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CITY CLERK'S OFFICE  
CITY OF SACRAMENTO

JUN 18 11 22 AM '82



## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

June 17, 1982

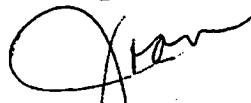
Ms. Lorraine Magana  
City Clerk  
915 I Street  
Sacramento, California

SUBJECT: Contract for Sale and Owner Participation Agreement  
Parcel HC-17, Paul Bernardis, Jr., Redeveloper

Dear Lorraine:

This will confirm our conversation wherein we agreed that the above matter, presently scheduled for hearing before the Redevelopment Agency on June 22, 1982, would be withdrawn to be reset at a later date.

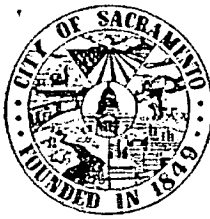
Very truly yours,

  
JOAN ROBERTS  
Agency Clerk

**FILED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

*Withdrawn*

JUN 22 1982



**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

*Cont. to  
6-22-82  
[JUN] 9 1982*



*Agency Rpt*  
**(26)**

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

May 17, 1982

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUN 2 1982

Honorable Members in Session:

**SUBJECT:** Contract for Sale and Owner Participation Agreement  
Parcel HC-17 and Assessor's Parcel No. 009-065-19  
Paul Bernardis, Jr., Redeveloper

SUMMARY

The attached resolution authorizes 1) the Executive Director to negotiate the consensual termination of the Contract for Sale of Land and the Owner Participation Agreement with Paul Bernardis, Jr., and 2) if the Executive Director is unable to achieve consensual termination, to take all necessary actions to unilaterally terminate the Contract for Sale of Land and the Owner Participation Agreement.

BACKGROUND

The subject property is located at the northeast corner of 8th and S Streets, within the Heavy Commercial Corridor of Capitol Mall Riverfront Project, Project Area No. 4 (Calif. R-67). This property is known as Disposition Parcel No. HC-17 and also as Assessor's Parcels 09-065-12 and 13.

In response to Agency advertisement of December 11 and 13, 1980 for the purchase and redevelopment of Parcel HC-17, two proposals were received on February 10, 1981. These proposals are from adjacent property owners, Paul Bernardis, Jr., and William Yaffee.

On March 24, 1981, by Resolution No. RA 81-028, the Agency made final selection of Paul Bernardis, Jr. as redeveloper for this property. This same resolution, RA 81-028, authorized the execution of the Contract for Sale of Land and the Owner Participation Agreement (OPA). The terms of the Contract and OPA required Mr. Bernardis to develop a 14,400 square foot

6-9-82  
D-1

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
May 17, 1982  
Page Two

two-story office structure with 37 parking stalls at an estimated total development cost of \$952,300, and Mr. Bernardis was to utilize an adjacent 80'x148' parcel (APN 009-065-19) which he presently owns, as part of the building site.

Mr. Bernardis' architect redesigned the parking layout (schematically approved by Redevelopment Agency of the City of Sacramento Resolution No. 81-028 on May 5, 1981) in order to avoid the necessity of obtaining a parking variance and has obtained City Planning Commission approval to consolidate the parcels. The project design was approved by the Architectural Review Board on July 1, 1981.

Mr. Bernardis presented the preliminary art plan to the Sacramento Metropolitan Arts Commission (SMAC) on December 10, 1981. That plan was approved and their staff recommended that final architectural plans be considered complete.

The final architectural plans were submitted to staff and found to be consistent with the Scope of Development, attached as Exhibit IV, of the Contract for Sale of Land for Private Redevelopment, the Owner Participation Agreement approved by Agency Resolution No. RA 81-028, and the preliminary architectural plans approved on July 28, 1981 by Agency Resolution No. RA 81-055.

In accordance with the adopted Schedule of Performance, the developer was to submit final architectural plans within three (3) months of the approval of the preliminary plans. The redeveloper was also required to submit evidence of financing within six (6) months of the effective date of the Contract for Sale of Land for Private Redevelopment. At its meeting of December 22, 1981, the Redevelopment Agency adopted Resolution No. RA 81-092 finding the redeveloper in default. The finding of default provided a sixty (60) day period (to February 22, 1982) in which to cure the default. Agency staff received the bank's commitment for evidence of financing on March 30, 1982 (see Exhibit I). The bank's commitment contained a number of conditions the developer could not accept. Staff discussed these conditions with

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
May 17, 1982  
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the developer and administratively permitted them until April 16, 1982 to submit a funding proposal which was acceptable. This deadline was not met. Therefore, in light of the continued inability of the developer to secure financing, staff recommends termination of the Contract for Sale of Land and Owner Participation Agreement, dated May 4, 1981 with Paul Bernardis, Jr.

It should be noted that William Yaffee, the other prospective developer who submitted a proposal in February, 1981, has recently expressed continued interest in the property.

FINANCIAL DATA

The sale price of HC-17 was set by private appraisal at \$57,500. Mr. Bernardis submitted a good faith deposit in the amount of \$2,875 which was to be held by the Agency until completion of the improvements. Termination of the contract will result in the retention of that deposit by the Agency to cover a portion of the damages incurred by the Agency.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of June 7, 1982, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your June 8 meeting.

RECOMMENDATION

The staff recommends adoption of the attached resolution

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
May 17, 1982  
Page Four

approving the termination of the Contract for Sale of Land  
and the Owner Participation Agreement.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COUNCIL:

*Walter J. Slipe*

WALTER J. SLIPE  
City Manager

Contact Person: Bruce D. Pope

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

June 8, 1982

TERMINATING CONTRACT FOR SALE OF LAND  
FOR PRIVATE REDEVELOPMENT (PARCEL HC-17)  
AND OWNER PARTICIPATION AGREEMENT  
PAUL BERNARDIS, JR.

WHEREAS, the Agency has previously determined that the Redeveloper, Paul Bernardis, Jr., under that certain Contract for Sale of Land for Private Redevelopment and that certain Owner Participation Agreement dated March 4, 1981, relating to the purchase and development of Parcel HC-17 in Project No. 4, to be in default; and

WHEREAS, notification of that determination of default has been given to Mr. Bernardis; and

WHEREAS, the period allowed by the Contract for Sale of Land and Owner Participation Agreement for the cure of said default has expired.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. The Executive Director is authorized to negotiate with the Redeveloper for a consensual termination of both contracts.

Section 2. If the Executive Director is unable to achieve an agreement to consensually terminate both agreements within a reasonable period of time, he is authorized to take all necessary actions to unilaterally terminate the Contract for Sale of Land and the Owner Participation Agreement.

Section 3. The Executive Director is authorized to prepare and execute any and all documents and take any and all necessary actions, including litigation, as are necessary to effect the purposes of this resolution.

ATTEST:

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
SECRETARY



# Lloyds Bank California

601 J Street • Second Floor • Sacramento, CA 95814  
916-441-7730

Real Estate  
Industries Division

March 30, 1982

Bernardis-Carson  
Mr. Paul L. Bernardis  
1812 - 9th Street  
Sacramento, California 95814

Re: Bernardis-Carson Office Building

Dear Gentlemen:

We are pleased to advise you that Lloyds Bank California ("LBC" or "Lender"), hereby commits to make an interim construction loan ("Loan") for the purpose of providing funds for the construction of the following described improvements to be constructed on the real property described in Exhibit "A" hereto (the "Project"):

The Project will be a 14,400 ± sq.ft. office building with 12,550 ± sq.ft. net rentable.

LBC's obligation to make the Loan is subject to, but not limited to, the satisfaction of each and every term and condition set forth below:

1. BORROWER: Bernardis-Carson, a California General Partnership which is comprised of Paul L. Bernardis and Carson Development Company, Inc., a California Corporation ("Borrower").
2. GUARANTORS: The individuals personally guaranteeing this loan will be Johan Otto, John F. Otto and Jack B. Bowker.
3. PRINCIPAL AMOUNT: Up to \$650,000.00 (not to exceed the actual cost of constructing the Project as described in the Budget for the loan referred to hereinafter).
4. TERM OF LOAN: The Loan shall be for a period of twelve (12) months with a maturity date of April 31, 1983. If the Borrower shall not be in breach or default of any of its obligations under the Loan, Borrower shall have the option to extend the original term of the Loan for a period of six (6) months upon the satisfaction of conditions imposed by LBC (such as, but not limited to, establishment of an interest reserve and evidence satisfactory to LBC of no adverse material change in Borrower's financial condition) at such time and upon payment of an extension fee in the amount of Sixty-five Hundred Dollars (\$6,500.00).

5. ADDITIONAL REAL ESTATE COLLATERAL TO BE PLEDGED (In addition to Project) AND LIEN PRIORITY ("Additional Property"): First Deed of Trust on land and improvements located at: (to be specified).
6. PREPAYMENT PERIOD AND RELATED FEES: No prepayment until completion of construction of the Project.
7. LATE CHARGE AND DEFAULT INTEREST RATE PROVISIONS: A late charge in the amount of \$0.02 for every \$1.00 of a payment of interest and/or principal which is not paid within fifteen (15) days from its due date shall be charged. Additionally, in the event any payment of principal and/or interest is not paid within fifteen (15) days from the date when due, then, effective as of the date when the payment was due, interest on the past due payment due shall accrue at a rate equal to four percent (4%) in excess of the interest rate described in paragraph 8 hereof, regardless of whether or not there has been an acceleration of the note, and shall continue to accrue at such rate so long as such payment is in default.
8. INTEREST RATE AND LOAN ORIGINATION FEE: The loan shall bear interest at one percent (1%) per annum floating over the LBC Prime Rate, calculated on the basis of a 360-day year. Each change in such interest rate due to a change in the Prime Rate shall become effective on the effective date of each change in the Prime Rate. Additionally, Borrower shall pay LBC a construction loan fee of two percent (2%) of the loan in the amount of \$13,000.00 as a fee originating in the making of the Loan by LBC, said fee to be paid in escrow at closing.
9. TITLE INSURANCE: Borrower shall procure and deliver to Lender a 1970 ALTA LP-10 Lender's Policy of Title Insurance, together with such endorsements as Lender may require, insuring LBC, in an amount equal to the principal amount of the Loan, that LBC's Deed of Trust constitutes a first lien or charge upon the Project and a first lien on the Additional Property subject only to such items as shall have been approved in writing by LBC. Such policy shall be issued by a title insurer and such reinsurer(s) approved by LBC in writing.
10. INSURANCE: Borrower shall procure and maintain at its expense throughout the term of the Loan an insurance policy for fire and extended coverage containing a course of construction clause and with Lender's loss payable endorsement (form 438 BFU or equivalent) in Lender's favor, in the amount of \$650,000.00. (Six-hundred Fifty Thousand Dollars), and public liability and property damage insurance in the amount of \$500,000.00 (Five-hundred Thousand Dollars), (including flood, earthquake, and workers' compensation, if applicable) in form and substance, and issued by a company acceptable to LBC.
11. APPRAISAL REQUIREMENTS: Appraisal to be prepared by LBC (and shall be the property of LBC) or an approved outside MAI, said appraisal to be satisfactory to LBC. Appraisal fees and/or costs incurred by LBC to be paid by Borrower.



12. CONSTRUCTION CONTRACT: The construction contract between Borrower and John F. Otto, Inc. ("Contractor") for the construction of the improvements and any change orders issued thereunder shall be subject to LBC's approval. LBC will require an assignment of Borrower's interest in and to the Construction Contract as security for the Loan. A list of all contractors, subcontractors and material suppliers to be employed in connection with the construction of the Improvements (setting forth the nature of the work to be performed, the labor and materials to be supplied and the dollar amount of such work or materials) shall be submitted to LBC for the purpose of trade checks. All contracts, subcontracts, contractors and subcontractors shall be subject to LBC's approval prior to close of the Loan.
13. LEASES: Borrower shall assign to LBC all of the Lessor's interest in all existing and future leases of the Project, or any portion thereof. All leases of the Project shall be subject to LBC's approval prior to execution. Borrower shall deliver to LBC such estoppel certificates as required by LBC. Pro forma rents are to be: a minimum of \$1.05 per sq. ft. if leased on a Net Rentable Basis or \$1.00 per sq. ft. if leased on a Gross Rentable Basis.
  - a. There will be a 83% "Lease up" requirement or a Letter of Intent to lease from the State of California prior to recording/funding the Loan for leases approved by LBC at an annual rent of at least \$12.60 per sq. ft. of net rentable area on a gross basis and covering not less than 10,250 sq. ft. of net rentable area.
14. REQUIRED PAYMENTS: Interest only shall be payable on the first day of each month on Loan proceeds disbursed through the end of the previous month. Principal and all secured interest shall be due and payable at maturity.
15. BORROWER'S EQUITY: Borrower shall be required to deposit at, or prior to, loan closing, \$396,400 in cash (includes land free and clear) with LBC or with a depository approved by LBC for disbursement at, or subsequent to, the loan closing. Said disbursement(s) is/are to be made prior to any disbursement of Loan funds. Borrower may provide evidence of payment of prepaid expenses subject to LBC approval.
16. SECURITY: The Loan shall be evidenced by a Promissory Note secured by a Deed of Trust, which shall be a first lien upon the Project and a First lien on the Additional Property, and a Security Agreement and Financing Statement constituting a first lien on all equipment, furniture, fixtures, and materials to be incorporated into the improvements and other personal property owned by Borrower located on or used in connection with the Project. The Loan shall also be secured by an assignment of all leases of the Project or any part thereof.
17. DUE-ON SALE/ENCUMBRANCE: The Deed of Trust for the Loan shall contain the following provision:

17. Due-on Sale/Encumbrance - Continued

"Trustor understands that in making this loan, Beneficiary is relying to a material extent upon the business expertise and net worth of Trustor and its General Partners and upon the continuing interest which Trustor and its General Partners have in the real property described herein. Accordingly, (a) in the event Trustor shall directly or indirectly, voluntarily or involuntarily, sell, assign, transfer, dispose of or further encumber or suffer to exist any other lien against all or any portion of or any interest in the property which is the subject of this Deed of Trust, then, or at any time thereafter, Beneficiary, at its option, may declare the entire indebtedness secured hereby immediately due and payable; or (b) In the event that any of the General Partners of Trustor shall, directly or indirectly, without the prior written consent of Beneficiary, voluntarily or involuntarily, sell, assign, transfer, dispose of or encumber or agree to sell, assign, transfer, dispose of or further encumber all or any portion of such General Partner's interest in Trustor, then, or at any time thereafter, Beneficiary, at its option, may declare the entire indebtedness secured hereby immediately due and payable.

The foregoing options may be exercised at any time after the occurrence of any such event and the acceptance of one or more installments from any person thereafter shall not constitute a waiver of Beneficiary's option. Beneficiary's approval of any sale, assignment, transfer, disposition, encumbrance or other lien or failure to exercise said option with respect thereto shall not be construed as a waiver of the provisions hereof with regard to any subsequent transaction."

18. FINANCIAL INFORMATION: During the term of the Loan, Borrower shall deliver to LBC within 90 days of the end of each fiscal year an income and expense statement, a balance sheet, and a statement of all changes in financial position affecting either Borrower or Guarantor(s) certified by Borrower and/or Guarantor(s) as being true and correct. In the event Borrower obtains audited financial information, Borrower shall submit copies of such information to LBC. Prior to close of the Loan and during the term thereof, Borrower shall deliver to LBC such additional financial information as may be requested by LBC.
19. MANAGEMENT AGREEMENT: LBC reserves the right to review and approve, prior to execution, any agreement providing for the management or operation of the management or operation of the Project by a third party.

- 20. RENTAL SCHEDULE: Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without LBC's prior written approval.
- 21. PLANS AND SPECIFICATIONS: Final plans and specifications for the improvements shall be subject to LBC's approval prior to close of the Loan. There shall be no change in the plans and specifications approved by LBC nor any material deviation in construction of the improvements therefrom without LBC's prior written consent. LBC shall require an assignment of Borrower's interest in and to the plans and specifications as security for the Loan.
- 22. PROJECT BUDGET: A preliminary budget attached hereto (Exhibit "B") has been prepared from preliminary cost information delivered with Borrower's application for the Loan and may be revised following LBC's review of additional cost data. The proceeds of the Loan shall be disbursed in accordance with the final project cost budget approved by LBC ("Budget"). LBC reserves the sole right to specify the manner in which the loan proceeds will be disbursed.
- 23. COST BREAKDOWN: Borrower shall deliver to LBC for LBC's approval prior to close of the Loan, a final breakdown of the cost of constructing the Project on a line item basis delineating separately shell, tenant improvements, and indirect costs.
- 24. DISBURSEMENTS: Draw request will be reviewed within ten (10) working days after receipt by LBC's inspecting architect and, if approved by LBC, proceeds will be disbursed into an account to be maintained at LBC. All disbursements will be subject to a clear CLTA 122 endorsement from the title insurance company. All checks will require the dual signatures of Borrower and LBC (including checks to subcontractors). LBC will disburse 90% of all hard costs, with the remaining 10% held as retention until the lien period ends.
- 25. CONSTRUCTION LOAN AGREEMENT: A Construction Loan Agreement in a form provided by LBC shall be executed by Borrower. The LBC Construction Loan Agreement shall provide that if at any time LBC (in the exercise of its sole discretion) shall deem the remaining Loan proceeds to be insufficient to complete the improvements, Borrower shall, within ten (10) days of written demand by LBC for the deposit of funds sufficient to complete the improvements, deposit into the construction loan account the funds demanded by LBC. Borrower's failure to deposit the funds so demanded by LBC shall constitute a default under the Loan. All changes to the scope of work and/or construction contract shall be subject to the approval of LBC in its discretion.

26. SURVEYS: A survey, certified by a licensed surveyor, showing the location of all matters affecting the property, including the location of boundary lines, easements, rights of way, and setting forth the legal description of the property shall be submitted to LBC for its written approval prior to close of the Loan. Borrower shall submit an update survey (showing the location of all proposed improvements) following the staking of building corners and a final certified survey (showing no encroachments or exceptions) upon completion of all construction.
27. SOILS REPORT: Borrower shall submit a soil engineer's report of the Project which report shall be subject to LBC approval prior to close of the Loan. Soils report shall be accompanied by a letter from the soils engineer stating that all recommendations of the report have been incorporated into the plans and specifications.
28. RESTRICTIONS: All existing and future restrictions on the use (or otherwise limiting development) of the Project shall be subject to LBC approval.
29. GOVERNMENTAL REGULATIONS AND PERMITS: Borrower shall deliver such evidence as LBC may require of compliance with all governmental regulations or restrictions on the lawful construction, use, occupation and operation of the Project. All permits and approvals required under all applicable building codes and zoning ordinances and under all other applicable Federal, State or local laws, rules, regulations, codes, ordinances or orders in connection with and to permit the commencement of construction of the Project are to be delivered to LBC prior to closing and such permits shall be in force, and not subject to appeal or to conditions which have not been met. During the term of the Loan, all additional permits or approvals or disapprovals issued with regard to the Project are to be delivered to LBC within ten (10) days of Borrower's receipt thereof.
30. LBC EXPENSES: Whether or not the loan closes, Borrower shall make prompt payment in full when incurred of all expenses of LBC incidental to the Loan or this Commitment including, without limitation, expenses incurred for appraisal and legal documentation and review. Borrower shall also pay all preclosing and closing expenses, including, without limitations, escrow fees, title insurance, hazard insurance and bond premiums, architect's fees, as well as charges for such items as surveys, recordation, filing and documentary or stamp taxes, not included in the Budget.
31. PREDEVELOPMENT EXPENSES: All sums expended by Borrower or its principals to acquire the Project, pay organizational, architectural, planning and engineering and all other predevelopment expenses not directly involving physical development of Project shall be deemed to be a portion of Borrower's equity in the Project, and except as specifically approved for reimbursement by LBC in writing, shall not be reimbursed from the proceeds of the Loan.

32. SIGNS AND PUBLICITY RELEASES: Borrower agrees that LBC may erect on the Project such signs as are appropriate to evidence the issuance of construction financing by LBC. Borrower also agrees that LBC may issue publicity releases to newspapers or trade publications announcing issuance of such financing by LBC.
33. DOCUMENTATION: The form and substance of all documents to be delivered to or approved by LBC (including, but not limited to, all such documents mentioned in this Commitment) shall in all respects be satisfactory to LBC. All documents evidencing, securing, or related to the Loan, including this commitment, shall be in a form and substance acceptable to LBC and its legal counsel, Landels, Ripley & Diamond. Borrower shall promptly deliver to LBC any further documentation which may be required by LBC or its legal counsel.
34. CHANGES OR AMENDMENTS: No document which by the terms of this Commitment is to be delivered to LBC or is subject to LBC's approval shall be modified or terminated without the prior written approval of LBC. This Commitment sets forth the full understanding of LBC and Borrower concerning the Loan and supercedes all previous understandings, both oral and written. The Commitment shall not be amended except by a written amendment executed by both LBC and Borrower.
35. INDEMNIFICATION: Borrower shall indemnify and defend LBC and hold LBC harmless against loss or damage suffered by LBC as a result of any claim by any person, or entity for any brokerage commission, finder's fee, or other similar fee alleged to be due as a result of the transaction contemplated by this Commitment.
36. TIME: Time shall be of the essence of this Commitment. No waiver of any of the terms or conditions of this Commitment shall be effective, nor shall any waiver of any default hereunder be effective, unless made in writing, and no waiver furnished in writing shall be deemed a waiver of any future condition. All notices to LBC hereunder shall be in writing addressed to LBC at: 601 J Street, Sacramento, California, 95814, Attention: Alan Scott Mayer and, if to Borrower, at the address of this Commitment.
37. TERMINATION OF COMMITMENT: LBC reserves the right to cancel this Commitment and terminate its obligations hereunder, upon the occurrence of, but not limited to, any of the following events:
  - a. Borrower's failure to comply with the terms or conditions of this Commitment.
  - b. Non-payment of fees and expenses provided for in this Commitment.
  - c. Insufficiency of title or lack of approval by LBC of Borrower's title to the Project.

37. Termination of Commitment - Continued

- d. The filing by or against Borrower, any of its General Partners or any Guarantors of a case or petition in bankruptcy or insolvency or for reorganization or the appointment of a receiver or trustee, or the making by Borrower any of its General Partners or any Guarantors of an assignment for the benefit of creditors, or the filing of a petition for arrangement by Borrower, any of its General Partners or by any Guarantor.
- e. The disclosure of any information which in LBC's opinion would impair the ability of Borrower to perform under the terms of this Commitment or the Loan.
- f. The failure of Borrower to disclose to LBC all information material to the Loan or the Project, or the misrepresentation by Borrower to disclose to LBC all information material to the Loan or the Project, or the misrepresentation by Borrower of any material fact relating to the Loan, the Project or the financial condition of Borrower.

Termination of this Commitment pursuant to the terms of this paragraph shall not entitle Borrower to a return of any fees previously paid to LBC or relieve Borrower from its obligations to reimburse LBC's expenses under paragraph 30 above.

- 38. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to LBC at its address the enclosed copy of this letter attached hereto, as fully executed by the parties names therein, within ten (10) days from the date hereof. Until receipt of such acceptance by LBC at its place of business in Sacramento, California, LBC shall have no liability hereunder, and unless such acceptance has been received by LBC within ten (10) days from the date hereof, this Commitment shall be null and void. Any extension of such time for acceptance must be made by LBC in writing. By this acceptance, Borrower agrees to pay any expenses incurred in the process of the Loan. In the event the Loan is not closed, all expenses shall be due and payable on request.
- 39. NONASSIGNABILITY OF COMMITMENT: This Commitment shall not be assignable, either voluntarily or involuntarily, and any such assignment shall be absolutely void.
- 40. EXPIRATION OF COMMITMENT: This Commitment shall expire sixty (60) days from the date of acceptance by Borrower if the Loan is not closed within said period for any reason.
- 41. ACCEPTANCE: In order for the Commitment to be valid, Borrower must execute a copy of this Commitment and deliver the same to LBC at its office in Sacramento, California no later than 5:00 p.m., April 9, 1982.


/////

Bernardis-Carson  
a General Partnership

March 30, 1962  
Page nine

Very truly yours,

LLOYDS BANK CALIFORNIA

By:   
Alan Scott Mayer  
Its: Administration Officer

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms and conditions therein set forth.

BERNARDIS-CARSON, a General Partnership (BORROWER)

By: \_\_\_\_\_  
Johan Otto, Carson Development  
Company, Inc., President  
Its: General Partner

By: \_\_\_\_\_  
Paul L. Bernardis  
Its: General Partner

Date of Acceptance: \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

The land referred to herein is described as follows:

D E S C R I P T I O N

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

PARCEL NO. 1:

The West one-half of Lot 7 in the Block bounded by "R" and "S" and Eight and Ninth Streets of the City of Sacramento, according to the official map or plan thereof.

PARCEL NO. 2:

The South one-quarter of Lot 8 in the Block bounded by "R" and "S" and Eight and Ninth Streets of the City of Sacramento, according to the official map or plan thereof.

PARCEL NO. 3:

The West one-half of Lot 6 and the East one-half of Lot 7 in the Block bounded by "R" and "S" and Eight and Ninth Streets of the City of Sacramento, according to the official map or plan thereof.

EXCEPTING THEREFROM the Northerly 12 feet of said Lots.

a2ef/2/jb

EXHIBIT "A"



Direct Costs

Land at Market (@ \$6.50 /s.f.)	\$136,000
Site Development Costs	56,100
Off-Site Development Costs	-0-
Building Shell 14,400 s.f. @ \$30.55 /s.f.	439,900
Tenant Improvements 12,350 s.f. @ \$12.96 /s.f.	160,000
Total Direct Costs	<u>\$ 792,000</u>

Indirect Costs

Architectural \$42,000	Engineering \$5,000	\$ 47,000
Survey \$3,000	Soils \$3,000	6,000
Permits \$4,000	Fees \$1,000	7,000
Insurance \$1,500	Taxes \$1,500	3,000
Legal and Accounting		1,000
Title and Recording Fees		3,000
Leasing Commissions		20,000
Construction Loan Fee ( 2 %)		13,000
Appraisal Fee		1,400
Broker Fee		-----
Developer's Overhead 3.9 % of \$ 656,000		25,000
Builder's Overhead 5 % of \$ 656,000		30,000
Contingency Reserve 5 % of \$ 656,000		30,000
Other		-----
Construction Loan Interest		68,000
12 mos; 60 % outstanding @ 17.5 % rate		
Total Indirect Costs		<u>\$ 254,400</u>
TOTAL INDICATED COSTS		<u>\$ 1,046,400</u>

Source of Funds

Land (Market - less land advance of \$ -0- )	\$ 136,000
Leasing Income	-----
net income X _____ % leased X _____ % year	-----
Other (Prepaid)	-----
LBC Construction Loan	650,000 (\$786,000)
Additional Developer Equity Required Prior to Funding	<u>\$260,400</u>

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

June 9, 1982

TERMINATING CONTRACT FOR SALE OF LAND  
FOR PRIVATE REDEVELOPMENT (PARCEL HC-17)  
AND OWNER PARTICIPATION AGREEMENT  
PAUL BERNARDIS, JR.

WHEREAS, the Agency has previously determined that the Redeveloper, Paul Bernardis, Jr., under that certain Contract for Sale of Land for Private Redevelopment and that certain Owner Participation Agreement dated March 4, 1981, relating to the purchase and development of Parcel HC-17 in Project No. 4, to be in default; and

WHEREAS, notification of that determination of default has been given to Mr. Bernardis; and

WHEREAS, the period allowed by the Contract for Sale of Land and Owner Participation Agreement for the cure of said default has expired.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. The Executive Director is authorized to negotiate with the Redeveloper for a consensual termination of both contracts.

Section 2. If the Executive Director is unable to achieve an agreement to consensually terminate both agreements within a reasonable period of time, he is authorized to take all necessary actions to unilaterally terminate the Contract for Sale of Land and the Owner Participation Agreement.

Section 3. The Executive Director is authorized to prepare and execute any and all documents and take any and all necessary actions, including litigation, as are necessary to effect the purposes of this resolution.

ATTEST:

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CHAIRMAN

William H. Flynn

SECRETARY