreement relating to the proposed development, the terms of the new Disposition and Development Agreement, among other things, shall include the following requirements:

1. Prior to transfer of City Property to Redeveloper, City shall:
 - a. Relocate all businesses and demolish existing structures on City Property.
 - b. Have soils tests and analysis performed on any sites within the Property, where the parties suspect soil contamination. As a result of such tests, City shall determine what mitigation measures are necessary to eliminate any known soil contamination in accordance with U.S. Environmental Protection Agency and California State Department of Health Services regulations. The City shall pay no more than \$100,000.00 to eliminate such soil contamination.
2. The Redeveloper shall purchase the City's Property from the City. The purchase price for the City Property shall be Nine Hundred Forty Thousand Dollars (\$940,000.00). Four Hundred Thousand Dollars (\$400,000.00) of the purchase price shall be due and payable by Redeveloper to City upon opening of escrow, which sum shall promptly be paid to the City for cost of demolition and elimination of soil contamination. An additional Four Hundred Thousand Dollars (\$400,000.00) shall be due at the close of escrow. The remaining One Hundred Forty Thousand Dollars (\$140,000.00) shall be paid by executing a promissory note secured by a deed of trust with the principal due and payable by Redeveloper to City thirteen (13) years from the earlier of the date escrow closes, December 11, 1987 or upon sale, transfer or refinancing of any portion of the Property, except as authorized by the new Disposition and Development Agreement for the Property. The interest rate on the note shall be zero percent (0%).

5/29/87

3. The Redeveloper shall purchase the Agency's Property from Agency. The total purchase price shall be One Hundred and Twenty-Five Thousand Dollars (\$125,000.00). Redeveloper shall pay the entire purchase price by executing a promissory note payable to Agency and due thirteen (13) years from the earlier of the date escrow closes or January 4, 1988. The interest rate for such note for the purchase price shall be zero percent (0%). Such note shall be all due and payable by Redeveloper upon sale, transfer or refinancing of either the residential or commercial portion of the development, except as authorized by the Disposition and Development Agreement for the Property.
4. Redeveloper shall obtain a building permit for the residential portion of the development and complete construction of the development as set forth in the Schedule of Performance attached as Attachment 7. If the construction is phased, the Redeveloper shall first commence with the residential portion of the development and thereafter commence with the office and retail portion of the development. If Redeveloper has not promptly commenced and diligently prosecuted the construction of the proposed development and as a result, the development has not been completed within the specified time for construction in the Schedule of Performance, Redeveloper shall be in default of a material term of each of the notes and trust deeds secured by the City Property and the Agency Property and at the election of the Agency and/or City, the Agency and/or City may foreclose on either both the City Property and/or Agency Property and terminate the Disposition and Development Agreement.
5. Redeveloper shall borrow Four Hundred Fifteen Thousand Dollars (\$415,000.00) from the Agency as a construction loan for the residential portion of the development. The loan shall be all due and payable thirteen (13) years from the date of completion of construction of the

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residential portion of the development. No payments or interest shall be due for the first three (3) years, and thereafter, the loan shall be amortized at an interest rate of 5.5% based on a thirty (30) year term for the remaining ten (10) years of the loan. In any event, the loan shall be all due and payable upon sale, transfer or refinancing of either the residential portion or the commercial portion of the development in any manner,

- (a) The Redeveloper may refinance the Agency and City under "qualified refinance" provisions substantially equivalent to the following:

"Provisional Refinancing of Existing Indebtedness

Section _____. Redeveloper may, at its option during the term of this Disposition and Development Agreement refinance the existing indebtedness secured by the encumbrances specified under this Article including any encumbrance which shall be superior to the Agency's note(s) pursuant to Section ____ hereof. However, in the event that Redeveloper shall refinance any encumbrance which shall be superior to Redeveloper's rights pursuant to Section ____ hereof, the refinanced encumbrance shall have the following characteristics:

- (i) The refinanced encumbrance shall not secure a dollar amount of indebtedness greater than the dollar amount of indebtedness to which Agency/City's interest was originally subordinated pursuant to Section ____ hereof;
- (ii) The debt service of the refinanced indebtedness shall be an amount not exceeding the amount of the debt service of the indebtedness secured by the initial encumbrance superior to the rights of Agency/City pursuant to Section ____ hereof."
- (b) Notwithstanding subsection (a) of this section, Redeveloper may include the refinancing lender's fees associated with a refinancing loan of the original indebtedness within the amount of the encumbrance and debt service for the loan, and the maximum refinancing encumbrance and the maximum debt service provided for above shall be adjusted accordingly.

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- (c) The Redeveloper shall not receive any fees or monies of any nature as a result of refinancing the original indebtedness of the development."
 - (d) The Disposition and Development Agreement shall require customary lender protection to the City's and Agency's benefit in the event of foreclosure.
 - (e) In the event that there are separate lenders for City Property and Agency Property, a sale of Agency Property pursuant to the exercise of a power of sale contained in a deed of trust securing the property or a judicial sale of said property shall not be considered a sale, transfer or refinance of the Property.
- 6. The notes shall provide for notice to the lender of any default by Redeveloper and shall provide for a reasonable opportunity for the lender to cure the default.
 - 7. Redeveloper shall irrevocably evidence in escrow prior to the close of escrow all equity contributions and private loans for the construction of the entire proposed development.
 - 8. The Disposition and Development Agreement may be in the form of an option to purchase the Property, or may be combined with such an option, requiring performance of some or all of the items set forth in this Section VIII, and such additional items as the parties may agree, prior to its exercise.
 - 9. During the term of any loan by City or Agency secured by either the City Property or the Agency Property Redeveloper shall obtain prior written consent of the respective lender to any assignment or transfer of any rights in and to such properties, which consent shall not be unreasonably withheld.

IX. MODIFICATION OF PURCHASE PRICE

A. The Agency and City shall have the City Property and the Agency Property reappraised by an MAI appraiser and shall increase the purchase price of each such properties in accordance with such reappraisals, if any of the following events happens:

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1. Redeveloper fails to entirely perform all the obligations within Section VII of this Agreement before or on the 195th day from the date of this Agreement as extended in accordance with this Agreement.
2. Redeveloper's final proposal for construction on the Agency Property exceeds the square footage of the proposed construction on the Agency Property as shown on Attachment 3, by five (5) percent. In such event, only the Agency Property shall be reappraised.
3. Redeveloper fails to diligently prosecute the construction of the project and, as a result, the project is delayed and the actual completion date is more than nine months after its scheduled completion date as scheduled in the Disposition and Development Agreement.

B. Such reappraisal shall be done in accordance with appraisal methods applicable to California savings and loans.

X. SCHEDULE OF PERFORMANCE

Agency, City and Redevelopers shall perform their respective obligations under this Agreement in accordance with the Schedule of Performance attached hereto as Attachment 6.

XI. AGENCY/CITY PUBLIC HEARING

If the Predevelopment Agreement culminates in a Disposition and Development Agreement signed by Redeveloper, such agreement shall become effective only after the agreement has been considered and approved by the Agency and City as part of a noticed public hearing process.

XII. REAL ESTATE COMMISSIONS

The Agency and the City shall not be liable for any real estate commission or brokerage fees which may arise from this agreement. The Agency represents that it has engaged no broker, agent or finder in connection with this transaction, and the Redeveloper agrees to hold the Agency harmless from any claim by any broker, agent or finder retained by the Redeveloper.

XIII. PREDEVELOPMENT COSTS

Redeveloper shall be solely responsible for the payment of all predevelopment costs relating actions by the Redeveloper under this Agreement. Under no circumstances shall Agency or City reimburse Redeveloper for any costs Redeveloper incurs pursuant to this Agreement.

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XIV. CONSENT

Agency and City do hereby consent to any governmental applications the Redeveloper must process in the furtherance of this Agreement.

XV. SUPERCEDED BY DDA

This Agreement shall be superceded by, and of no further force and effect upon execution of, a Disposition and Development Agreement for the Property between the Parties.

XVI. APPROVALS

The parties shall act reasonably and timely in giving any approval or consent required by this Agreement.

APPROVED AS TO FORM:

Dennis Withally
Agency Counsel

APPROVED AS TO FORM

William H. Edgar
City Attorney

REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO

WILLIAM H. EDGAR
Executive Director

THE CITY OF SACRAMENTO

Walter J. Slipe
WALTER J. SLIPE
City Manager

REDEVELOPER

BY *Edwin M. Kado*
Edwin M. Kado
General Partner
Federal Tax ID#/SS #: 558-14-1819

BY *Gregory A. Rossini*
Gregory A. Rossini
General Partner
Federal Tax ID#/SS #: 553-92-7053

BY *Dennis Gardemeyer*
Dennis Gardemeyer
General Partner
Federal Tax ID#/SS #: 548-70-1770

REDEVELOPER

BY *William A. Cook*
William A. Cook
General Partner
Federal Tax ID#/SS: 272-147-6971

BY *Richard H. Hyde*
Richard H. Hyde
General Partner
Federal Tax ID#/SS: 565-60-0413

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ATTACHMENT 1

DEVELOPER'S EXPERIENCE

Prior to forming Gardemeyer Development Company, Dennis Gardemeyer was involved in a number of real estate development and construction projects. 45

In 1973, Dennis together with two other gentlemen formed Fulcrum Associates. Fulcrum Associates developed several small office buildings, in excess of 1,000 single family lots, and built a number of homes and duplexes. Fulcrum Associates also purchased and developed over 3,000 acres of farm land in California.

In 1979, Dennis and Greg joined Cemo Development Company. Dennis was a partner in Cemo Development (along with Sammy Cemo and Jerry Cohn) while Greg was the Vice President in charge of Finance. Dennis was in charge of development for a number of large industrial/office developments in the Sacramento area while with Cemo Development. The "Pointe East Commerce Center" in Rancho Cordova, "Lake Forest Technical Center" in Folsom, and the tract of land purchased by Intel in Folsom are several of the projects spearheaded by Dennis.

The General Partnership was formed in August, 1982. The two sole partners are Dennis A. Gardemeyer and Gregory A. Rossini. Gardemeyer Development Company was formed to acquire, develop and hold real estate projects. Although Gardemeyer Development Company is the operating development company of Messrs. Gardemeyer and Rossini, for several reasons, principally tax considerations, the actual ownership of most projects developed by Messrs. Gardemeyer and Rossini since August, 1982 have been held in either their names personally or by separate partnerships established by them.

Following is a summary of some of the projects developed or owned by Dennis Gardemeyer and Gregory Rossini.

Travelers Hotel Rehabilitation

The Travelers Hotel, a 113,000 square foot structure located at the southwest corner of 5th and J Streets in Sacramento was acquired by Dennis and Greg in August, 1982.

A third investment partner was brought in shortly after acquisition. Architects, engineers and other consultants were hired and local, State and Federal approvals were obtained for a substantial rehabilitation of the building. After construction was commenced, Gardemeyer, Rossini and the investment partner sold their interest to a San Francisco Bay Area firm at a profit.

13th and I Street Office Building

Messrs. Gardemeyer and Rossini formed a partnership called The Bandol Interests in November, 1983 with a local architect and attorney, and acquired a parcel of land located at the southwest corner of 13th and I Streets in Sacramento. A very complicated negotiation was consummated with the City of Sacramento resulting in the development and construction of a 64,000 square foot office building and city fire station.

To fund the development of this project, an Industrial Development Bond Issue was sold in the amount of \$6,250,000. California 1st Bank acted as the Trustee to this issue.

The building is fully leased to the City of Sacramento.

2815 "O" Street Building

The Bandol Interests purchased a 10,000 square foot building located at 2815 O Street, Sacramento on May 31, 1985. The building was rehabilitated by the partnership and completely leased to the Sacramento Regional Transit District for offices. Regional Transit has since offered to purchase the building and escrow is scheduled to close December, 1986.

16th & 8 Office Building

Dennis Gardemeyer, Greg Rossini and Dennis' brother, Charles Gardemeyer (Charles Gardemeyer is President of Natoma Construction, Inc.) acquired a one-half interest in a building comprising approximately 8,000 square feet on August 1, 1985.

The building was rehabilitated into offices and is completely leased out. This building also serves as the offices for both Gardemeyer Development Company and Natoma Construction, Inc.

3rd & 8

The Bandol Interests purchased approximately 30,600 square feet of land in downtown Sacramento in March of 1986. Since acquiring the site, the partnership has obtained approvals to construct a three story office building of approximately 31,000 square feet with surface parking. Currently, the partnership is offering the approved site for sale or will build-to-suit for a tenant.

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Orangevale

Gardemeyer Development Company acquired in April, 1986 a seven plus acre site for a 14 lot single-family, custom subdivision. The property is currently going through the County Planning process and should be ready to commence construction in early Summer of 1987.

The company is currently negotiating on several other parcels which would be sold or developed in 1987, including a 43 unit development in Galt, an eight acre site in Orangevale, and a site to construct a 20,000 square foot office building to be delivered to our client in February of 1988.

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WILLIAM A. COOK
 1010 HURLEY WAY SUITE 195
 SACRAMENTO, CALIFORNIA 95825
 (916) 925-5855

Real Estate broker, developer and general contractor in residential and commercial property development, including land acquisition, subdivision, financing, building, sales promotion, and closing of sale through own escrow department. Professional history extends into the Thirties with Artz and Cook, and involves the construction and sale of homes on virtually every street within Sacramento's Old City limits. Throughout periods of expansion and recession, subdivided, built and sold more than 5,000 living units on over 1,000 acres in the Sacramento area. Acquired intimate familiarity with condominium financing and construction as President of Pacific Savings and Kauai Savings and Loan in Honolulu and Kauai, Hawaii and as President of William A. Cook Development Co. of Hawaii.

PRINCIPAL PROJECTS

Complete responsibility from land acquisition through sale for:

Subdivisions: Fruitridge Vista (Subdivision units 1 through 18)
 Bowling Green (Subdivision units 1 through 5)
 Parkway Greens (Subdivision units 1 through 3)
 Arcade Oaks (Subdivision units 1 through 4)
 Northgate (Subdivision units 1 through 6)
 South Land Park (Subdivision unit 22)
 Gardenland (Subdivision unit 3)
 Alfield Place (Oak Park)
 San Juan Estates
 Highland Oaks

Also extensive construction and sale of individual and scattered groups of homes in Arden Park, Sierra Oaks, South Land Park, East Sacramento, River Park and Parkway Estates.

Apartments: Sixty unit building in Arcade Oaks
 Bungalow courts and duplexes throughout Sacramento
 Twenty and thirty unit building in South Land Park

Commercial: Twenty-five acre Bowling Green Center
 Fruitridge Vista Shopping Center
 Northgate Shopping Center
 Scattered locations throughout Sacramento
 Two hundred and fifty room Kauai Resort Hotel (Land leased from State of Hawaii and hotel sold prior to construction.)

FINANCIAL BACKGROUND

SACRAMENTO SAVINGS & LOAN CO., Vice President and Director, from it's reformation in late Forties to sale in 1959. Acquired Federal Home Loan Bank Board Insurance.

PACIFIC SAVINGS & LOAN, President and Director. Formed this corporation which subsequently sold to Hawaiian investors.

KAUAI SAVINGS AND LOAN, President and Director. Acquired this corporation and acted as executive officer until it's sale to D.K. Ludwig.

PROFESSIONAL HISTORY

Presently: Independent broker since 1972. Relocated during 1976-1978 in Honolulu, Hawaii, while negotiating purchase of Honolulu Savings and Loan Company.

1964 to 1972: William A. Cook and Sons (now the Cook Company in the hands of a son.) Owner/broker managing this firm which built, leased and sold office buildings and homes.

1936 to 1964: Artz and Cook. Entered this firm as a teenager and served as Vice President and General Manager.

Concurrently: President, Cowal Construction Company, incorporated in 1951. (Since merged with the Cook Company).

President, Cook Investment Company

President, William A. Cook Development Company of Hawaii.

President, Lone Tree Development Company.

Vice President, Fruitridge Vista and North Gate Water Companies. Water companies (public utility) were created by the development and construction of homes and commercial lands. Fruitridge Vista Water Co. currently has approximately 6,000 services and is presently owned by Mrs. Carroll A. Cook (mother). North Gate Water Co. was sold to the City upon annexation.

PERSONAL DATA

Born: September 10, 1920. Graduate of Sacramento High School and the old Sacramento Junior College. Served 3½ years in Army/Air Force. Sutter Club Member. Married. Excellent Health.



Bill Cook & Company

REAL ESTATE

2000 STOCKTON BLVD., SUITE 100
SACRAMENTO, CA 95817
(916) 453-1900

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RICHARD H. HYDE

428 "J" Street, Suite 400
Sacramento, California 95814
(916) 447-7933

RESUME

Date: January 1, 1986

LEGAL EDUCATION:

University of California at Berkeley (Boalt Hall):
Graduated in June, 1971; J.D. Degree; upper one-half of
graduating class. While in law school, I also completed 12
units of graduate work in the Graduate School of Business
Administration of the University of California.

UNDERGRADUATE EDUCATION:

Sacramento State College:
Graduated in June, 1968; major in Economics; B.A. Degree;
top ten percent (10%) of graduates with Economics major.
Dean's Honor List.

PROFESSIONAL EXPERIENCE:

Hyde, Miller and Savage 1984 - Present. Partner in Hyde,
Miller and Savage, a law partnership including a professional
corporation. The firm practices public agency law, redevelopment
law, real estate law, civil trial practice, and to a lesser
degree, corporate law and legislative advocacy. The firm
represents numerous local government entities and other public
agencies.

PREVIOUS PROFESSIONAL EXPERIENCE:

Richard H. Hyde, Inc. 1978 - 1983. Sole owner of prede-
cessor firm to Hyde, Miller and Savage. Governmental and real
estate law were major areas of practice.

The Sacramento Housing and Redevelopment Agency, In House
Counsel 1973 - 1978. Two other attorneys worked for me during
the last two years of this employment. This period was the
period of the most rapid development by the Redevelopment Agency;
including the development of the first major downtown hotel in
Sacramento during the past twenty-five years. In addition, the
major portion of Old Sacramento was developed during this period.
Finally, two major department stores, two major office buildings,
three large parking facilities, and two downtown condominium
projects were developed during this period. As in house counsel
I was responsible for the drafting of all contracts and the

supervision of all other legal matters regarding these developments. In addition, I did most of the negotiations regarding these developments.

The City of Sacramento 1971 - 1973. I was employed by the City Attorney for the City of Sacramento. I performed general legal research focusing in the area of land use regulation and planning.

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EDWIN M. KADO

RESUME

Dated: January 1, 1986

Phone (W) (916) 921-1661

EDUCATION:

Bachelor of Architecture - University of California at Berkeley - 1962

Associate of Arts - Sacramento City College - 1955

LICENSE:

Registered Architect, State of California,
License No. C-5080, since 1967

CURRENT EMPLOYMENT:

E.M. Kado Associates - AIA, Inc. Ed Kado is president and principal architect of the firm of E.M. Kado Associates - AIA, Inc.

Starting in 1970 as a small two man office primarily designing interiors for the Crossroads Shopping Center, Ed has built a diverse practice ranging from major land planning projects, business, commercial, and health service facilities to residences and small operations.

Currently, the firm is an eighteen member staff inclusive of nine licensed architects.

Some of the firm's recent projects are: Capitol Business Park - a major office/residential complex for the South Natomas area; large scale renovation projects converting the Del Monte, and Libby canneries into facilities for the California Almond Growers Exchange, and State Health & Welfare Data Center - a joint project of the Filipino Community and the Southgate Recreation and Park District; the Coyle Medical Building at the San Juan Mercy Hospital complex, and the Sacramento Medical Foundation Blood Bank off Stockton Boulevard; a co-generation gasifier at the State's Central Plan; and the Commissary and Base Exchange at McClellan Air Force Base; an innovative office building in downtown Sacramento incorporating a fire station; and the Gedatsu Church recently featured in the Sacramento Bee.

The firm has received numerous awards for design excellence ranging from the Architectural Achievement award by the Sacramento Old City Association, and the Citation Award from

the American Institute of Architects for his own office building, to the recognition from the Ceramic Tile Institute for the Setzer Office Building.

A list of past, present, and repeat clients which range from the Federal, State and local governments, major corporations such as Aerojet, Procter & Gamble and the California Almond Growers Exchange; local businesses such as College-Hi Shops, McCurry Companies, and Guild House Shoes; land developers - Ose Properties, and Buzz Oates Enterprises; to numerous residences and small retail projects will be available upon request.

Although each project poses a uniqueness, they all share the common thread of a respect for and recognition of nature as unifying philosophy.¹

AFFILIATIONS

American Institute of Architects
Sacramento Metropolitan Chamber of Commerce
Sacramento Senator Lions Club
Aviation Museum Foundation/McClellan AFB, CA.

HOBBIES:

Design, construct and fly model airplanes. More than just a hobby, his detailed work stands out in this rare collection.

PERSONAL:

Married, three children

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An extensive company brochure will be made available upon request.

RHHc&m(2/4/86)

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ATTACHMENT 2

DEVELOPER'S CONCEPT

The project is located in downtown Sacramento, bordering the Alkali Flat Area. The property length is one and one-half block adjacent to the north side of "G" Street, and half-block wide along 12th Street.

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This development is for multiple use including residential, retail, and offices. The multiple residential structures are separate from the retail and office building. An important design objective is to integrate these separate structures into a visually compatible development. The exterior building finishes and major architectural features are elements which will be consistent in all structures. The wall screening the commercial parking area will be of the same design as the patio and carport walls of the residential area so as to visibly link the individual structures. This physical linkage is an important ingredient to achieve the design objective.

The selection of plant material for landscaping will be consistent throughout the total development, again serving to integrate the project.

RESIDENTIAL

There are 40 residential units averaging 855 square feet of floor area which will be designed to comply with present condominium requirements. There will be five different basic floor plan configurations predominantly, however, two bedrooms and two baths. Each unit will have a full component of appliances including washer and dryer. The ground level unit will have a private patio, and a balcony will be provided for the second level unit. All units will be secured with perimeter enclosure and gates for access. The central court is an outdoor activity area that will be carefully landscaped to provide for outdoor swimming and lounging activities for the residents.

The parking stalls will be under cover and secured with perimeter enclosure with gate access.

RETAIL/OFFICES

The commercial building will be four levels above grade. Retail type use will occupy approximately 12,400 square feet on ground level, and office type use will occupy approximately 40,400 square feet of the upper three levels. The structure will be basically steel frame with concrete slab over metal deck. The exterior facade will be a combination of synthetic plaster (Dryvit) for the spandrel area and solar bronze tinted glass for the windows.

The 2nd through 4th floors of the building will be recessed twenty feet from the ground level retail space. Step-back of the upper mass of the building will maintain a visual relationship of scale to the majority of other structures along 12th Street.

The corner of the structure at the ground level is aligned along a forty-five degree diagonal, providing space for a small covered plaza. The entrance to the elevator lobby will access from this plaza.

The interior common areas such as the elevator lobby, toilets, and corridors will be of a quality above the average office building. The decor, of spaces within the leased areas, will be at tenant's discretion within minimum standards to allow for individualism.

The thrust in developing this project is to set a standard of quality and be the impetus for future development along 12th Street and the Alkali Flat Area.

* * * * *

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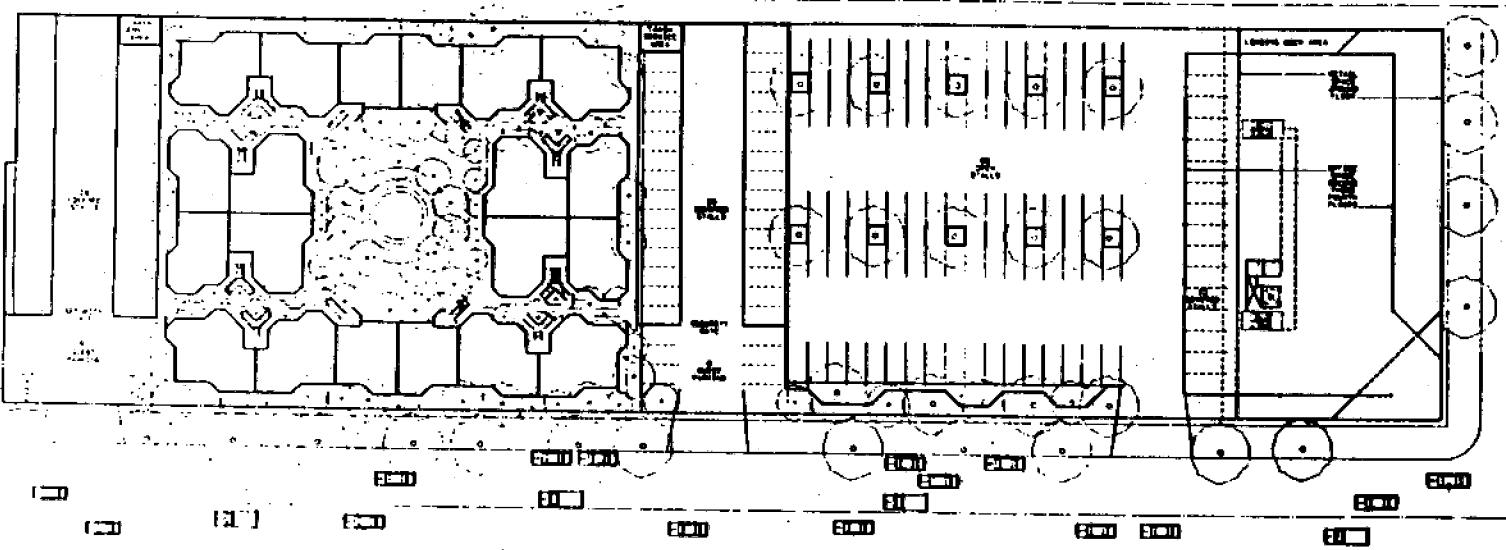
ATTACHMENT 3

ARCHITECTURAL CONCEPT
(Site Plan)

Attachment C



PROFILE-SECTION-THRU-SITE



SITE PLAN

HOUSING	46 UNITS	450 SQ FT	21	24,270	46	11
OFFICE BUILDING	1 FLOOR	4000	40	400	40	11
RETAIL	GROUND LEVEL			17,000	20	22
			TOTAL	48,270	66	44

74 IMPROVED PARKING SPACES
 57 TOTAL PARKING SPACES
 17% TOTAL PARKING SPACES

HOUSING - 1.75 STALLS PER UNIT (81) STALLS
 OFFICE - 1 STALL PER 4000 SF (40) STALLS
 RETAIL - 0

7450
 2510 10th St., N.E.
 INTERIOR
 DESIGN
 GROUP
 INC.

1000 10th St., N.E.
 SACRAMENTO, CA 95833
 (916) 441-1111

1111 G
 MIXED USE
 DEVELOPMENT
 SACRAMENTO

1111 G
 PARTNERSHIP
 1820-1824 ST
 SAC, CA.

SCHEMATIC
 SITE PLAN
 04.07.00

SK 1

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ATTACHMENT 4

SHRA PROPERTY

(Legal Description)

ALL THAT CERTAIN REAL PROPERTY SITUATE LYING AND BEING IN THE COUNTY AND CITY OF SACRAMENTO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 5 AND 6 AND THE EAST 32.25 FEET OF THE SOUTH 100.00 FEET OF LOT 7 AND THE EAST 28.00 FEET OF THE NORTH 60.00 FEET OF LOT 7 IN THE BLOCK BOUNDED BY "F" AND "G", 10TH AND 11TH STREETS OF THE CITY OF SACRAMENTO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 5, MARKED BY A 1-3/4 INCH IRON PIPE TAGGED L.S. 4900; THENCE THE FOLLOWING EIGHT COURSES: (1) THENCE ALONG THE EASTERLY LINE OF LOT 5, PARALLEL WITH THE CENTERLINE OF 11TH STREET ON AN ASSUMED BEARING S. 18° 31' 06" W. 160.58 FEET TO A 1-3/4 INCH PIPE TAGGED L.S. 4900, SET AT THE SOUTHEAST CORNER OF LOT 5; (2) THENCE N. 71° 32' 15" W. 192.94 FEET ALONG THE SOUTHERLY LINE OF LOTS 5, 6 AND 7 TO A 1-3/4 INCH IRON PIPE TAGGED L.S. 4900, FROM WHICH THE SOUTHEAST CORNER OF SAID LOT 7 BEARS S. 71° 32' 15" E. 32.25 FEET; (3) THENCE ALONG AN EXISTING WOOD FENCE N. 18° 30' 41" E. 100.00 FEET; (4) THENCE S. 71° 32' 15" E. 4.25 FEET, MORE OR LESS, ALONG THE NORTH LINE OF THE SOUTH 100.00 FEET OF LOT 7 TO AN INTERSECTION WITH A WOOD FENCE; (5) THENCE ALONG AN EXISTING WOOD FENCE N. 18° 30' 41" E. 60.51 FEET TO A POINT FROM WHICH THE NORTHEAST CORNER OF LOT 7 BEARS S. 71° 33' 53" E. 28.00 FEET; (6) THENCE ALONG THE NORTHERLY LINE OF LOTS 7, 6 AND 5 TO THE POINT OF BEGINNING OF THIS DESCRIPTION S. 71° 33' 53" E. 188.71 FEET.

SAID PARCEL CONTAINS 0.708 ACRES MORE OR LESS.

END OF DESCRIPTION

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ATTACHMENT 5

CITY PROPERTY

(Legal Description)

All that certain real property situate, lying and being in the City of Sacramento, County of Sacramento, State of California, particularly described as follows:

Lots 5,6,7 and 8 in the Block bounded by 11th and 12th and "F" and "G" Streets of the City of Sacramento, according to the official plat thereof.

0610L

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ATTACHMENT 6

TERMINATION AGREEMENT

NO FEE DOCUMENT: Entitled to
free recording per Government
Code 6103

When recorded, return to:
SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY
630 "I" Street
Sacramento, CA 95814
Attention: Legal Department

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**TERMINATION AGREEMENT
AND QUITCLAIM DEED**

THIS AGREEMENT is entered into this _____ day
of _____, 1987, between the REDEVELOPMENT AGENCY
OF THE CITY OF SACRAMENTO, a public corporation ("Agency"), and
VICTORIA PARK ASSOCIATES, INC., a California corporation, DEAN F.
UNGER, THOMAS A. COOK, WILLIAM A. COOK and ROBERT A. BELL
(collectively, "Developer").

WHEREAS, Agency and Developer entered into a Contract
for Sale of Land for Private Redevelopment ("Contract") dated
March 12, 1980, for the sale and development of the real property
("Real Property") located in the block bounded by F, G, 10th and
11th Streets in Sacramento, California, more particularly
described in the legal description attached as Exhibit "A" and
incorporated by this reference; and

WHEREAS, Exhibit "F", Schedule of Performances, attached
to the Contract, provided the the Developer would complete
certain actions by certain dates, which have not been performed;
and

WHEREAS, Agency and Developer acknowledge that, as a
result of such nonperformance under the Contract, the Developer
is in default of its obligation to the Agency, Agency would have
the right to terminate the Contract for nonperformance in
accordance with Part II, Article VII, Section 704, and that
Agency would have the right to revest title to the Real Property
in the Agency in accordance with said section; and

WHEREAS, Agency and Developer further acknowledge that
such nonperformance by Developer was not in any way excused for
any reason, including by reason of any act or failure to act on
the part of the Agency.

NOW, THEREFORE, the parties agree as follows:

1. Title to the Real Property shall revest in the
Agency. Developer hereby quitclaims, remises and releases all
rights, title and interest, which Developer may have, in and to
the Real Property to Agency.

2. Developer and Agency rescind the Contract and the Contract shall terminate effective immediately. Agency shall return to Developer its good faith deposit of FOUR THOUSAND NINE HUNDRED SEVENTY THREE and 32/100 DOLLARS (\$4,973.32).

3. In further consideration of this Agreement and Quitclaim Deed, Developer and Agency, each party does hereby mutually release the other for any claims which they may have against the other arising from the Contract, including claims for fees and liquidated damages.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

APPROVED AS TO FORM:

BY _____
William H. Edgar
Executive Director

Agency Counsel

APPROVED:

REDEVELOPER:

VICTORIA PARK ASSOCIATES, INC.,
a California Corporation

BY _____
Title: _____

Dean F. Unger

Thomas A. Cook

William A. Cook

Robert A. Bell

WPP16

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ATTACHMENT 7

SCHEDULE OF PERFORMANCE

SCHEDULE OF PERFORMANCEPRELIMINARY PHASETIME LINE

- (1) (a) Redeveloper shall prepare and submit Conceptual Plans to Agency Staff, Project Area Committee, Housing & and Redevelopment Commission and the City Planning Department. Prior to the effective date of Predevelopment Agreement.
- (b) Agency shall prepare staff report authorizing termination of Victoria Park Condos and execution of Predevelopment Agreement with 1111 G Street partnership. Prior to the effective date of Predevelopment Agreement.
- (2) Redeveloper shall execute a Termination Agreement for Victoria Park Condos. As of the effective date of Predevelopment Agreement.
- (3) Redeveloper shall file complete applications and Preliminary Plans with City Planning Division for City Planning Commission and Design Review Board hearings for Street Abandonment and Re-subdivision Map. Redeveloper shall also submit preliminary Plans to Agency. Within seventy-five (75) days of execution of Predevelopment Agreement.

PRELIMINARY PHASE

TIME LINE

- | | |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| (4) City Planning Commission shall act on application for all applicable entitlements. | Within sixty (60) days of effective date of filing of application. |
| (5) City Council shall act on applications for applicable entitlements. | Within one hundred twenty (120) calendar days of filing of application. |
| (6) Design Review Board shall approve application for all entitlements. | Within thirty (30) calendar days after City Council action. |

225 DAY (7.5 MONTHS)
ENTITLEMENT PERIOD
COMPLETED

DDA DEVELOPMENT AND EXECUTION PHASE - RESIDENTIAL

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| (7) Agency shall prepare staff report authorizing execution of Disposition and Development Agreement (DDA) for <u>entire project</u> , and submit to Alkali Flat PAC, Sacramento Housing and Redevelopment Commission and Agency for approvals. | Within one hundred ninety-five (195) calendar days following execution of Predevelopment Agreement. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|

RESIDENTIAL PHASETIME LINEDDA DEVELOPMENT AND EXECUTION PHASE - RESIDENTIAL - CONTINUED

- (8) Redeveloper shall execute DDA and escrow shall be opened. Agency shall deposit Deed for the property into escrow. Escrow shall not close until financing documents are approved and deposited into escrow.
- Within thirty (30) calendar days following approval of DDA.
- (9) Redeveloper shall prepare and submit Final Construction Plans to the Agency and the City Building Department, and Final Financing Commitment Letter to the Agency.
- Within ninety (90) calendar days following approval of DDA.
- (10) The Agency and City Building Department shall approve or disapprove Redeveloper's Final Plans and the Agency shall approve or disapprove the Final Financing Commitment Letter.
- Within sixty (60) calendar days following the date of submission of both items to the Agency and the City.
- (11) Redeveloper shall obtain Building Permit.
- On or before date of transfer of title for residential land.

RESIDENTIAL PHASE

TIME LINE

(12) Redeveloper shall deposit the financing documents as well fees, premiums, costs and other charges and execute all documents necessary. These shall be placed into escrow and title to the residential land shall transfer to the redeveloper.

Within thirty (30) days of approval of Final Plans by Agency and City.

(13) Redeveloper shall commence construction of residential improvements on the property.

Within thirty (30) days after the transfer of title.

(14) Redeveloper shall complete construction of the residential improvements on the property.

Within eight (8) months from the transfer of title.

14 MONTHS FROM
DATE OF DDA APPROVAL.
RESIDENTIAL PHASE
COMPLETED.

RESIDENTIAL PHASETIME LINERETAIL, OFFICE AND PARKING DEVELOPMENT

- (15) Redeveloper shall deposit a first installment of \$400,000 of the purchase price for the property into escrow, (to be used by the City of Sacramento to prepare the site). Agency/City shall deposit Deed for the property. Escrow on the property shall not close until financing documents are approved and deposited into escrow. The \$400,000 shall be released to the City of Sacramento.
- Within thirty (30) days following the approval of the DDA.
- (16) Redeveloper shall prepare and submit Final Construction Plans to the Agency and City Building Department [and Final Financing Commitment Letter to the Agency].
- Within two hundred and seventy (270) calendar days following approval of DDA or October 1, 1988 whichever is sooner.
- (17) The City Building Department shall approve (or disapprove) the Final Plans and issue a Building Permit. The Agency shall approve or disapprove the Final Plans and the Final Financing Commitment Letter.
- Within sixty (60) days following the date of submission of both items to the Agency and the City.
- (18) Redeveloper shall obtain building permit.
- On or before transfer of title of land.

RETAIL/OFFICE PHASE

TIME LINE

(19) Redeveloper shall deposit into escrow the financing documents and the remaining balance of \$400,000 as well as all fees, premiums costs and other charges and execute all documents necessary to close escrow and title to the commercial land shall transfer to the Redeveloper. Escrow closes.

Within thirty (30) days of approval of Final Plans.

(20) Redeveloper shall commence construction of retail, office and parking improvements on the property.

Within fourteen (14) months after the approval of the DDA or April 1, 1989 whichever is sooner.

(21) Redeveloper shall complete construction of the retail, office and parking improvements on the property.

Within thirty (30) months from the approval of the DDA.

PROJECT COMPLETED.
TOTAL TIME ELAPSED
FROM DDA APPROVAL:
30 MONTHS. TOTAL MONTHS
OF CONSTRUCTION FOLLOWING
ISSUANCE OF RESIDENTIAL
BUILDING PERMIT: 23-25
MONTHS.

As of 6/30/87

SCHEDULE OF PERFORMANCE

PRELIMINARY PHASE

TIME LINE

(1) (a) Redeveloper shall prepare and submit Conceptual Plans to Agency Staff, Project Area Committee, Housing & and Redevelopment Commission and the City Planning Department.

Prior to the effective date of Predevelopment Agreement.

(b) Agency shall prepare staff report authorizing termination of Victoria Park Condos and execution of Predevelopment Agreement with 1111 G Street partnership.

Prior to the effective date of Predevelopment Agreement.

(2) Redeveloper shall execute a Termination Agreement for Victoria Park Condos.

As of the effective date of Predevelopment Agreement.

CITY ENTITLEMENT PHASE

TIME LINE

(3) (a) Redeveloper shall submit revised concept plans to PAC, SHRC and Redevelopment Agency for approval.

Within (40) forty days of execution of Predevelopment Agreement

CITY ENTITLEMENT PHASE

TIME LINE

(b) Redeveloper shall file complete applications and Preliminary Plans with City Planning Division for City Planning Commission and Design Review Board hearings for Street Abandonment and Re-subdivision Map. Redeveloper shall also submit preliminary Plans to Agency.

Within seventy-five (75) days of execution of Predevelopment Agreement.