

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

SELLER: S. THOMAS ENTERPRISES OF
SACRAMENTO, LLC

BUYER: CITY OF SACRAMENTO

PROJECT: SACRAMENTO RAILYARDS

DATED: December __, 2006

DEFINED TERMS

Effective Date: The date this Agreement is executed by Buyer after its approval by the Sacramento City Council

Seller: S. Thomas Enterprises of Sacramento, LLC, a Delaware limited liability company

Seller's Address: 431 I Street
Suite 202
Sacramento, California 95814
Attention: Mr. Suheil J. Totah
Phone No.: (916) 329-4500
Fax No.: (916) 329-4501
E-Mail: stotah@thomasent.com

Seller's Counsel: Cushing, Morris, Armbruster & Montgomery, LLP
229 Peachtree Street, N.E., Suite 2110
Atlanta, Georgia 30303
Attention: Jeffrey F. Montgomery, Esq.
Phone No.: (404) 521-2323
Fax No.: (404) 658-9865
E-Mail: jfm@cmamlaw.com

Diepenbrock Harrison
400 Capitol Mall, Suite 1800
Sacramento, California 95814
Attention: Joel Erb, Esq.
Phone No.: (916) 492-5071
Fax No.: (916) 446-4535
E-Mail: jerb@diepenbrock.com

Buyer: City of Sacramento, a charter municipal corporation (or "City")

Buyer's Address: Office of the City Manager
915 I Street, Fifth Floor
Sacramento, CA 95814
Attention: City Manager
Phone No.: (916) 808-5704
Fax No.: (916) 808-7618
E-Mail: rkerridge@cityofsacramento.org

Buyer's Counsel:

Office of the City Attorney
915 I Street, Fourth Floor
Sacramento, CA 95814
Attention: Eileen Teichert
Phone No.: (916) 808-5346
Fax No.: (916) 808-7455
E-Mail: eteichert@cityofsacramento.org

Escrow Holder:

Placer Title Company
1512 Eureka Road, Suite 120
Roseville, California 95661
Attention: Sue Weaver
Phone No.: (916) 782-3711
Fax No.: (916) 744-0586
E-Mail: sweaver@placertitle.com

First Closing Date

On or before December 29, 2006, or such later date in accordance with Section 4(b) of this Agreement.

Land:

That certain land located in the City of Sacramento, County of Sacramento, State of California, consisting of approximately 32 acres of land as described in Exhibit A attached hereto. The Land is to be conveyed in two phases, one phase for "Parcel A" and one for "Parcel B," as so described in Exhibit A (individually, a "Phase" and collectively, "Phases.")

Property

The Land together with all of Seller's right, title and interest in and to all rights, privileges, easements and appurtenances benefiting the Land, including, but not limited to, all mineral and water rights and all easements, rights-of-way and other appurtenances used or connected with the use or enjoyment of the Land, but specifically excluding all rights to air above the area on Parcel B subject to "Railroad Easement II" (as defined in Section 22(i) herein) and described in Exhibit A, and together with the property (the "Personal Property") described on the General Assignment and Bill of Sale attached hereto as Exhibit F (the "General Assignment").

Purchase Price: The Purchase Price for Parcel A and Parcel B shall be determined as set forth in Exhibit M of this Agreement. The Purchase Price shall be paid as set forth in Section 3 of this Agreement

Second Closing Date Thirty (30) days following action of the Sacramento City Council as set forth in Section 7(h) and satisfaction of contingency set forth in Section 7(i)

Title Company: Placer Title Company
1512 Eureka Road, Suite 120
Roseville, California 95661
Attention: Sue Weaver
Phone No.: (916) 782-3711
Fax No.: (916) 744-0586
E-Mail: sweaver@placertitle.com

Exhibits and Schedules:

- Exhibit A** Land
- Exhibit B** Grant Deed for First Closing
- Exhibit C** Grant Deed for Second Closing
- Exhibit D** Transferor's Certificate of Non-Foreign Status
- Exhibit E** Provided Property Documents
- Exhibit F** General Assignment and Bill of Sale
- Exhibit G** Report
- Exhibit H** Description of Remediation Areas [Track Area; Excluded Areas A and B; 25 Foot Strip]
- Exhibit I** Access and Environmental Remediation Easement
- Exhibit J** Form of Parcel A Promissory Note
- Exhibit K** Security
- Exhibit L** Opinion of Counsel
- Exhibit M** Procedure to Determine Purchase Price

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions (this "**Agreement**") is made and entered into as of the Effective Date by and between Buyer and Seller. The meanings set forth on pages (i) through (iii) hereof shall apply to capitalized terms not otherwise defined herein, except to the extent expressly modified or clarified hereby.

In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. **PURCHASE AND SALE.** Seller hereby agrees to sell the Property and Buyer hereby agrees to purchase the Property pursuant to the terms and conditions set forth in this Agreement. The Property includes Land that consists of Parcel A and Parcel B. The sale and conveyance of each parcel will occur in two different Phases, each with its own Closing, as set forth in this Agreement.

2. **PURCHASE PRICE.** The Purchase Price shall be the fair market value of the Land as determined by agreement reached with or without mediation, or by way of arbitration, pursuant to the provisions of Exhibit M. Buyer shall pay to Seller the Purchase Price at the Close (as defined below) for each Phase of the Property as set forth in Section 3 below.

3. **PAYMENT OF PURCHASE PRICE.** For purposes of this Agreement, the Purchase Price for Parcel A and Parcel B shall be paid as follows:

(a) **Parcel A Phase:** Subject to the provisions of this Agreement, Buyer shall make an advance payment toward the Purchase Price for Parcel A paid partly in cash and partly by a promissory note as follows: Fifty Five Million Dollars (\$55,000,000.00) ("Advance Payment") payable Thirty Million Dollars (\$30,000,000.00) in cash at the Closing of Parcel A and Twenty Five Million Dollars (\$25,000,000.00) pursuant to a promissory note substantially in the form attached as Exhibit J hereto and incorporated herein ("Parcel A Note") executed by Buyer at the Closing of Parcel A. Seller acknowledges and agrees that Buyer is making the Advance Payment prior to the determination of the Purchase Price for Parcel A pursuant to Exhibit M attached hereto and incorporated herein. In consideration of the Buyer making such Advance Payment and other consideration under this Agreement, Seller agrees to the following provisions:

1. In the event that the Advance Payment is greater than the Purchase Price for Parcel A, then Seller shall pay the difference between the Advance Payment and the final Purchase Price for Parcel A, together with interest accruing thereon at the Prime Rate (as defined in the Parcel A Note) from the Closing Date for Parcel A ("Purchase Price Differential") to Buyer. Within ten (10) business days following the determination of the Purchase Price for Parcel A, Seller shall deliver to Buyer a promissory note reflecting Seller's obligation to pay the Purchase Price Differential to Buyer ("Purchase Price Differential Note"), which shall be substantially in the form of the Parcel A note and which shall (a) reflect the application of credits as a method under which Seller's obligations under the note may be discharged as described in the below subsections (i) through (iii), inclusive, and (b) set forth a payment due date of January 1, 2012 ("Due Date") on any amounts not theretofore applied as credits. The Seller's obligation to pay the Purchase Price Differential shall be secured, as of the First Closing, as described in Subsection (B) below. Such security also shall secure the payment of the Purchase Price Differential Note.

(A) The parties agree that the Seller's obligation to pay to Buyer the Purchase Price Differential pursuant to the provisions of this Section 3 and the Purchase Price Differential Note may be discharged by application of credits against one or more of the obligations of Buyer described in subsections (i) through (iii) below. Buyer shall apply the Purchase Price Differential, in amounts selected by Buyer in its sole discretion, against one or more of Buyer's obligations as follows in subsections (i), (ii) and (iii) below:

(i) Buyer's obligation to pay the Purchase Price for Parcel B, which credit shall be realized upon the Second Closing Date in the amount of the credit elected by Buyer.

(ii) Buyer's obligations for the cost of rail track relocation pursuant to that certain Track Relocation and Finance Agreement by and between the City of Sacramento and S. Thomas Enterprises of Sacramento, LLC ("Track Relocation Agreement" or "TRA"), if the implementation of the Track Relocation Agreement is allowed pursuant to satisfaction of the contingencies stated in the TRA. Such credit against Seller's obligation to pay the Purchase Price Differential shall be realized only upon Seller's actual payment of Buyer's obligations described in the Track Relocation Agreement.

(iii) Buyer's obligation to pay for infrastructure serving Seller's development project for the Railyards, which Buyer's obligation shall be established upon future negotiations between the parties and formulation and approval by the Sacramento City Council of an infrastructure financing plan. Such credit against Seller's obligation to pay the Purchase Price Differential shall be realized only upon Seller's actual payment of Buyer's infrastructure obligations established as described in the preceding sentence.

(iv) Seller's obligation to pay to Buyer the Purchase Price Differential shall be reduced as each credit amount is realized as set forth in subsections (i) through (iii), inclusive, as applicable. Thirty (30) days prior to the Due Date, Buyer shall provide Seller with an accounting setting forth the portion, if any, of Seller's obligation to pay the Purchase Price Differential that theretofore has been reduced by way of realized credit. Seller shall pay to Buyer the amount of such balance by the Due Date pursuant to the Purchase Price Differential Note.

(B) Seller's obligation to pay to Buyer the Purchase Price Differential, and the Purchase Price Differential Note, shall be secured by that certain property described in Exhibit K hereto and incorporated herein (the "Security"), which shall be documented in accordance with this Subsection (B) using the standard form of Deed of Trust provided by the Title Company and reasonably acceptable to Buyer and Seller (the "Deed of Trust"). Buyer shall be provided with a lender's policy of title indicating the Deed of Trust in first senior position on the Security. Seller shall be entitled to substitute the Security with collateral of equal or greater value, subject to Buyer's approval, which shall not be unreasonably withheld. The Deed of Trust shall allow for the placement of junior deeds of trust on Security by Seller. Seller shall not be prevented from performing environmental remediation on the Security. The Security shall be released upon Seller's payment to Buyer of the Purchase Price Differential, if any, or when no Purchase Price Differential in favor of Buyer exists due to the realization of credits pursuant to Subsections (i) through (iii) of Subsection (A) above. Buyer shall execute and record evidence of said release as reasonably requested by Seller. For purposes of establishing the Security only, the parties agree that the Purchase Price Differential shall be equal to the Advance Payment, plus interest equal to the per annum rate of the Prime Rate (as defined in the Parcel A Note). In addition, the parties may agree upon the release of a portion of the

Security as contemplated in Section 7(i). Seller's execution and delivery of the Deed of Trust or other documents (reasonably requested by Buyer) evidencing and perfecting the Security shall be conditions of the Close of Parcel A.

2. In the event that the Advance Payment is less than the Purchase Price for Parcel A, Seller shall accept payment of such differential, at Buyer's discretion, either in cash paid within thirty (30) days following the determination of the Purchase Price for Parcel A or by delivery of a promissory note on the same terms as the Parcel A Note.

3. In the event that either party must enforce this Section, the other party shall be responsible for all reasonable fees, costs and expenses (including, without limitation, reasonable attorneys' fees and legal costs whether incurred in-house or through outside counsel) incurred by the enforcing party to enforce the provisions of this Section and to collect any outstanding sums due from the other party, including, without limitation, attorney's fees;

(b). *Parcel B Phase.* Upon the determination of Purchase Price for Parcel B, Buyer, at Buyer's sole and absolute discretion, may pay such Purchase Price either (a) in cash paid on the Second Closing Date following the determination of the Purchase Price for Parcel B, (b) by delivery of a promissory note in the same form as the Parcel A Note, or (c) by applying and realizing a credit as described in Subsection 3(a)(1)(A)(i) above.

(c). The provisions of this Section 3, and the provisions of instruments and documents executed pursuant to said Section, shall survive the Closing of Parcel A and the Closing of Parcel B, and shall survive the termination of this Agreement.

4. *ESCROW AND CLOSING.*

(a) *Opening of Escrow.* The escrow ("Escrow") shall be deemed opened ("Opening of Escrow") on the date that Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and abide by any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated hereby; provided, however, no such instructions or instruments shall conflict with, amend or supersede any portion hereof. If there is any conflict or inconsistency between the terms of such instruments and the terms hereof, then the terms hereof shall control.

(b) *First Closing.* For purposes of this Agreement, the "First Closing" shall be the date that a grant deed in the form attached as Exhibit B hereto (the "First Closing Deed") is recorded pursuant to applicable law in Sacramento County, California. Unless changed in writing by Buyer and Seller, the First Closing shall occur on the First Closing Date, subject to Buyer's and Seller's rights to terminate this Agreement that are expressly set forth herein. The parties hereby acknowledge that they intend to close the purchase of Parcel A concurrent with or following the close of Seller's purchase of the Sacramento Railyards from Union Pacific Railroad Company ("UPRR"). Notwithstanding the foregoing, this Agreement shall be deemed terminated as of December 30, 2006 if Seller fails to close on its purchase from UPRR on or before December 29, 2006, provided that the City, acting through its City Manager, in its sole discretion, may approve a request by Seller for an extension of this deadline and termination date to a date not later than January 29, 2007. If the Seller fails to close on its purchase from UPRR on or before the extension date approved by the City, then

this Agreement shall be deemed terminated as of the day following such extension date. For purposes of this subsection (b), the close of Seller's purchase from UPRR shall be deemed to have occurred upon the recordation of UPRR's deed conveying the Sacramento Railyards to Seller. In the event of the termination of this Agreement in accordance with this subsection (b), the Escrow Holder shall return any sums deposited by Buyer, including, without limitation, to the \$30,000,000.00 payment described in Section 3(a), forthwith upon written request by Buyer.

(c) *Second Closing.* For purposes of this Agreement, the "Second Closing" shall be the date that a grant deed in the form of Exhibit C attached hereto ("Second Closing Deed") for Parcel B is recorded, pursuant to applicable law in Sacramento County, California. Unless changed in writing by Buyer and Seller, the Second Closing shall occur on the Second Closing Date, subject to Buyer's and Seller's rights to terminate this Agreement that are expressly set forth herein. The "First Closing" and the "Second Closing" are sometimes herein collectively referred to as the "Closings," and sometimes individually as a "Closing." The "First Closing Date" and the "Second Closing Date" are sometimes herein collectively referred to as "Closing Dates" and sometimes individually as a "Closing Date."

(d) *Notice of Closing Dates.* Seller is to provide written notice to Buyer of the respective dates on which the First Closing and Second Closing are to occur. Such notice shall be provided not less than five (5) business days prior to applicable Closing Date.

5. *REMEDIES.*

(a) *Remedies Upon Seller's Default.* If Seller fails to close on the Property as contemplated hereby in a timely manner because of a default by Seller (and Buyer is not in default hereunder), then Buyer may (i) terminate this Agreement by delivery of written notice to Seller and Escrow Holder, or (ii) purchase the Property (or if necessary, seek specific performance hereof). Nothing in this subsection (a) shall affect the termination of this Agreement by operation of the provisions of Section 4(b) above relating to Seller's failure to timely close on its purchase of the Sacramento Railyards from UPRR.

If, after the First Closing but prior to Second Closing, Seller defaults in any of its obligations hereunder, or breaches any of its representations or warranties set forth herein, then the Buyer may (i) terminate this Agreement by delivery of written notice to Seller and Escrow Holder or (ii) purchase the Property (or if necessary, seek specific performance hereof), provided that Seller shall be provided ten (10) calendar days to cure such default.

(b) *Remedies Upon Buyer's Default.* If Buyer fails to close the First Closing as contemplated herein because of a Buyer default, then the Seller may (i) terminate this Agreement by delivery of written notice to Buyer and Escrow Holder, and (ii) pursue any and all rights available to Seller hereunder, at law or in equity.

If, after the First Closing but prior to Second Closing, Buyer defaults in any of its obligations hereunder, or breaches any of its representations or warranties set forth herein, then the Seller may (i) terminate this Agreement by delivery of written notice to Buyer and Escrow Holder, and (ii) pursue any and all rights available to Seller hereunder, at law or in equity, provided that Buyer shall be provided ten (10) calendar days to cure such default.

6. **SELLER'S DELIVERY OF PROPERTY DOCUMENTS.** By its execution hereof, Buyer acknowledges that Seller has delivered or otherwise made available to Buyer the documents and other materials relating to the Property set forth on **Exhibit E** attached hereto (collectively, the "**Property Documents**") and the existing survey, prepared by Nolte Associates and dated September 27, 2004 (the "**Survey**").

7. **BUYER'S CONTINGENCIES.** Each Closing and Buyer's obligation to consummate the respective transactions contemplated hereby are subject to the satisfaction or waiver, on or before the respective Closing Date of the following conditions precedent (collectively, "**Buyer's Contingencies**"), which are for Buyer's benefit only:

(a) **Title Review.** Seller has caused the Title Company to deliver to Buyer a preliminary title report (the "**Report**") describing the title to the Property, together with one copy of each of the exceptions (the "**Permitted Exceptions**") set forth in Schedule B of the Report attached hereto as **Exhibit G** and incorporated herein. Buyer is satisfied with title to the Property, subject only to the Permitted Exceptions, as reflected in the Report.

(b) **Title Review Update.** At any time on or after the Effective Date, Buyer shall be entitled to cause the Title Company to issue a revised title report (the "**Revised Report**") that describes the title to the property or any portion thereof, the form of the policy of title insurance for Buyer's Title Policy (defined below) as described in subsection (e) below, and any exceptions that are not created by Buyer to title that may have appeared on or after the effective date of the Report, together with one copy of each of such additional exceptions (the "**New Exceptions**") set forth in the Revised Report. Within five (5) calendar days after Buyer's receipt of the Revised Report, Buyer shall notify Seller in writing of any New Exceptions indicated in the Revised Report that Buyer approves and any New Exceptions that Buyer disapproves. If Buyer fails to deliver written notice to Seller of its disapproval of any New Exceptions indicated on the Revised Report within said five (5) calendar day period, then all such items shall be deemed approved by Buyer. Any New Exceptions indicated on the Revised Report and approved (or deemed approved) by Buyer shall constitute Permitted Exceptions in connection with the issuance of the Title Policy. If Buyer notifies Seller of its disapproval of any New Exceptions indicated on the Revised Report, then Seller shall have ten (10) calendar days upon such notice to advise Buyer of any such New Exceptions which Seller is unable or unwilling to remove at the close of the respective escrow. If Buyer fails to approve in writing, within ten (10) calendar days of receiving such notice from Seller, those exceptions that Seller is unable or unwilling to remove at the close of the respective escrow, then either party, may by written notice to the other and the Title Company, terminate this Agreement and, unless otherwise provided herein, the rights and obligations of the parties hereunder.

(c) **Inspections and Studies.** Buyer has performed such inspections, investigations, tests and studies as it requires to perform with respect to the Property on or before the date hereof, has satisfied itself as to the condition of the Property, and its obligations to close are not dependent upon the results of any such investigations, tests and studies, but are dependent on Seller's disclosures required by law. Buyer signifies its satisfaction of this contingency by executing this Agreement.

(d) **Property Documents.** Buyer has approved the terms, conditions and status of all of the Property Documents and the Permitted Exceptions. Buyer signifies its satisfaction of this contingency by executing this Agreement.

(e) **Buyer's Title Policy.** On or before each Closing, Title Company shall, upon payment of Title Company's regularly scheduled premium, have irrevocably agreed to issue to Buyer an ALTA extended owner's policy of title insurance ("**Buyer's Title Policy**"), in the amount of \$55,000,000.00 as to Parcel A or, as to Parcel B, the Parcel B Purchase Price, showing fee title to the applicable Phase of the Land vested solely in Buyer, and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) a lien (or liens) to secure payment of real estate taxes or assessments not yet due or payable; (iii) matters affecting the Property created by or with the written consent of Buyer; and (iv) the Permitted Exceptions.

(f) **Representations and Warranties.** All representations and warranties of Seller contained herein shall be materially true and correct as of the date made and as of the Closing with the same effect as if those representations and warranties were made at and as of the Closing.

(g) **No Default.** As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(h) **CEQA Review.** With respect to Parcel B only, the governing body of Buyer shall have taken discretionary action approving the completion of the acquisition of Parcel B, which action shall be taken in conjunction with, and based solely upon, adequate environmental review under the California Environmental Quality Act ("CEQA") and certification of the Environmental Impact Report ("EIR") for the proposed Specific Plan for the Sacramento Railyards, which analyzes on a programmatic level, the ITF (as defined below) and, on a project level, the Track Relocation (as defined below). Buyer is proposing to purchase Parcel B in connection with the possible development of an intermodal transportation facility (the "ITF") which project may entail the relocation of the existing heavy rail and passenger rail tracks on Parcel A to Parcel B (the "Track Relocation"). Seller acknowledges that Buyer, as the "Lead Agency" under CEQA, must review the proposed ITF development in accordance with the provisions of CEQA. In its sole and absolute discretion as the Lead Agency under CEQA, Buyer retains the right, among other things in connection with the environmental review described above: (i) to consider the environmental impacts of the proposed ITF development and Track Relocation; (ii) to adopt measures to mitigate significant adverse environmental impacts and/or select feasible alternatives; (iii) to determine the sufficiency and adequacy of environmental review of the ITF development, the Track Relocation, and the acquisition of Parcel B; (iv) to choose to take action in furtherance of the ITF development notwithstanding the existence of unmitigated significant environmental impacts upon the making of required findings; and (v) to elect not to proceed with the acquisition of Parcel B pursuant to this Agreement, all based upon the matter presented for the consideration by the governing body through the environmental review process. Such election not to proceed with the acquisition of Parcel B would invalidate Buyer's obligation to purchase, and Seller's obligation to sell Parcel B; however, the obligations of each party with respect to the purchase and sale of Parcel A would remain unaffected thereby.

(i) **Federal Concerns.** With respect to Parcel B only, Buyer has received assurances, the sufficiency and acceptability of which are determined by Buyer in its sole and absolute discretion, that its federal funding sources for, or ability of Buyer to utilize local funds to satisfy local funding matching requirements of such federal funding sources for, the Track Relocation or development of the ITF are not compromised, reduced or otherwise jeopardized by provisions of this Agreement relating to Parcel B or the Second Closing by reason of the operation of federal

law, rules or regulations affecting such federal funding in effect as of the Second Closing, including, without limitation, requirements relating to environmental review under the National Environmental Policy Act. To the extent it is able, Buyer's determination of the satisfaction or dissatisfaction of the contingency described in this subsection (i) shall occur on or before the governing body's discretionary action set forth in subsection (h) above. The parties agree to use their best efforts to complete environmental review and take other actions in order that the governing body may consider such discretionary action by or before July, 2007. If the determination of the satisfaction or dissatisfaction of the contingencies described in both subsections (h) and (i) does not occur by or before December 31, 2007, then Seller shall have the right, in its sole discretion by delivering written notice of such election to Buyer, to terminate this Agreement with respect to the purchase and sale of Parcel B, provided, however, that the parties shall first meet and confer, in a good faith and cooperative effort, to evaluate the then-existing facts and circumstances relative to Seller's plans to development the Sacramento Railyards and Buyer's interest in moving the ITF project forward, and discuss alternatives to termination, including, without limitation, the possible extension or other amendment of this Agreement, the possible release or substitution of Parcel B from the Deed of Trust (defined in Section 3(a)(1)(B) of this Agreement), and other relevant matter.

(j) *Close of UPRR Escrow.* Seller shall have closed escrow with UPRR within the time required by Section 4(b).

8. *SELLER'S CONTINGENCIES.* Each Closing and Seller's obligations with respect to the transactions contemplated by this Agreement are subject to the timely satisfaction or waiver of the following conditions precedent ("**Seller's Contingencies**"), which are for Seller's benefit only. If this Agreement is not terminated, then Seller shall be deemed to have waived all of Seller's Contingencies, this Agreement shall remain in full force and effect, and the Closing shall occur subject to the terms and conditions of this Agreement.

(a) *Representations and Warranties.* All representations and warranties of Buyer contained in this Agreement shall be materially true and correct as of the date made and as of each Closing with the same effect as if those representations and warranties were made at and as of each Closing

(b) *No Default.* As of each Closing, Buyer shall not be in default in the performance of any material covenant or agreement to be performed by Buyer under this Agreement.

(c) *Seller's Acquisition of the Property.* Closing of the purchase by Seller of the Sacramento Railyards from UPRR within the time described in Section 4(b) of this Agreement

9. *SELLER'S DELIVERIES TO ESCROW HOLDER.*

(a) *Seller's Delivered Items.* At least one (1) business day before each Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder the following items, duly executed and, where appropriate, acknowledged ("**Seller's Delivered Items**"):

(i) *FIRPTA Certificate.* The Transferor's Certification of Non-Foreign Status in the form attached hereto as **Exhibit D** and a State of California Form 597 (collectively, the "**FIRPTA Certificate**").

(ii) *Authority*. An opinion of counsel in substantially the form attached hereto as Exhibit L that confirms Seller's authority and authorization to enter into this Agreement, on the part of each individual or entity comprising Seller, and to consummate the transaction contemplated hereby, plus such other reasonable proof of such authority and authorization as may be reasonably requested by Buyer or Title Company.

(iii) *Title Affidavit*. A customary "seller's affidavit" as may reasonably be required by Title Company in connection with issuance of Buyer's Title Policy with elimination of certain pre-printed exceptions.

(iv) *Further Documents or Items*. Any other documents or items reasonably required to close the transactions contemplated hereby including, without limitation, the Deed of Trust at no additional substantial cost to Seller.

10. *BUYER'S DELIVERIES TO ESCROW*.

(a) *Buyer's Delivered Items*. Provided Seller has given notice of the occurrence of each Closing Date as required in Section 4(d) of this Agreement, at least one (1) business day before each Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following ("**Buyer's Delivered Items**"):

(i) *Deed*. The First Closing Deed or the Second Closing Deed, as appropriate. The title transferred hereunder shall be subject to all real property taxes and assessments not yet due and payable, matters ascertainable by a reasonable inspection and survey of the respective Phase, the Permitted Exceptions and that reserves air rights above the area commonly referred to as the Railroad Easement II and certain easements described herein.

(ii) *Funds*. The Advance Payment (as defined in Section 3 of this Agreement) or the Purchase Price as applicable to the respective Phase, plus or minus Buyer's share of closing costs and charges and Buyer's share of prorations set forth on the Proration and Expense Schedule (as defined in Section 13 below).

(1) In the case of the Closing of Parcel A, the Advance Payment of Fifty-Five Million and No/100 Dollars (\$55,000,000.00) shall be paid in accordance with the provisions of Section 3, provided, however, Buyer may deduct from the \$30,000,000.00 cash payment required under Section 3 the amount of the project costs described in Section 22(v) of this Agreement.

(2) In the case of the Parcel B, the entire Parcel B Purchase Price (as determined pursuant to Exhibit M) shall be delivered, at Buyer's discretion, in cash or in the form of a promissory note in the same form as the Parcel A Note, with the exception that the principal amount shall be the Parcel B Purchase Price and the Maturity Date shall be June 1, 2009, subject to Buyer's discretion to apply a credit against some or all of its obligation to pay the Parcel B Purchase Price as described in Section 3 of this Agreement.

(iii) *Preliminary Change of Ownership Report*. A Preliminary Change of Ownership Report fully completed by Buyer (the "**Preliminary Change of Ownership Report**").

(iv) *Authority*. Such proof of Buyer's authority and authorization to enter into this Agreement, on the part of each individual or entity comprising Buyer, and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or Title Company.

(v) *Further Documents or Items*. Any other documents or items reasonably required to close the transaction contemplated by this Agreement.

(b) *Failure to Deliver*. If Buyer shall default in its obligation to deliver any of the Buyer's delivered items and Buyer's counterparts to the jointly delivered items into escrow timely in accordance with the terms hereof, then Seller shall be entitled to pursue any and all rights available to Seller hereunder, at law or in equity.

11. *JOINT DEPOSITS INTO ESCROW*. Provided Seller has given notice of the occurrence of each Closing Date as required in Section 4(d) of this Agreement, on or before one (1) business day before each Closing Date, Seller and Buyer shall execute, acknowledge where required, complete required insertions, and jointly deposit into Escrow two (2) original counterparts of the following documents:

(a) *General Assignment and Bill of Sale*. General Assignment and Bill of Sale in the form attached hereto as Exhibit F (the "General Assignment").

(b) *Access and Environmental Remediation Easement*. Access and Environmental Remediation Easement described in Section 20 hereof.

(c) *Closing Statement*. Closing Statement in a form reasonably acceptable to Buyer and Seller showing the allocation of Buyer's Costs, Seller's Costs, General Expenses and disbursements to be made by Escrow Holder.

12. *COSTS AND EXPENSES*.

(a) *Seller's Costs*. If the transactions contemplated hereby are consummated, then Seller shall bear the following costs and expenses at each Closing: (i) one-half (1/2) of Escrow Holder's fee; (ii) Seller's share of prorations; (iii) the portion of the cost of Buyer's Title Policy equal to the cost of an CLTA standard coverage owner's title policy, with the cost of any endorsements or that are associated with an ALTA standard coverage owner's title policy being paid by Buyer; (iv) the cost of recording all releases and other documents to remove all monetary liens against the respective Phase of the Property and the cost of recording all other documents that Seller desires to record; and (v) one-half (1/2) of the document recording fees for the Closing Deed or the Second Closing Deed, as appropriate (collectively, "Seller's Costs").

(b) *Buyer's Costs*. If the transactions contemplated by this Agreement are consummated, then at each Closing Buyer shall bear the following costs and expenses: (i) the cost of any new or updated survey; (ii) one-half (1/2) of the document recording fees for the Deed; (iii) one-half (1/2) of Escrow Holder's fee; (iv) Buyer's share of prorations; (v) all title policy insurance costs for the Deed of Trust; and (vi) all County and City transfer taxes, if required (collectively, "Buyer's Costs").

(c) *Generally*. Buyer and Seller shall pay, respectively, Escrow Holder's customary and reasonable charges to buyers and sellers for document drafting, recording and miscellaneous charges. If, through no fault of either Buyer or Seller, Escrow fails to close, Buyer

and Seller shall share equally all of Escrow Holder's fees and charges; however, if either Phase fails to close as the result of the default of either party, then such defaulting party shall bear the related Escrow Holder's fees and expenses. Each party shall bear the costs of its own attorneys and consultants in connection with the negotiation and preparation hereof and the consummation of the transactions contemplated hereby. All other costs and expenses shall be allocated between Buyer and Seller in accordance with the customary practice in Sacramento County, California. The items provided in this Subsection are hereinafter referred to as "**General Expenses**."

13. **PRORATIONS.** Income (if any) and expenses relating to each Phase of the Property will be prorated as of 11:59 p.m. on the day immediately preceding the respective Closing. Prorations shall be governed by the provisions of this Section. Not less than three (3) business days before each Closing Date, Escrow Holder shall deliver to Buyer and Seller a tentative schedule of prorations ("**Proration and Expense Schedule**") for Buyer's and Seller's respective approval. If any prorations made under this Section shall require final adjustment after each Closing, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to correct the same. To the extent it exceeds \$250.00, any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

(a) **Property Rents.** As used herein, the term "rentals" includes all sums and charges payable under any lease of the Property. Subject to the further provisions of this Section regarding delinquent rentals and various retroactive rentals and rent escalations, Buyer shall receive all rentals relating to a Phase accruing on and after each Closing of such Phase, and Seller shall receive all rentals accruing prior to each Closing of such Phase. Any security deposits relating to a Phase held by Seller will be transferred to Buyer at Closing of such Phase.

(b) **Property Taxes.** All general and special real and personal property and ad valorem taxes and assessments, if any, whether payable in installments or not, including, without limitation, all supplemental taxes attributable to the period prior to each Closing for the calendar year in which a Closing occurs, shall be prorated to the applicable Closing, based on the latest available tax rate and assessed valuation.

(c) **Utility Charges and Service Contracts.** Seller shall use reasonable efforts to arrange for a billing of all utility charges and service contracts for service used up to each Closing and shall be responsible for such bills. All utility charges and payments required under service contracts that are not required to be paid by a tenant and which are not terminated prior to a Closing shall be prorated as of the applicable Closing and Buyer shall obtain a final billing thereafter. All utility security deposits, if any, shall be retained by Seller. After Closing, all costs associated with any changes to any utility systems and services and the costs of resuming such utility systems and services caused by development on Parcels A and B shall be the full responsibility of Buyer. The preceding sentence shall survive Closing.

14. **CLOSING PROCEDURE.** When Title Company is ready to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow with respect to each Phase in the manner and order provided below.

(a) *Date; Counterparts.* Escrow Holder shall date all instruments as of the date of each Closing (if not dated), and combine all counterparts of instruments delivered to Escrow Holder in counterparts.

(b) *Document Recordation.* Escrow Holder shall record the Deed in the Official Records of the Recorder's Office (the "Official Records").

(c) *Preliminary Change of Ownership Report.* Escrow Holder shall submit the Preliminary Change of Ownership Report to the Recorder's Office concurrently with the submission of the Deed for recordation.

(d) *Notification; Disburse Funds.* Escrow Holder shall provide telephonic notice to Buyer and Seller (and their respective counsel) that a Closing has occurred, deliver final closing statements delivered into escrow in accordance with Section 11(c) hereof to each party by facsimile, and disburse funds. In disbursing funds, Escrow Holder shall debit or credit (as provided herein) all Buyer's Costs, Seller's Costs and General Expenses; prorate all matters based upon the agreed upon Proration and Expense Schedule and the balance of the Parcel A Purchase Price or Parcel B Purchase Price, as the case may be, to Seller; and disburse the remaining funds, if any, to Buyer.

(e) *Title Policy.* Escrow Holder shall cause Title Company to issue the Buyer's Title Policy to Buyer.

(f) *Informational Reports.* Escrow Holder shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

15. *POST-CLOSING INSTRUCTIONS.* Promptly after each Closing, Escrow Holder shall deliver the following instruments:

(a) *To Seller.*

(i) One (1) copy of the Deed and Deed of Trust; and

(ii) One (1) fully-executed original of the General Assignment, the Parcel A Note or the Parcel B Note, as appropriate, and the Remediation Easement and one (1) copy each of the FIRPTA Certificate, the Preliminary Change of Ownership Report, the Documentary Transfer Tax Statement, and the final closing statement.

(b) *To Buyer.*

(i) The recorded original of the Deed, Deed of Trust, and the original FIRPTA Certificate; and

(ii) One (1) fully-executed original of the General Assignment and one (1) copy each of the Documentary Transfer Tax Statement, the Preliminary Change of Ownership Report, the final Escrow closing statement, the Parcel A Note or Parcel B Note, as appropriate, and the Remediation Easement.

(c) *To Counsel.* Copies of all documents delivered to Buyer and Seller following the Closing.

16. **SELLER'S REPRESENTATIONS AND WARRANTIES.** In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties as of the date hereof and at and as of the Closing (and by execution hereof, Buyer acknowledges and agrees that, with the exception of those representations and warranties set forth herein, Seller has not made, does not make, and specifically negates and disclaims any representations or warranties of any kind or character whatsoever, whether express or implied, oral or written, past or present (relative to the execution of this Agreement), with regard in any way to the transactions described herein), each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder). No person acting on behalf of Seller is authorized to make any representations or warranties of any kind or character whatsoever, with the exception of those representations and warranties set forth herein, whether express or implied, oral or written, past, present or future, with regard to the Property, including without limitation (i) its value; (ii) its nature, condition or quality (including, without limitation, its water, soil and geology); (iii) its compliance with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (iv) its suitability for activities which Buyer may desire to conduct thereon; (v) its suitability for the development, remodeling or improvements desired by Buyer, or the ability of Buyer to develop, remodel or improve the Property; (vi) the income to be derived from the Property; (vii) the habitability, merchantability, profitability, or fitness for a particular purpose of the Property; (viii) the environmental condition of the Property; and (ix) the manor, quality, state of repair or lack of repair of any improvements on the Property. Without limiting the foregoing limitations, and in consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties as of the Effective Date and at and as of the Closing, each of which is material and is being relied upon by Buyer, and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder. All representations and warranties in this Section are to the actual knowledge of Suheil Totah ("**Primary Individual**"). The Primary Individual is an officer or employee of Seller and has primary responsibility for managing the ownership, operation and development of the Property and overseeing the business activities of Seller, including, but not limited to, the supervision, directly or indirectly, of the employees and agents of Seller with respect to the Property. No other officer or employee of Seller is likely to possess material information or knowledge with respect to the Property which is not also possessed or known by the Primary Individual.

(a) **Power.** Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.

(b) **Requisite Action.** All requisite action (corporate, partnership, trust or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated by this Agreement. No additional consent of any individual, officer, director, shareholder, partner, member, manager, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required for Seller to execute this Agreement and the instruments referenced herein or to consummate the transactions contemplated hereby.

(c) **Individual Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(d) *No Conflict.* Neither the execution nor delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transactions contemplated herein, nor compliance with the terms hereof or the documents or instruments referenced herein or therein conflict with or will result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affects the Property, including, but not limited to, any of the Title Documents or the Property Documents.

(e) *Third Party Notices and Consents.* Neither the assignment of the Personal Property nor the assignment of any other agreement or instrument to be assigned by Seller to Buyer pursuant to the terms of this Agreement requires notice to or the consent of any governmental entity or private party.

(f) *Specifically Designated National and Blocked Persons.* Seller (i) is not listed in the Annex to, or otherwise subject to the provisions of United States Presidential Executive Order 13224 issued on September 24, 2001 (“Executive Order”); (ii) does not have its name on the U.S. Department of the Treasury, Office of Foreign Assets Control’s (“OFAC”) most current list of “Specifically Designated National and Blocked Persons”; and (iii) is not otherwise affiliated with an entity or person listed above. This provision shall survive Closing.

(g) *Due Diligence; Disclosure.* The Primary Individual has conducted certain due diligence in connection with Seller’s purchase of the Property from UPRR and has provided or made available to Buyer all material information he obtained during such activities relative to Buyer relative to the physical condition of the Property including, without limitation, all relevant material information concerning the presence and remediation of Hazardous Materials.

(h) *Soil Remediation.* The Department of Toxic Substances Control (“DTSC”) in its letter of June 21, 1994 has “certified the completion of the Remedial Activities for the Sacramento Station Site,” as specified in the Sacramento Station Final Remedial Action Plan dated December 7, 1989 (provided to Buyer). In its letter of July 1, 2005, the DTSC has also approved that “the removal actions for the 4.25-acre Main Freight Line Relocation Area within the southern portion of the UPRR Sacramento Rail Yard Central Shops Area have been properly implemented” (a copy of which has been provided to Buyer). Additionally, remedial activity reports prepared by the Scheduled Contractor (as defined in the Policy) in accordance with the Final Central Corridor, Car Shop Nine, and Northern Shops Remedial Action Plan for Soil, of February 14, 2000 (provided to Buyer), and implemented in accordance with the relevant Remedial Design and Implementation Plans, do not indicate the current presence of known soil contamination that exceeds approved remedial goals for these areas within the Property covered by said documents under current conditions. The aforementioned representation does not apply to the Remediation Areas (as defined in Section 20 hereof) and any remediation that may be required due to future development and use changes of the Property.

(i) *Notices and Demands.* Except as identified in Section 16(h), Section 20 and Exhibit E hereof, above, Seller has not received any notice from the United States Environmental Protection Agency or any other federal, state, county or municipal entity or agency that regulates Hazardous Materials or public health risks or other environmental matters or any other private party or person claiming any violation of, or requiring compliance with, any Environmental Laws or demanding payment or contribution for any Hazardous Materials or Hazardous Materials Activity in, on, under, upon or affecting the Property or any other real property adjacent to the Property.

(i) **Proforma Documents.** To the extent the Report, as attached, describes, in proforma format, certain documents that Seller anticipates will be recorded at the close of Seller's purchase of the Sacramento Railyards from UPRR, Seller represents and warrants that it has provided true and correct copies, although yet unsigned, of each and every document that will be recorded in substantially the same form as provided to Buyer as a result of such closing with UPRR.

17. **RELEASE AND DISCLOSURE RELEASE.**

(a) Except for the subject of the various representations and warranties expressly made by the parties in this Agreement and the obligations expressly assumed hereunder by each party, including, without limitation, the obligations of Seller described in Sections 20 of this Agreement or as otherwise expressly provided herein, each party hereto (collectively the parties and individually the party) and any one claiming by, through or under such party, hereby fully and irrevocably releases the other party and each of its representatives, agents, employees, attorneys, affiliates, successors and assigns, and all persons, firms, or entities acting on their behalf, claims against the other party or any of their representatives, agents, employees, attorneys and affiliates, successors and assigns, for the costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the condition of the Property relating in any way to or arising out of any right, claim, contribution or other recovery action arising under Environmental Laws or from the Hazardous Materials (defined below) which are or may be located on, at or about the Property as of each of the Closings.

THIS RELEASE INCLUDES CLAIMS OF WHICH EITHER PARTY IS PRESENTLY UNAWARE OR WHICH A PARTY DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY SUCH PARTY, WOULD MATERIALLY AFFECT THE PARTIES RELEASES. THE PARTIES SPECIFICALLY WAIVE THE PROVISION OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

BUYER'S INITIALS



SELLER'S INITIALS

(b) **Disclosure.** IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 25359.7, SELLER STATES THAT THERE HAVE BEEN RELEASES OF HAZARDOUS MATERIALS ON OR BENEATH THE PROPERTY AND THERE IS RESIDUAL CONTAMINATION ON THE PROPERTY. SELLER ACKNOWLEDGES THAT THE DISCLOSURE STATUTES (HEREINAFTER DEFINED) PROVIDE THAT A SELLER OF REAL PROPERTY MUST MAKE CERTAIN DISCLOSURES REGARDING CERTAIN NATURAL HAZARDS POTENTIALLY AFFECTING THE PROPERTY, AS MORE PARTICULARLY PROVIDED THEREIN. AS USED IN THIS AGREEMENT, "DISCLOSURE STATUTES" MEANS, COLLECTIVELY CALIFORNIA GOVERNMENT CODE SECTIONS 8569.3, 8589.4 AND 51183.5, CALIFORNIA PUBLIC RESOURCES CODE SECTIONS 2621.9, 2694 AND 4136, AND CALIFORNIA HEALTH & SAFETY CODE SECTION 25359.7. SELLER

SHALL ORDER A NATURAL HAZARD DISCLOSURE REPORT (THE "NATURAL HAZARD REPORT") AND SHALL DELIVER THE NATURAL HAZARD REPORT TO BUYER PRIOR TO CLOSING. BUYER HEREBY AGREES AS FOLLOWS WITH RESPECT TO THE DISCLOSURE STATUTES AND THE NATURAL HAZARD REPORT SELLER WILL DELIVER IN ACCORDANCE WITH THIS SECTION: (i) THAT THE DISCLOSURES, REPRESENTATIONS AND WARRANTIES PROVIDED IN THIS SECTION, INCLUDING, WITHOUT LIMITATION, THOSE CONTAINED IN SECTION 16(h) AND THE NATURAL HAZARD REPORT DELIVERED TO BUYER AS PROVIDED ABOVE SHALL BE DEEMED TO SATISFY ALL OBLIGATIONS AND REQUIREMENTS OF SELLER UNDER THE DISCLOSURE STATUTES; (ii) THAT SELLER SHALL NOT BE LIABLE FOR ANY ERROR OR INACCURACY IN, OR OMISSION FROM, ANY REPORTS OR DOCUMENTS PROVIDED TO BUYER OR THE INFORMATION IN THE NATURAL HAZARD REPORT; (iii) THAT THE NATURAL HAZARD REPORT IS BEING PROVIDED BY SELLER FOR THE PURPOSES OF COMPLYING WITH THE DISCLOSURE STATUTES AND SHALL NOT BE DEEMED TO CONSTITUTE A REPRESENTATION OR WARRANTY BY SELLER AS TO THE PRESENCE OR ABSENCE IN, AT OR AROUND THE PROPERTY OF THE CONDITIONS THAT ARE THE SUBJECT OF THE DISCLOSURE STATUTES AND SELLER REPRESENTS AND WARRANTS THAT IT HAS NO ACTUAL KNOWLEDGE OF INFORMATION THAT CONTRADICTS THE INFORMATION IN THE REPORTS AND DOCUMENTS PROVIDED TO BUYER AND THE NATURAL HAZARD REPORT; AND (iv) THE NATURAL HAZARD REPORT IS FOR THE BENEFIT OF SELLER AND BUYER ONLY AND IS NOT FOR THE BENEFIT OF, OR TO BE USED FOR ANY PURPOSE BY, ANY THIRD PARTY.

(c) *Definition.* FOR THE PURPOSES OF THIS AGREEMENT "HAZARDOUS MATERIALS" OR "HAZARDOUS MATERIAL" MEANS ANY CHEMICAL, SUBSTANCE, MATERIAL, CONTROLLED SUBSTANCE, OBJECT, CONDITION, WASTE, LIVING ORGANISM OR COMBINATION THEREOF WHICH IS OR MAY BE HAZARDOUS TO HUMAN HEALTH OR SAFETY OR TO THE ENVIRONMENT DUE TO ITS IGNITIBILITY, CORROSIVITY, REACTIVITY, EXPLOSIVITY, TOXICITY, CARCINOGENICITY, MUTAGENICITY, PHYTOTOXICITY, REPRODUCTIVE TOXICITY, INFECTIOUSNESS, RADIOACTIVITY, OR OTHER HARMFUL OR POTENTIALLY HARMFUL PROPERTIES OR EFFECTS, INCLUDING, WITHOUT LIMITATION, PETROLEUM AND PETROLEUM PRODUCTS, ASBESTOS, RADON, POLYCHLORINATED BIPHENYLS (PCBs), AND ALL OF THOSE CHEMICALS, SUBSTANCES, MATERIALS, CONTROLLED SUBSTANCES, OBJECTS, CONDITIONS, WASTES, LIVING ORGANISMS OR COMBINATIONS THEREOF WHICH ARE NOW, OR BECOME IN THE FUTURE, LISTED, DEFINED, OR REGULATED IN ANY MANNER BY ANY ENVIRONMENTAL LAW BASED UPON, DIRECTLY OR INDIRECTLY, SUCH PROPERTIES OR EFFECTS. FOR THE PURPOSES OF THIS AGREEMENT "ENVIRONMENTAL LAWS" MEANS ANY AND ALL FEDERAL, STATE, LOCAL OR OTHER GOVERNMENTAL ENVIRONMENTAL, HEALTH OR SAFETY RELATED LAWS, REGULATIONS, STANDARDS, DECISIONS OF THE COURTS, ORDINANCES, RULES, CODES, ORDERS, DECREES, DIRECTIVES, GUIDELINES, PERMITS OR PERMIT CONDITIONS, CURRENTLY EXISTING AND AS AMENDED, ENACTED, ISSUED OR ADOPTED IN THE FUTURE, WHICH, DUE TO THE PRESENCE OR POTENTIAL PRESENCE OF HAZARDOUS MATERIAL(S), ARE OR BECOME APPLICABLE TO (i) THE PROPERTY OR (ii) PERSONS OR ENTITIES WHO OWN, OCCUPY, USE, VISIT OR WORK ON THE PROPERTY. ENVIRONMENTAL LAWS INCLUDE, BUT ARE NOT LIMITED TO, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (42 USCA 9601 ET SEQ.) ("CERCLA")

THE RESOURCE CONSERVATION AND RECOVERY ACT (42 USCA 6901 ET SEQ.), THE CALIFORNIA HAZARDOUS WASTE CONTROL LAWS (CALIFORNIA HEALTH & SAFETY CODE SECTIONS 25100 ET SEQ.) AND THE CALIFORNIA PORTER COLOGNE ACT (CALIFORNIA WATER CODE 13000 ET SEQ.).

18. **BUYER'S REPRESENTATIONS AND WARRANTIES.** In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing (and by execution hereof, Seller acknowledges and agrees that, with the exception of those representations and warranties set forth herein, Buyer has not made, does not make, and specifically negates and disclaims any representations or warranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, with regard in any way to the transactions described herein), each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder).

(a) **Power.** Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.

(b) **Requisite Action.** All requisite action (including, without limitation, approval by the Sacramento City Council and all other pertinent review and approval) or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and consummating the transactions contemplated hereby. No additional consent of any individual, officer, director, shareholder, partner, member, manager, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required for Buyer to execute this Agreement and the instruments referenced herein or to consummate the transactions contemplated hereby.

(c) **Individual Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(d) **No Conflict.** Neither the execution or delivery hereof and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transactions contemplated herein, nor compliance with the terms hereof and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party.

19. **TAX DEFERRED EXCHANGE.** Upon the request of either party (the "**Requesting Party**") to this Agreement, the other party (the "**Non-Requesting Party**") agrees to reasonably cooperate with the Requesting Party in consummating the sale of all or either Phase of the Property as part of a simultaneous or non-simultaneous tax-deferred exchange (the "**Exchange**") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, provided that (a) the Non-Requesting Party shall not be required to take title to any property other than the Property or incur any additional liabilities or financial obligations as a consequence of such cooperation and (b) the respective Closing Date shall not be delayed or extended thereby. The Requesting Party shall have the right to assign its rights and obligations hereunder to a qualified intermediary (the

"Intermediary"), who will cause the respective Closing to occur on the Requesting Party's behalf. All of the Requesting Party's liabilities, representations and warranties under this Agreement shall remain those of the Requesting Party and the Non-Requesting Party shall not seek recourse against the Intermediary with respect to such liabilities or for the breach of any such representations or warranties. Performance by an Intermediary in effectuating an Exchange shall be treated as if such performance were made by the Requesting Party, and the Requesting Party shall remain the primary obligor for the full and timely performance of all obligations of the Requesting Party under this Agreement. In the event of any breach of such representations, warranties, covenants or other obligations, the Non-Requesting Party shall proceed directly against the Requesting Party. The Non-Requesting Party shall not be required to assume any liabilities as a result of the Exchange transaction that are in addition to those which would exist if the transaction were effectuated as a sale by the Requesting Party and not effectuated as an Exchange. The Requesting Party hereby agrees to indemnify, defend (with counsel reasonably satisfactory to the Non-Requesting Party) and hold harmless the Non-Requesting Party from and against any and all claims, loss, cost, damage, or expense (including, without limitation, reasonable attorneys' fees) incurred by the Non-Requesting Party and arising out of or relating to the Non-Requesting Party's participation in the Exchange.

20. ENVIRONMENTAL OBLIGATIONS.

(a) **Remediation.** For purposes of this Agreement, the terms "**Track Area**", "**Excluded Areas A and B**", and "**25 Foot Strip**" shall mean those areas depicted or described as such on **Exhibit H** hereto and shall be referred to in this Agreement as, the "**Remediation Areas.**" Seller's remediation obligations with respect to the Property shall include the following items:

(i) **Track Area.** For purposes of this Subsection (a)(i), capitalized terms not defined herein shall have the same meaning used in the Policy (defined below). Following the Track Relocation (as defined above) on Parcels A and B, Seller shall cause the Scheduled Contractor to perform on the Track Area the activities detailed in the scope of work included in the "Estimate" as described in the Track Relocation Agreement (that are applicable to the Track Area) in a manner sufficient to meet the applicable soil remedial goals determined for the subject site and detailed in the Policy. Seller shall have no responsibility for any cost, fee or other charges related to remediation of the Track Area that is not covered by the Policy.

(ii) **Excluded Areas A and B.** Following the Second Closing, Seller shall cause its contractor(s) to perform soil remediation activities on Excluded Areas A and B in a manner sufficient to comply with the soil remediation goals set forth in the "Sacramento Station Remedial Action Plan" (a copy of which has been provided to Buyer) and Seller shall bear the cost associated with soil remediation activities on Excluded Areas A and B.

(iii) **25 Foot Strip.** Following the Second Closing, as part of and paid in accordance with the scope of work included in the "Estimate" as described in the Track Relocation Agreement, Seller shall cause its contractor(s) to perform soil remediation activities on or near the 25 Foot Strip in a manner sufficient to meet the development and use requirements in accordance with approved standards set by the California DTSC and the forthcoming applicable "Remedial Action Plan" and to satisfy the development activities of the subject area.

(iv) **Groundwater.** Seller shall be solely responsible for the ongoing and future ground water remediation and ground water monitoring occurring on, under or adjacent to the

Property to the extent detailed in the Scope of Work (as defined in the Policy). Seller shall have no responsibility for any cost, fee or other charges related to remediation of the ground water that is not covered by the Policy.

Buyer shall fully cooperate with Seller and Seller's contractors, employees and agents in Seller's performance of its obligations under this Section 20(a). The provisions of this Section 20(a) shall survive each of the Closings.

(b) *Access and Environmental Remediation Easement.* In order for Seller to perform or cause performance of any required remediation activities, at each Closing Buyer will grant to Seller an Access and Environmental Remediation Easement ("Remediation Easement") in substantially the form attached as **Exhibit I** hereto, which easement will be recorded pursuant to applicable law in Sacramento County, California.

(c) *Environmental Insurance Policy.* Seller has secured a blended finite risk environmental insurance policy with cost cap coverage with a 30-year term and pollution legal liability coverage with a 20-year term and certain other coverage (the "Policy") from American International Specialty Lines Insurance Company (the "Insurer"), a copy of the manuscript of which has been provided to Buyer. As conditions to the First Closing, Seller shall cause Buyer to be added to the Policy as an Additional Insured with respect to Coverages A, C, D, F, G, H, and I thereunder and shall cause this Agreement, including, without limitation, the indemnity provisions set forth in the following subsection (d), to be listed as an Insured Contract (as defined in the Policy) under the Policy.

(d) *Environmental Indemnity.* Seller shall indemnify, defend and hold harmless Buyer, its officers, directors, employees, agents and representatives, and their respective successors and assigns (for purposes of this Section only hereafter referred to collectively as "Buyer"), from and against any and all Environmental Losses, but only to the extent the Environmental Losses are covered by Coverages A, C, D, F, G, H, and I of the Policy. Buyer shall accept amounts paid to or on behalf of Buyer by the Insurer pursuant to the Policy in full satisfaction of Seller's indemnity obligations as set forth in this subsection (d) of Section 20. Seller shall pay on the First Closing Date all due Policy premiums and will maintain the Policy in good standing for the stated term of the Policy. Seller's obligations hereunder shall survive each of the Closings. This indemnity shall be binding upon the Seller, its representatives, administrators, successors and its assigns and shall inure to the benefit of and shall be enforceable by Buyer and its assignees as permitted pursuant to Section 22(f), including, without limitation, to any joint power authority acquiring an interest in or utilizing the Property or any portion thereof.

(1) Definitions. The following are additional defined terms for purposes of this Section:

"**Environmental Losses**" means Losses suffered or incurred by Buyer arising out of or as a result of the following, but excludes any Release of Hazardous Materials or any Hazardous Materials Activity caused by Buyer or other party (other than Seller) after the Transfer:

(i) the occurrence, whether prior or subsequent to the Transfer (defined below), of any Hazardous Materials Activity (defined below);

(ii) any actual or alleged violation, whether prior or subsequent to the Transfer, of any applicable Environmental Laws relating to the Property or to the ownership, use, occupancy or operation thereof;

(iii) any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency other agency or by any other party (private or public) in connection with any Hazardous Materials Activity occurring or allegedly occurring with respect to the Property prior or subsequent to the Transfer; or

(iv) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against Buyer regardless of when such claim, demand or cause of action or other proceeding is brought or asserted, which directly or indirectly relates to, arises from or is based on any of the matters described in clauses (i), (ii), or (iii), or any allegation of any such matters.

“Hazardous Materials Activity” means any actual use, packaging, labeling, treatment, leaching, spill, cleanup, storage, holding, existence, presence, Release, threatened Release, emission, discharge, generation, migration, processing, treatment, abatement, removal, disposition, handling or transportation of any Hazardous Materials from, under, into or on the Property or surrounding property.

“Losses” means, whether foreseen or unforeseen, any and all liens, losses, liabilities, damages (including any diminution in the value of the Property or any reduction in the value of the Property by reason of such liens, losses or liabilities), demands, claims, actions, judgments, causes of action, assessments, penalties, costs and expenses, including all amounts contributed for investigation, monitoring, remediation, response action, removal, restoration and permit acquisition and the fees of outside legal counsel, environmental experts, and accountants and the charges of in-house legal counsel and accountants, and all foreseeable and unforeseeable consequential damages.

“Release” means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, leaching, or migration into the indoor or outdoor environment (including, without limitation, the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Materials), or into or out of the Property, including the movement of any Hazardous Materials through the air, soil, land, surface water or groundwater.

“Transfer” means the transfer of title to all or any part of the Property to Buyer.

21. **DEVELOPMENT OF PROPERTY.** In the event Buyer, in its sole discretion, determines that (1) any portion of the Property will not be utilized as part of the transportation aspects of the ITF, including, without limitation, commercial, retail, office, hotel or residential uses, and (2) Buyer seeks to develop said portions of the Property, Buyer agrees to provide reasonable notice to Seller of such intent to develop and Seller shall have the first opportunity to submit a proposal for such development. Seller shall make such proposal within a commercially reasonable and prompt period of time established by Buyer, and shall submit documents and information reasonably requested by Buyer to evaluate Seller’s proposal and Buyer and Seller shall have up to 45 days to reach agreement on the final terms of the proposal. In the event Seller does not respond timely to such notice or Buyer’s staff does not approve Seller’s

development proposal following a reasonable negotiation period, then Buyer shall be entitled to seek the development proposals of parties other than Seller without further obligation to the Seller. The approval of any development proposal, whether submitted by Seller or otherwise, is subject to the consideration of the Sacramento City Council and/or any Joint Power Authority who may then own the Property or developable portions thereof. Nothing in this Section shall be construed as an approval or authorization to sole source development of the Property, or any portion thereof, to Seller, which such approval or authorization is subject to future actions of the Sacramento City Council or applicable Joint Powers Authority. This Section 21 shall survive Closing.

22. *GENERAL PROVISIONS.*

(a) *Damage to Property.* If, prior to a Closing, all or any portion of the Property to be conveyed is damaged by earthquake, flood, fire or other casualty (collectively "**Damage**"), Seller shall immediately notify Buyer of such Damage. Buyer shall proceed with the respective Closing and take the Property subject to such Damage, and Buyer shall be entitled to receive any insurance proceeds for such Damage.

(b) *Condemnation.* If (i) any portion of the Property not previously conveyed to Buyer shall be taken or appropriated by a public or quasi public authority exercising the power of eminent domain, (ii) there is any taking of land lying in the bed of any street, road, highway or avenue, open or proposed, in front of or adjoining all or any part of the Property not previously conveyed to Buyer, or (iii) there is any change of grade of such street, road, highway or avenue, then Buyer shall proceed with the purchase of the applicable Phase or Phases of the Property and receive all of the award or payment made in connection with such taking.

(c) *Notices.* All notices, demands, requests or other communications required or permitted hereunder (collectively, "**Notices**") shall be in writing, shall be addressed to the receiving party, with a copy to such party's counsel, if any, as provided in the Defined Terms Section above, and shall be personally delivered, sent by overnight mail (FedEx[®] or another carrier that provides receipts for all deliveries), or sent by certified mail, postage prepaid, return receipt requested. All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver due to changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder. Buyer and Seller agree that Notices may be given hereunder by the parties' respective counsel, and that, if any communication is to be given hereunder by Buyer's or Seller's counsel, such counsel may communicate directly with all principals as required to comply with the provisions of this Section.

(d) *Brokers.* Each party hereto hereby represents and warrants to the other that it has dealt with no broker or finder in connection with these transactions. Each party hereto agrees to indemnify, defend and hold harmless the other party from and against any and all losses, liens, claims, judgments, liabilities, costs, expenses or damages (including, without limitation, reasonable attorneys' fees and court costs) of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by such party or on its behalf with any broker or finder in connection herewith or transaction contemplated hereby. The foregoing indemnity shall survive both Closings or the termination hereof.

(e) *Legal Fees.* If either Buyer or Seller brings any action or suit against the other for any matter relating to or arising out of this Agreement, or if either party appears in any bankruptcy proceeding relating to the other party arising from a dispute under this Agreement or to enforce or collect any sum or obligation owed by the other party, then the prevailing party in such action, suit or proceeding, whether by final judgment or out of court settlement, shall be entitled to recover from the other party all costs and expenses of suit, including actual attorneys' fees, legal costs and costs of consultants, appraisers and expert witnesses. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including actual attorneys' fees incurred in enforcing, perfecting and executing such judgment. For the purposes of this Section, such costs and expenses shall include, but not be limited to, the following: (i) post-judgment motions; (ii) contempt proceedings; (iii) garnishment, levy, and debtor and third party examinations; (iv) discovery; (iv) bankruptcy proceeding and litigation (including post-petition proceedings); and (vi) appeals. The provisions of this Section shall survive each of the Closings.

(f) *Assignment.* This Agreement may not be assigned without the other party's consent, provided, however, that (i) Buyer may assign this Agreement and all rights thereunder to a joint powers authority organized to construct and/or operate the ITF without the prior consent of Seller, provided that Buyer shall not be released from its obligations to Seller as provided in this Agreement, and (ii) Seller may assign this Agreement and all rights thereunder without Buyer's consent provided that Seller shall not be released from its obligations provided in this Agreement. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto. The provisions of this Section shall survive each of the Closings.

(g) *Survival.* All covenants, representations, warranties, releases, waivers and indemnities set forth herein, to the extent that they relate to the First Closing, shall, upon the First Closing, merge with the First Closing upon the First Closing and the acceptance and recording of the Deed in connection therewith. All covenants, representations, warranties, releases, waivers and indemnities set forth herein that relate to matters other than the First Closing, shall, upon the Second Closing, merge with the Second Closing and the acceptance of the recording of the Deed in connection therewith. Notwithstanding the aforementioned, the provisions of this Agreement which expressly survive Closing shall so survive.

(h) *Cooperation.* Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchases and sales herein contemplated and shall use all reasonable efforts to accomplish the Closings in accordance with the provisions hereof. Additionally, subject to the environmental review described in Sections 7(h) and 7(i) in pursuing the development of the ITF, the Track Relocation and Seller's development of the adjacent property previously owned by UPRR, Buyer (in its capacity as landowner) and Seller shall cooperate and coordinate with each other both prior to and after the Closings and will grant such easements, utility easements, licenses rights of entry and offers of dedication affecting their respective adjoining projects, as may be reasonably required for the cost effective, orderly progress and completion of said projects, provided to the extent possible public utilities (water delivery, storm water drainage and sanitary sewer) shall first be located in public streets and highways adjacent to or traversing the Property. Buyer, to the extent the same does not unreasonably interfere with Buyer's use of the Property, shall work cooperatively to allow UPRR, Amtrak, Capital Corridor Joint Powers Authority, and the California State Railroad Museum right of reasonable access and ingress and egress over the

Property to and from the easement areas identified as "Railroad Easement I" and "Railroad Easement II" (as applicable) for the purpose of exercising their rights detailed in said easement documents, provided that to the extent possible such rights of access, ingress and egress shall first be accomplished using public streets and highways traversing the Property and abutting the easement areas where applicable. The provisions of this Section shall survive Closing.

(i) *Parking Operations.* Prior to or immediately following the First Closing, Buyer and Seller will enter into an agreement ("Parking Agreement") approved by the Sacramento City Council (unless such approval is not required by City Code, policies or regulations) whereby Buyer agrees to operate parking lots along Sixth and Seventh Streets. As of the Effective Date, the parking lots are operated by Platinum Parking under an agreement with UPRR. The parties intend to enter into an interim Parking Agreement to cover a transition period of between 60 and 90 days following the First Closing which will contain the same basic terms as the agreement in place between UPRR and Platinum Parking. The parties thereafter shall enter into a longer term agreement governing the operation of said parking lots by the City. The provisions of this Section shall survive Closing.

(j) *Computation of Time Periods.* Time is of the essence of every provision herein contained. All references herein to a particular time of day shall be deemed to refer to Sacramento, California time. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, or legal holiday. The term "business day" as used herein shall mean each day other than a Saturday, Sunday, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(k) *Counterparts; Facsimile Signatures.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

(l) *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(m) *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(n) *Exhibits and Schedules; Section References.* The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes. References to numbered sections are references to sections of this Agreement unless otherwise indicated.

(o) *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(p) *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(q) *Applicable Law.* The Agreement was made in and is to be performed entirely within the State of California, and its interpretation, its construction and the remedies for its enforcement or breach are to be applied pursuant to, and in accordance with, the laws of the State of California for contracts made and to be performed therein.

(r) *Mediation and Arbitration of Disputes.* Except as otherwise specifically set forth in this Agreement, including, without limitation, the procedures for the determination of the purchase prices of the Property as set forth in Exhibit M, in the event that any claim or controversy arises from this Agreement or its breach, then the parties shall attempt to mediate such controversy for a period of thirty (30) days after the controversy arises. The parties shall use one or more experienced mediators in connection with such mediation, and shall split equally the cost of such mediator(s).

(s) *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

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

(u) *Possession.* Possession of the applicable Phase of the Property and the original Property Documents related thereto shall be delivered to Buyer at the respective Closing.

(v) *Project Costs.* Seller shall pay to Buyer the sum of Nine Hundred Eighty-Nine Thousand One Hundred Sixty-Two and No/100 Dollars (\$989,162.00) that will be held and used by Buyer to pay for various expenses incurred in furtherance of the processing of Seller's application for entitlements for development of the Sacramento Railyards, including, without limitation, the fees and costs relating to the preparation and approval of environmental review documents and financing plan, staff time, and otherwise relating to Seller's application for entitlements. Said amount includes all outstanding amounts due from Seller to City and amounts owed under existing contracts as of the date of this Agreement related to Seller's application for entitlements for approval by the Sacramento City Council, Planning Commission and other bodies as required by City rules, regulations and policies. Seller acknowledges that additional processing costs will be required before and after the entitlements requested by Seller are approved. Seller shall pay City such sums as required by City to cover reasonable and necessary costs to continue with the

processing of Seller's application within fifteen (15) days of Buyer's request for the same, which request may include the prepayment of certain costs. Should Seller withdraw its request for entitlements, Buyer shall return any unused amounts representing the prepayment of future estimated costs. The foregoing amount may be deducted from the amount of Buyer's \$30,000,000.00 cash payment required under Section 3(a) at Buyer's discretion.

[Signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

S. THOMAS ENTERPRISES OF
SACRAMENTO, LLC
a Delaware limited liability company

By: *Stanley E. Thomas*

Name: *Stanley E. Thomas*

Title: *Manager*

BUYER:

CITY OF SACRAMENTO

By: _____

Name: _____

Title: _____

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

ACCEPTANCE BY ESCROW HOLDER

_____, a _____ corporation, hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between the City of Sacramento, as Seller, and S. Thomas Enterprises of Sacramento, LLC, a Delaware limited liability company, as Buyer, and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder. Escrow Holder shall execute two (2) originals of this Acceptance by Escrow Holder and deliver one (1) original to Seller and Buyer promptly following the opening of Escrow.

Dated: _____, _____

_____,
a _____ corporation

By: _____

Name: _____

Title: _____

EXHIBIT A

LAND

Legal Description

Parcel A

All that certain real property in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre Tract of land shown and delineated on Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said Parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records being described as follows:

BEGINNING at a point on the Southerly line of said 203.161 acre Tract of land as shown on said Record of Survey, said point bears South 71°34'07" East, 169.51 feet from the Southwesterly corner of said Tract of land;

Thence along said Southerly line of Tract of land South 71°34'07" East, 120.48 feet to the Southwesterly corner of said Parcel A of said Parcel Map;

Thence along the Southerly line thereof the following 17 courses, distances and arcs;

- 1) Thence South 71°34'07" East, 335.65 feet;
- 2) Thence South 64°16'41" East, 80.71 feet;
- 3) Thence South 54°53'30" East, 40.98 feet;
- 4) Thence South 55°39'05" East, 63.64 feet;
- 5) Thence South 55°39'41" East, 78.45 feet,
- 6) Thence South 54°34'23" East, 30.17 feet;
- 7) Thence South 45°07'09" East, 27.55 feet;
- 8) Thence South 50°37'16" East, 57.41 feet;
- 9) Thence South 58°54'04" East, 60.24 feet;
- 10)Thence South 64°37'37" East, 60.90 feet;
- 11)Thence South 69°08'30" East, 75.45 feet;
- 12)Thence South 18°18'36" West, 122.27 feet to a point of non-tangent curvature;

13)Thence from a radial line that bears South 47°33'45" West, 67.02 feet along the arc of a 450.00 foot radius non-tangent curve to the left, through a central angle of 08°32'01" to the beginning of a compound curve;

14)Thence from a radial line that bears South 39°01'44" West, 26.65 feet along the arc of a 113.01 foot radius compound curve to the left, through a central angle of 13°30'44";

15)Thence South 64°29'00" East, 251.51 feet;

16)Thence 12.34 feet along the arc of a 100.67 foot radius curve to the left through a central angle of 07°01'19";

17)Thence South 71°30'19" East, 174.07 feet;

Thence leaving said Southerly line North 18°29'41" East, 319.55 feet to a point on the Westerly prolongation of the centerline of H Street, said point bears North 71°33'22" West 136.17 feet from the intersection of the centerline of H Street and the Westerly line of 5th Street;

Thence leaving said Westerly prolongation North 18°19'44" East, 219.75 feet;

Thence North 74°25'02" West, 324.15 feet;

Thence 135.42 feet along the arc of a 463.00 foot radius curve to the left, through a central angle of 16°45'28";

Thence South 88°49'30" West, 65.06 feet;

Thence 173.69 feet along the arc of a 598.00 foot radius curve to the right, through a central angle of 16°38'31";

Thence North 74°31'59" West, 71.04 feet;

Thence 37.89 feet along the arc of a 300.00 foot radius curve to the left, through a central angle of 07°14'13";

Thence North 81°46'12" West, 126.38 feet;

Thence 82.27 feet along the arc of a 465.50 foot radius curve to the right, through a central angle of 10°07'32";

Thence North 71°38'40" West, 81.23 feet;

Thence North 71°36'58" West, 73.92 feet;

Thence South 85°33'27" West, 56.27 feet;

Thence 336.55 feet along the arc of a 843.00 foot radius curve to the right, through a central angle of 22°52'26" to the Southerly line of said Tract being the point of **BEGINNING**.

The basis of bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown as North 71°30'19" West.

Said Parcel A contains 8.82 acres more or less.

Prepared by:
Nolte Associates, Inc. .

Ronald C. Parker *12/04/06*
Ronald C. Parker Date
L.S. 4312



Legal Description

Parcel B

All that certain real property in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre Tract of land shown and delineated on Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said Parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at page 10 of said Official Records being described as follows:

BEGINNING at a point on the Southerly line of said 203.161 acre Tract of land as shown on said Record of Survey, said point bears South 71°34'07" East, 169.51 feet from the Southwesterly corner of said Tract;

Thence along said Southerly line North 71°34'07" West, 169.51 feet to said Southwesterly corner;

Thence along the Westerly line of said Tract of Land, North 14°06'26" East, 37.80 feet;

Thence continuing along said Westerly line, North 07°07'30" East, 25.91 feet;

Thence continuing along said Westerly line and its Easterly prolongation South 71°34'07" East, 114.85 feet;

Thence leaving said Easterly prolongation 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33°33'28";

Thence North 74°52'25" East, 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05°12'18";

Thence North 80°04'43" East, 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23°28'09";

Thence North 56°36'34" East, 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22°05'55";

Thence North 78°42'29" East, 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29°45'03";

Thence South 71°32'29" East, 93.07 feet to a point on the Easterly line of said 203.161 acre Tract of Land also being the Westerly right-of-way line of 12th Street;

Thence along said Westerly right-of-way line of 12th Street and said Easterly line, South 18°26'40" West, 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street being the Southeasterly corner of said Tract of land as shown on said Record of Survey;

Thence along the Westerly prolongation of said centerline of B Street also being the Southerly line of said Tract of Land, North 71°38'41" West, 361.91 feet to the intersection of the prolongation of "B" Street and the centerline of 11th Street;

Thence along the centerline of 11th Street and said Southerly line South 18°27'07" West, 62.81 feet;

Thence leaving said centerline and continuing along said Southerly line, North 71°32'53" West, 40.00 feet to a point on the Westerly right-of-way line of 11th Street;

Thence along the Westerly right-of-way line of 11th Street and said Southerly line, South 18°27'07" West, 16.28 feet;

Thence leaving said Westerly right-of-way line and along the Southerly line of said Tract of Land, North 84°24'44" West, 67.86 feet;

Thence continuing along said Southerly line, South 89°11'12" West, 59.50 feet;

Thence continuing along said Southerly line, South 84°52'06" West, 174.68 feet;

Thence continuing along said Southerly line, South 79°18'07" West, 46.26 feet to a point on the Easterly right of way line of 10th Street;

Thence leaving said Easterly line, North 82°18'34" West, 40.70 feet to a point on the centerline of 10th Street;

Thence along said centerline South 18°20'40" West, 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84°27'01" West, 83.62 feet;

Thence along the Northwesterly boundary of the land so conveyed, South 81°47'13" West, 91.61 feet;

Thence continuing along the Northwesterly boundary of land so conveyed, South 74°47'23" West, 165.45 feet to the most Westerly corner of said parcel of land conveyed by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71°39'20" West, 32.04 feet;

Thence leaving said centerline, South 78°44'26" West, 93.14 feet to a point on the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18°16'26" West, 13.22 feet to a point on said centerline of 9th Street also being the most Southerly corner of the Land conveyed to the Southern Pacific Company by Deed recorded in Book 197 of Deeds at page 163;

Thence along the Southerly line of the land so conveyed, South 78°44'26" West, 459.20 feet to a point on the Northeasterly prolongation of the centerline of 8th Street;

Thence along the Northeasterly prolongation of the centerline of 8th Street, South 18°20'04" West, 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by Deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South 78°44'26" West, 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line South 71°33'53" East, 30.45 feet to the Northeast corner of Parcel A as shown on that certain Parcel Map filed for Record in Book 120 of Parcel Maps at Page 10, Official County Records of Sacramento County;

Thence along the Southerly line of said Parcel A South 81°33'29" West, 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01°54'55" East, 320.84 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52°58'34";

Thence leaving said Southerly line, South 79°25'14" West, 190.28 feet;

Thence South 49°52'44" West, 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30°11'59";

Thence South 80°04'43" West, 17.41 feet;

Thence South 33°41'42" West, 107.73 feet;

Thence South 80°04'43" West, 268.35 feet;

Thence South 18°24'47" West, 490.56 feet;

Thence South 26°44'53" East, 62.45 feet;

Thence South 71°37'38" East 57.14 feet to the intersection of the Northerly line of "H" street with the Westerly line of 5th Street;

Thence along said Westerly line of 5th Street South 18°26'34" West, 40.00 feet to the centerline of said "H" Street;

Thence along said centerline of "H" Street and its Westerly prolongation North 71°33'22" West, 136.17 feet;

Thence leaving said Westerly prolongation North 18°19'44" East, 219.75 feet;

Thence North 74°25'02" West, 324.15 feet;

Thence 135.42 feet along the arc of a 463.00 foot radius curve to the left, through a central angle of 16°45'28";

Thence South 88°49'30" West, 65.06 feet;

Thence 173.69 feet along the arc of a 598.00 foot radius curve to the right, through a central angle of 16°38'31";

Thence North 74°31'59" West, 71.04 feet;

Thence 37.89 feet along the arc of a 300.00 foot radius curve to the left, through a central angle of 07°14'13";

Thence North 81°46'12" West, 126.38 feet;

Thence 82.27 feet along the arc of a 465.50 foot radius curve to the right, through a central angle of 10°07'32";

Thence North 71°38'40" West, 81.23 feet;

Thence North 71°36'58" West, 73.92 feet;

Thence South 85°33'27" West, 56.27 feet;

Thence 336.55 feet along the arc of a 843.00 foot radius curve to the right, through a central angle of 22°52'26" to the Southerly line of said Tract being the point of **BEGINNING**.

The basis of bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at page 10. Said bearing is shown as North 71°30'19" West.

Said Parcel B contains 23.86 acres more or less.

EXCLUDING THEREFROM a parcel with a lower plane 1cm above the top of the rails, as said rails are presently located or as such rails would be installed at a later date, as follows:

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on that certain Parcel Map filed in Book 120 of Parcel Maps, at page 10 of said Official Records and being more particularly described as follows:

Commencing at a 1 1/4 " Iron Pipe situate on the Southerly line 289.99 feet East of the Southwest corner of said Tract of Land, as shown on said Record of Survey;

Thence from said Point of Commencement along the Southerly line of said Tract of Land, North 71°34'07" West a distance of 120.48 feet to the **True Point of Beginning**;

Thence from said Point of Beginning, continuing along the southerly line of said Tract of land, North 71°34'07" West a distance of 169.51 feet to the Southwest corner of the 203.161 acre tract of land as shown on said Record of Survey;

Thence along the westerly line of said Tract of Land, North 14°06'26" East a distance of 37.80 feet;

Thence continuing along said westerly line, North 07°07'30" East a distance of 25.91 feet;

Thence continuing along said westerly line and the easterly prolongation of said Westerly line, South 71°34'07" East a distance of 114.83 feet;

Thence 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33°33'28";

Thence North 74°52'25" East a distance of 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05°12'18";

Thence North 80°04'43" East a distance of 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23°28'09";

Thence North 56°36'34" East a distance of 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22°05'55";

Thence North 78°42'29" East a distance of 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29°45'03";

Thence South 71°32'29" East a distance of 93.07 feet to a point situate along the Easterly line of said Tract of Land also being the Westerly right-of-way of 12th Street;

Thence along said westerly right-of-way of 12th Street, South 18°26'40" West a distance of 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street, as shown on said Record of Survey;

Thence along the westerly prolongation of said centerline of B Street also being the Southerly line of said Tract of Land, North 71°38'41" West a distance of 361.91 feet to the centerline intersection of the prolongation of "B" Street and 11th Street;

Thence leaving the westerly prolongation of "B" Street and along the centerline of 11th Street, South 18°27'07" West a distance of 62.81 feet to a point situate along said centerline;

Thence leaving said centerline, North 71°32'53" West a distance of 40.00 feet to a point situate along the westerly right-of-way of 11th Street;

Thence along the westerly right-of-way of 11th Street, South 18°27'07" West a distance of 16.28 feet;

Thence leaving said westerly right-of-way and along the southerly line of said Tract of Land, North 84°24'44" West a distance of 67.86 feet;

Thence continuing along said Southerly line, South 89°11'12" West a distance of 59.50 feet;

Thence continuing along said Southerly line, South 84°52'06" West a distance of 174.68 feet;

Thence continuing along said Southerly line, South 79°18'07" West a distance of 46.26 feet to a point situate along the Easterly right of way of 10th Street;

Thence leaving said easterly line, North 82°18'34" West a distance of 40.70 feet to a point situate on the centerline of 10th Street;

Thence along said centerline South 18°20'40" West a distance of 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84°27'01" West a distance of 83.62 feet;

Thence along the northwesterly boundary of the land so conveyed, South 81°47'13" West a distance of 91.61 feet;

Thence continuing along the northwesterly boundary of land so conveyed, South 74°47'23" West a distance of 165.45 feet to the most westerly corner of said parcel of land conveyed to the Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71°39'20" West a distance of 32.04 feet;

Thence leaving said centerline, South 78°44'26" West a distance of 93.14 feet to a point situate along the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18°16'26" West a distance of 13.22 feet to a point situate along said centerline of 9th Street also being the most Southerly corner of the Land conveyed to the Southern Pacific Company by Deed recorded in Book 197 of Deeds at page 163;

Thence along the Southerly line of the land so conveyed, South 78°44'26" West a distance of 459.20 feet to a point situate along the northeasterly extension of the centerline of 8th Street;

Thence along the Northeasterly extension of the centerline of 8th Street, South 18°20'04" West a distance of 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by Deed recorded in Book 1239 of Deeds

at page 366 Official Records of the County of Sacramento, South 78°44'26" West a distance of 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line South 71°33'53" East a distance of 30.45 feet to the Northeast corner of Parcel A as shown on that certain Parcel map filed for Record in Book 120 of Parcel Maps at Page 10, Official County Records of Sacramento County;

Thence along the Southerly line of said Parcel A South 81°33'29" West a distance of 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01°54'55" East, 320.83 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52°58'34";

Thence leaving said Southerly line, South 79°25'14" West a distance of 190.28 feet;

Thence South 49°52'44" West a distance of 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30°11'59";

Thence South 80°04'43" West a distance of 985.70 feet;

Thence 140.86 feet along the arc of a 1473.00 foot radius tangent curve through a central angle of 05°28'44";

Thence South 85°33'27" West a distance of 574.46 feet;

Thence 336.55 feet along the arc of an 843.00 foot radius tangent curve to the right though a central angle of 22°52'26" to a point situate along the southerly line of said Tract of Land and the **True Point of Beginning**.

Containing 17.46 acres of land, more or less.

The basis of bearings for this description is the most southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown on said map as North 71°30'19" West.

Prepared by:
Nolte Associates, Inc.

Ronald C. Parker 12/04/06
Ronald C. Parker Date
L.S. 4312



EXHIBIT B

FORM OF GRANT DEED FOR FIRST CLOSING

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Attention: _____

(Space Above for Recorder's Use)

MAIL TAX STATEMENTS TO:

Attention: _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, S. Thomas Enterprises of Sacramento, LLC, a Delaware limited liability company ("**Grantor**"), hereby grants to The City of Sacramento ("**Grantee**"), all of Grantor's right, title, and interest in and to that certain real property (the "**Real Property**") in the County Sacramento, State of California, more particularly described on **Schedule 1** attached hereto and incorporated herein by this reference.

(SIGNATURES BEGIN ON NEXT PAGE)

Grantor has caused this Grant Deed to be duly executed on _____, 200_____.

GRANTOR:

S. Thomas Enterprises of Sacramento, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

SCHEDULE 1
to Grant Deed

EXHIBIT C

FORM OF GRANT DEED FOR SECOND CLOSING

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Attention: _____

(Space Above for Recorder's Use)

MAIL TAX STATEMENTS TO:

Attention: _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, S. Thomas Enterprises of Sacramento, LLC, a Delaware limited liability company ("**Grantor**"), hereby grants to The City of Sacramento ("**Grantee**"), all of Grantor's right, title, and interest in and to that certain real property (the "**Real Property**") in the County Sacramento, State of California, more particularly described on **Schedule 1** attached hereto and incorporated herein by this reference.

(SIGNATURES BEGIN ON NEXT PAGE)

Grantor has caused this Grant Deed to be duly executed on _____, 200__.

GRANTOR:

S. Thomas Enterprises of Sacramento, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

SCHEDULE 1
to Grant Deed

EXHIBIT D

TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform The City of Sacramento ("**Transferee**"), the transferee of the real property described on **Schedule 1** (the "**Property**") attached hereto and incorporated herein by this reference, that withholding of tax is not required upon the disposition of the Property by S. Thomas Enterprises of Sacramento, LLC, a Delaware limited liability company ("**Transferor**"), the undersigned hereby declares the following on behalf of Transferor:

1. Transferor is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

2. Transferor's U.S. employer identification number is _____.

3. Transferor's office address is:

431 I Street, Suite 202
Sacramento, California 95814

4. Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, the undersigned declares that he/she has the authority to execute this certification on behalf of Transferor and further declares that he/she has examined this certification, and to the best of his/her knowledge and belief, this certification is true, correct and complete.

Executed this ____ day of _____, _____.

[_____],

a _____

By: _____

Name: _____

Title: _____

EXHIBIT E

PROVIDED PROPERTY DOCUMENTS

- Construction and Maintenance Agreement for Sixth Street
- Public Highway Grade Separation Agreement for Seventh Street
- Construction and Maintenance Agreement for Fifth Street
- Platinum Parking Agreement (with amendments thereto)
- Parking Lot Construction Agreement
- Proposed Covenant and Agreement Regarding Restriction on Use of Property and Grant of Easement
- Amtrak Lease Agreement (Sacramento Station)
- Railroad Easements and Communication Easement from proposed deed
- Sacramento Rail Yard Pollution Liability Clean-Up Cost Cap Manuscript Insurance Policy
- Sacramento Railyards Bibliography and Continuation of Bibliography (5/26/05 to date)
- Preliminary Title Report and Exceptions from Placer Title Company
- Sacramento Station Area:
 - Certification Letter of the Sacramento Station, DTSC, June 1994
 - Closure Report for Sacramento Station Hydrocarbon Area Soils, Volume I: Text, ERM, May 1994
 - Final Remedial Action Plan, Sacramento Station, Woodward-Clyde Consultants, December 1989
- Central Shops Area:
 - Completion of Soil Remediation in 4.25-acre Main Freight Line Relocation Area within the Central Shops Area, DTSC, July 2005
 - Central Shops Removal Action Workplan (RAW) Soil Remediation Summary Report, ERM, August 2004
- Declaration of Covenants, Conditions and Restrictions on Air Rights
- Natural Hazard Disclosure Reports for APN Nos.:
 - 002-0010-018
 - 002-0010-023
 - 002-0010-024
 - 002-0010-027
 - 002-0010-028

002-0010-038

002-0010-039

002-0010-043

002-0010-025

- A.L.T.A./A.C.S.M. Land Title Survey (9/27/04)
- Grant Deed
- City Parcel Remediation Map
- [Form of] Additional Insured Endorsement
- [Form of] First Amendment to Grant of Easement for Light Rail Transit
- [Form of] First Amendment to Parking Lot Construction Agreement
- [Form of] First Amendment to Easement Agreement for Bus Circulation Loop (Sacramento Amtrak Depot)

Index: City of Sacramento Disk

Sacramento Station Area:

Certification Letter of the Sacramento Station, DTSC, June, 1994

Closure Report for Sacramento Station Hydrocarbon Area Soils,
Volume I: Text, ERM, May, 1994

Final Remedial Action Plan, Sacramento Station, Woodward-
Clyde Consultants, December 1989

Central Shops Area:

Completion of Soil Remediation in 4.25-acre Main Freight Line
Relocation Area within the Central Shops Area, DTSC, July
2005

Central Shops Removal Action Workplan (RAW) Soil
Remediation Summary Report, ERM, August 2004

– Continued
– 24 October 2006

Item	Date
Response to Agency Comments to Report of Waste Discharge	26 May 2005
Request for Authorization for Underground Storage Tank Abandonment	31 May 2005
Response to Comments – Central Shops Removal Action Workplan Soil Remediation Summary Report	17 June 2005
Planned Vault Abandonment, Former Manufactured Gas Plant Site	30 June 2005
Revised Health Risk Assessment Addendum and Vegetative Soil Layer Criteria Lagoon Study Area Northwest Corner Soil	12 July 2005
2005 Semiannual Ground Water Monitoring Report	29 July 2005
Semiannual Status Report, January through June 2005, Remediation Systems Operation and Maintenance	31 August 2005
Response to Agency Comments to 2004 Annual Ground Water Monitoring Report	23 September 2005
Draft Health Risk Assessment Report, Lagoon Ground Water Study Area	26 September 2005
Request for Schedule Extension	17 October 2005
October 2005 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	11 November 2005
Draft Feasibility Study Report, Central Shops Study Area – Soil and South Flume Study Area – Ground Water	30 November 2005
Final Remedial Investigation Workplan, Former Manufactured Gas Plant Study Area	30 November 2005
Response to Comments on the Draft Remedial Investigation Workplan for the Manufactured Gas Plant Study Area	30 November 2005
November 2005 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	9 December 2005
December 2005 Wastewater Discharge Report and Flow Monitoring Equipment Certification, Industrial Sewer Permit No. GRW009	10 January 2006
Fourth Quarter 2005 Emission Monitoring Report, South Flume Source Area, PIO15884/15923/15926	23 January 2006
Fourth Quarter 2005 Emission Monitoring Report, New Painting Facility LNAPL, PIO 16020/ 16021	23 January 2006
2005 Semiannual Ground Water Monitoring Report	1 February 2006
January 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	7 February 2006
Semiannual Status Report, July through December 2005, Remediation Systems Operation and Maintenance	28 February 2006
February 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	9 March 2006

Request to Change Sampling Methodology for Selected Ground Water Monitoring Wells	10 April 2006
March 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	10 April 2006
First Quarter 2006 Emission Monitoring Report, South Plume Source Area, P/O 15884/ 15923/15926	25 April 2006
First Quarter 2006 Emission Monitoring Report, New Painting Facility LNAPL, P/O 16020/ 16021	25 April 2006
April 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	10 May 2006
Proposed Abandonment and Replacement of Monitoring Well SPW-25, South Plume Ground Water Study Area	12 May 2006
May 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	7 June 2006
Response to Agency Comments on Draft Health Risk Assessment Report – Lagoon Ground Water Study Area	21 June 2006
Response to Agency Comments to Revised Health Risk Assessment Addendum and Vegetative Soil Layer Criteria – Lagoon Study Area, Northwest Corner	22 June 2006
Semiannual Project Status Report, November 2005 through April 2006	27 June 2006
June 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	10 July 2006
Second Quarter 2006 Emission Monitoring Report, South Plume Source Area, P/O 15884/ 15923/ 15926	25 July 2006
2006 Annual Ground Water Monitoring Report	1 August 2006
July 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	9 August 2006
Semiannual Status Report, January through June 2006, Remediation Systems Operation and Maintenance	30 August 2006
August 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	11 September 2006
Revised Health Risk Assessment Addendum, Lagoon Study Area Northwest Corner Soil	2 October 2006
September 2006 Wastewater Discharge Report, Industrial Sewer Permit No. GRW009	10 October 2006
Third Quarter 2006 Emission Monitoring Report, South Plume Source Area, P/O 15884/15923/ 15926	24 October 2006

ASST	Author	Date	Received Title
Ground Water Monitoring	Woodward Cycle Consultants	Feb-91	Drift Ground Water Quality Monitoring Report for December 1990
Ground Water Monitoring	Woodward Cycle Consultants	Mar-91	Water Table Elevation Data through February 1991
Ground Water Monitoring	Woodward Cycle Consultants	Mar-91	Historical Monitoring Well Ground Water Analytical Results through December 1990, Volume 1
Ground Water Monitoring	Woodward Cycle Consultants	Mar-91	December 1990 Monitoring Results, Ground Water Quality Monitoring Report for December 1990
Ground Water Monitoring	Woodward Cycle Consultants	Mar-91	Volume One - Ground Water Monitoring Well Completion Reports
Ground Water Monitoring	ERM	Nov-91	Ground Water Quality Monitoring Report for April 1991
Ground Water Monitoring	ERM	Jan-92	Ground Water Quality Monitoring Report for August 1991
Ground Water Monitoring	ERM	Mar-92	Ground Water Quality Monitoring Report for October 1991
Ground Water Monitoring	ERM	May-92	Ground Water Quality Monitoring Report for February 1992
Ground Water Monitoring	ERM	Oct-92	Ground Water Quality Monitoring Report for April/July 1992
Ground Water Monitoring	ERM	Nov-92	Ground Water Quality Monitoring Report for October 1992
Ground Water Monitoring	ERM	Jan-93	Ground Water Data Summary for California Water Center
Ground Water Monitoring	ERM	Feb-93	1993 Annual Ground Water Elevations Report
Ground Water Monitoring	ERM	Apr-93	Ground Water Quality Monitoring Report for January 1993
Ground Water Monitoring	ERM	Apr-93	First Quarter 1993 Ground Water Elevations Report
Ground Water Monitoring	ERM	Apr-93	Ground Water Monitoring Sampling Schedule 1993
Ground Water Monitoring	ERM	Apr-93	Ground Water Quality Monitoring Report - Second Quarter 1993
Ground Water Monitoring	ERM	Oct-93	Third Quarter 1993 Ground Water Monitoring Report
Ground Water Monitoring	ERM	Feb-94	Proposed 1994 Ground Water Monitoring Schedule
Ground Water Monitoring	ERM	Feb-94	1993 Annual Ground Water Elevations Report
Ground Water Monitoring	ERM	Feb-94	January 1994 Ground Water Elevations Report
Ground Water Monitoring	ERM	Feb-94	1993 Annual Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	Feb-94	1993 Annual Ground Water Quality Monitoring Report - Volume II
Ground Water Monitoring	ERM	Feb-94	November 1993 Through January 1994 Water Quality Results
Ground Water Monitoring	ERM	Apr-94	First and Second Quarter 1994 Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	Oct-94	March through July 1994 Water Quality Results
Ground Water Monitoring	ERM	Nov-94	1994 Annual Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	Feb-95	1994 Annual Ground Water Quality Monitoring Report, Volumes I
Ground Water Monitoring	ERM	Feb-95	1994 Annual Ground Water Quality Monitoring Report, Volume II
Ground Water Monitoring	ERM	Apr-95	Ground Water Elevations Report (6 th Issued) and April 1995
Ground Water Monitoring	ERM	Apr-95	1995 Annual Ground Water Elevations Report
Ground Water Monitoring	ERM	Apr-95	1995 Annual Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	Jan-96	1995 Annual Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	Jan-96	Ground Water Elevations Report, First and Second Quarters 1996
Ground Water Monitoring	ERM	Apr-96	Ground Water Quality Monitoring Report, First and Second Quarters 1996
Ground Water Monitoring	ERM	Nov-96	1996 Annual Ground Water Elevations Report
Ground Water Monitoring	ERM	Jan-97	1996 Annual Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	May-97	Ground Water Elevations, First and Second Quarters 1997
Ground Water Monitoring	ERM	Aug-97	1997 Supplemental Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	Jan-98	1997 Annual Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	May-98	Ground Water Elevations Report, First and Second Quarter 1998
Ground Water Monitoring	ERM	Jul-98	Quarterly Status Report: April-June 1998, Remediation Systems
Ground Water Monitoring	ERM	Oct-98	1998 Annual Ground Water Level Monitoring Report
Ground Water Monitoring	ERM	Feb-99	1998 Annual Ground Water Quality Monitoring Report
Ground Water Monitoring	ERM	May-99	2001 Supplemental Ground Water Monitoring Report
Ground Water Monitoring	ERM	Jan-00	2001 Annual Ground Water Monitoring Report
Ground Water Monitoring	ERM	Jan-00	2002 Supplemental Ground Water Monitoring Report
Ground Water Monitoring	ERM	Jan-00	2002 Annual Ground Water Monitoring Report
Ground Water Monitoring	ERM	Jan-00	2003 Supplemental Ground Water Monitoring Report
Ground Water Monitoring	ERM	Jan-00	2003 Annual Ground Water Monitoring Report
Ground Water Monitoring	ERM	Jan-00	2004 Annual Ground Water Monitoring Report
Ground Water Monitoring	ERM	Jan-00	Legion Study Area Sampling and Analysis Plan
Ground Water Monitoring	ERM	Aug-99	Industrial Wastewater Legion Phase A Remedial Investigation Data Summary Report
Legion	ERM	Jul-92	Legion Study Area Preliminary Risk Assessment and Feasibility Study Evaluation
Legion	ERM	Jan-93	Proposed Legion Study Area Phase B Remedial Investigation Sampling Plan
Legion	ERM	Mar-93	Industrial Wastewater Legion Phase B Remedial Investigation Data Summary Report
Legion	ERM	Mar-93	Final Phase C Investigation Sampling Plan Legion Study Area
Legion	ERM	Mar-93	Feasibility Study for Lead Soil Remediation, Volume I, Appendix
Legion	ERM	Mar-93	Feasibility Study for Lead Soil Remediation, Volume II, Appendix
Legion	ERM	Mar-93	Proposed Legion Study Area Results of Phase C Investigation
Legion	ERM	Jun-93	Preliminary Legion Study Area Results of Phase C Investigation
Legion	ERM	Jun-93	Proposed Soil Gas Survey Addition to Proposed Legion Study Area Phase C Investigation
Legion	ERM	Jul-93	Proposed Additional Hydrofracturing Sampling, Wellcens Addition to Legion Study Area Phase C Investigation

Site	Date	Author	Document Title
South Plume	Feb-90	Westward Clark Consultants	Work Plan and Description of Work Completed in January/February 1990 for Southwest Plume Characterization and Preliminary Remedial Design
South Plume	Aug-91	ERM	South Plume Sampling and Analysis Plan
South Plume	Jan-92	ERM	Water Well Survey, South Plume Project
South Plume	Sep-92	ERM	Health and Safety Plan for Sampling and Analysis, South Plume Study Area
South Plume	Nov-92	ERM	South Plume Phase A Remedial Investigation Data Summary Report, Volume I, Text and Appendices A through D
South Plume	Nov-92	ERM	South Plume Phase A Remedial Investigation Data Summary Report, Supplemental Coordination/Evaluation Data Package
South Plume	Jan-93	ERM	South Plume Interim Remedial Measure Alternatives Evaluation Addendum
South Plume	Sep-93	ERM	South Plume Phase B Remedial Investigation Data Summary Report, Volume I, Text, Tables, and Figures
South Plume	Sep-93	ERM	South Plume Phase B Remedial Investigation Data Summary Report, Volume II, Appendices A through E
South Plume	3-Feb-94	Environmental Standards West, Inc.	South Plume Quality Assurance Review of Samples, Volume II
South Plume	3-Feb-94	Environmental Standards West, Inc.	South Plume Quality Assurance Review of Samples, Volume III
South Plume	24-Feb-94	Environmental Standards West, Inc.	Quality Assurance Review of the Sacramento Rail Yard Site South Plume Samples, Volume I
South Plume	Mar-94	Environmental Standards West, Inc.	Quality Assurance Review of the Sacramento Rail Yard Site South Plume Samples, Volume II
South Plume	Jun-94	ERM	South Plume SVOCs and Metals Assessment/SAP
South Plume	Dec-94	ERM	Final Design Package and Schedule for the South Plume Source IRM
South Plume	Jan-95	ERM	South Plume Draft Remedial Investigation Report
South Plume	Jan-96	ERM	Baseline and Startup Monitoring Report, South Plume Margin IRM
South Plume	Mar-96	ERM	South Plume Source Interim Remedial Measure Operations and Maintenance Training
South Plume	Nov-96	ERM	South Plume Phase D Data Submittal
South Plume	Nov-96	ERM	Operation and Maintenance Manual, SPS Interim Remedial Measure
South Plume	Nov-96	ERM	Operation and Maintenance Manual, South Plume Source Remediation System, Appendix E
South Plume	Nov-96	ERM	Operation and Maintenance Manual, South Plume Source Remediation System, Appendix F
South Plume	Nov-96	ERM	Operation and Maintenance Manual, South Plume Source Remediation System, Appendix G
South Plume	Nov-96	ERM	Operation and Maintenance Manual, South Plume Source Remediation System, Appendix H
South Plume	Nov-96	ERM	Operation and Maintenance Manual, South Plume Source Remediation System, Appendix I
South Plume	Nov-96	ERM	Startup Monitoring Report, South Plume Source IRM
South Plume	Mar-97	ERM	Start-Up New Planting Facility - DNAPL Area Pilot Test Workplan
South Plume	Mar-97	ERM	Low-Level Ground Water Sampling Pilot Study Results
South Plume	Feb-98	ERM	Remedial Design and Startup Monitoring Report, South Plume Margin IRM
South Plume	29-Jul-00	ERM	South Plume Source Interim Remedial Measure Operations and Maintenance Training
South Plume	24-Oct-00	ERM	Third Quarter 2000 Emission Monitoring Report, South Plume Source Area, P/O 15884/15920/15926
South Plume	24-Jan-01	ERM	Fourth Quarter 2000 Emission Monitoring Report, South Plume Source Area, P/O 15884/15920/15926
South Plume	28-Apr-01	ERM	First Quarter 2001 Emission Monitoring Report, South Plume Source Area, P/O 15884/15920/15926

EXHIBIT F

GENERAL ASSIGNMENT AND BILL OF SALE

THIS GENERAL ASSIGNMENT AND BILL OF SALE (this "**Assignment**") is made and dated as of _____, _____ (the "**Effective Date**"), by S. Thomas Enterprises of Sacramento, LLC, a Delaware limited liability company ("**Assignor**"), in favor of The City of Sacramento, a _____ ("**Assignee**").

RECITALS

Assignor is the owner of that certain real property located in the County of Sacramento, State of California, more particularly described on Schedule attached hereto and incorporated herein by this reference (together with all improvements thereon, the "**Real Property**"). Assignor and Assignee are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated November __, 2006 (the "**Purchase Agreement**"). Concurrently herewith, Assignor is conveying to Assignee Assignor's interest in the Real Property pursuant to a grant deed.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **ASSIGNMENT.** Assignor hereby grants, assigns, transfers, conveys, and delivers to Assignee and Assignee hereby assumes all of Assignor's right, title, and interest in and to the following described property to the extent it relates solely to the Real Property (collectively, the "**Personal Property**"):

(a) **Tangible Personal Property.** All tangible personal property that is owned by Assignor, including, but not limited to, inventory, furniture, fixtures, equipment, machinery, appliances, fittings, and other removable or tangible articles of personal property of every kind and nature that are owned by Assignor and is or was used exclusively in the operation of the Real Property, including, without limitation, (i) furnishings, furniture, and equipment, (ii) art work and other decorative items, (iii) built-in appliances, (iv) office furniture and equipment, and all plans, specifications, drawings prepared for the construction of improvements on the Real Property, provided, that Personal Property shall not include track rails existing on Real Property. The Tangible Property is in a used condition, and Grantor makes no representations or warranties, express, implied or statutory, as to the condition or state of repair of the Tangible Personal Property, including warranties of fitness or merchantability, it being expressly understood that the Tangible Personal Property is being sold to Grantee in its present "as is, where is" condition and with all faults. All such Personal Property is being transferred with the Real Property, and Seller has no obligation to remove such Personal Property.

(b) **Contracts & Leases.** All contracts listed in the attached Schedule ____ attached hereto and incorporated herein (collectively, the "**Contracts**");

(d) **Leases.** All leases listed in the attached Schedule ____ attached hereto and incorporated herein (collectively, the "**Leases**").

5. **GENERAL.**

(a) **Attorneys' Fees.** If either Assignor or Assignee brings any action or suit against the other for any matter relating to or arising out of this Assignment, or the Personal Property, or if either party appears in any bankruptcy proceeding relating to the other party arising from a dispute under this Assignment, then the prevailing party in such action, suit, or proceeding, whether by final judgment or out of court settlement, shall be entitled to recover from the other party all costs and expenses of suit, including actual attorneys' fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including actual attorneys' fees incurred in enforcing, perfecting, and executing such judgment. For the purposes of this Section, such costs and expenses shall include, but not be limited to, in-house and outside attorneys' fees, costs and expenses incurred in such action, suit, or proceeding, including, but not limited to the following: (i) post-judgment motions; (ii) contempt proceedings; (iii) garnishment, levy, and debtor and third party examinations; (iv) discovery; (v) bankruptcy proceeding and litigation (including post-petition proceedings); and (vi) appeals.

(b) **Successors and Assigns.** This Assignment shall be binding on the parties hereto and shall inure to the benefit of their respective heirs, successors, and assigns.

(c) **Governing Law.** The Assignment was made in and is to be performed entirely within the State of California, and its interpretation, its construction and the remedies for its enforcement or breach are to be applied pursuant to, and in accordance with, the laws of the State of California for contracts made and to be performed therein.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first written above.

ASSIGNOR:

S. Thomas Enterprises of Sacramento, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

ASSIGNEE:

CITY OF SACRAMENTO

By: _____

Name: _____

Title: _____

EXHIBIT G
REPORT

PLACER TITLE COMPANY

Preliminary Report

Order No. 110-4635

Version 2

Issued By:

PLACER TITLE COMPANY
1512 EUREKA ROAD, #120
ROSEVILLE, CA 95661
Escrow Officer: Sue Weaver
Phone: 916-782-3711
Fax: 916-774-0586
Escrow Officer Email: sweaver@placertitle.com
Email Loan Docs To: N/A

Customer Reference: RAILYARD, CITY PARCELS

Property Address: NA, SACRAMENTO, CA 95814

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in the attached. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in the attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

PLEASE READ THE EXCEPTIONS SHOWN OR REFERRED TO BELOW AND THE EXCEPTIONS AND EXCLUSIONS SET FORTH IN THE ATTACHED CAREFULLY. THE EXCEPTIONS AND EXCLUSIONS ARE MEANT TO PROVIDE YOU WITH NOTICE OF MATTERS WHICH ARE NOT COVERED UNDER THE TERMS OF TITLE INSURANCE POLICY AND SHOULD BE CAREFULLY CONSIDERED. IT IS IMPORTANT TO NOTE THAT THIS PRELIMINARY REPORT IS NOT A WRITTEN REPRESENTATION AS TO THE CONDITION OF TITLE AND MAY NOT LIST ALL LIENS, DEFECTS AND ENCUMBRANCES AFFECTING TITLE TO THE LAND.

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

Dated as of October 09, 2006 at 7:30 a.m.

Title Officer: Scott Stanford

CLTA Preliminary Report

Order No. 110-4635

Version 2

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

**CLIA Standard Coverage Policy
ALTA Lenders 1992 Policy**

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

A FEE SIMPLE

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

**UNION PACIFIC RAILROAD, A DELAWARE CORPORATION, SUCCESSOR IN INTEREST BY MESNE
CERTIFICATES OF MERGERS WITH SOUTHERN PACIFIC TRANSPORTATION COMPANY, A
DELAWARE CORPORATION, SUCCESSOR BY MERGER TO SOUTHERN PACIFIC COMPANY, A
DELAWARE CORPORATION, SUCCESSOR BY MERGER TO CENTRAL PACIFIC RAILWAY COMPANY, A
UTAH CORPORATION**

The land referred to herein is described as follows:

SEE EXHIBIT "A" ATTACHED

**EXHIBIT "A"
LEGAL DESCRIPTION**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, CITY OF SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

ALL THAT CERTAIN REAL PROPERTY IN THE CITY AND COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND BEING A PORTION OF THAT CERTAIN 203.161 ACRE TRACT OF LAND SHOWN AND DELINEATED ON RECORD OF SURVEY FILED IN BOOK 51 OF SURVEYS AT PAGE 10 OF THE OFFICIAL RECORDS OF SACRAMENTO COUNTY AND A PORTION OF PARCEL A AS SAID PARCEL IS SHOWN AND SO DESIGNATED ON PARCEL MAP FILED IN BOOK 120 OF PARCEL MAPS, AT PAGE 10 OF SAID OFFICIAL RECORDS BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID 203.161 ACRE TRACT OF LAND AS SHOWN ON SAID RECORD OF SURVEY, SAID POINT BEARS SOUTH 71 DEGREES 43'07" EAST, 169.51 FEET FROM THE SOUTHWESTERLY CORNER OF SAID TRACT OF LAND;

THENCE ALONG SAID SOUTHERLY LINE OF TRACT OF LAND SOUTH 71 DEGREES 43'07" EAST, 120.48 FEET TO THE SOUTHWESTERLY CORNER OF SAID PARCEL A OF SAID PARCEL MAP;

THENCE ALONG THE SOUTHERLY LINE THEREOF THE FOLLOWING 17 COURSES, DISTANCES AND ARCS:

- 1) THENCE SOUTH 71 DEGREES 34'07" EAST, 335.65 FEET;
- 2) THENCE SOUTH 64 DEGREES 16'41" EAST, 80.71 FEET;
- 3) SOUTH 54 DEGREES 53'30" EAST, 40.98 FEET;
- 4) THENCE SOUTH 55 DEGREES 39'05" EAST, 63.64 FEET;
- 5) THENCE SOUTH 55 DEGREES 39'41" EAST, 78.45 FEET;
- 6) THENCE SOUTH 54 DEGREES 34'23" EAST, 30.17 FEET;
- 7) THENCE SOUTH 45 DEGREES 07'09" EAST, 27.55 FEET;
- 8) THENCE SOUTH 50 DEGREES 37'16" EAST, 57.41 FEET;
- 9) THENCE SOUTH 58 DEGREES 54'04" EAST, 60.24 FEET;
- 10) THENCE SOUTH 64 DEGREES 37'37" EAST, 60.90 FEET;
- 11) THENCE SOUTH 69 DEGREES 08'30" EAST, 75.45 FEET;
- 12) THENCE SOUTH 18 DEGREES 18'36" WEST, 122.27 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 13) THENCE FROM A RADIAL LINE THAT BEARS SOUTH 47 DEGREES 33'45" WEST, 67.02 FEET ALONG THE ARC OF A 450.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 08 DEGREES 32'01" TO THE BEGINNING OF A COMPOUND CURVE;
- 14) THENCE FROM A RADIAL LINE THAT BEARS SOUTH 39 DEGREES 01'44" WEST, 26.65 FEET ALONG THE ARC OF A 113.01 FOOT RADIUS COMPOUND CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 13 DEGREES 30'44";
- 15) THENCE SOUTH 64 DEGREES 29'00" EAST, 251.51 FEET;
- 16) THENCE 12.34 FEET ALONG THE ARC OF A 100.67 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 07 DEGREES 01'19";
- 17) THENCE SOUTH 71 DEGREES 30'19" EAST, 174.07 FEET;

EXHIBIT "A"
LEGAL DESCRIPTION continued

THENCE LEAVING SAID SOUTHERLY LINE NORTH 18 DEGREES 29'41" EAST, 319.55 FEET TO A POINT ON THE WESTERLY PROLONGATION OF THE CENTERLINE OF H STREET, SAID POINT BEARS NORTH 71 DEGREES 33'22" WEST 136.17 FEET FROM THE INTERSECTION OF THE CENTERLINE OF H STREET AND THE WESTERLY LINE OF 5TH STREET;

THENCE LEAVING SAID WESTERLY PROLONGATION NORTH 18 DEGREES 19'44" EAST, 219.75 FEET;

THENCE NORTH 74 DEGREES 25'02" WEST, 324.15 FEET;

THENCE 135.42 FEET ALONG THE ARC OF A 463.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 16 DEGREES 45'28";

THENCE SOUTH 88 DEGREES 49'30" WEST, 65.06 FEET;

THENCE 173.69 FEET ALONG THE ARC OF A 598.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 16 DEGREES 38'31";

THENCE NORTH 74 DEGREES 31'59" WEST, 71.04 FEET;

THENCE 37.89 FEET ALONG THE ARC OF A 300.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 07 DEGREES 14'13";

THENCE NORTH 81 DEGREES 46'12" WEST, 126.38 FEET;

THENCE 82.27 FEET ALONG THE ARC OF A 465.50 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 10 DEGREES 07'32";

THENCE NORTH 71 DEGREES 38'40" WEST, 81.23 FEET;

THENCE NORTH 71 DEGREES 36'58" WEST, 73.92 FEET;

THENCE SOUTH 85 DEGREES 33'27" WEST, 56.27 FEET;

THENCE 336.55 FEET ALONG THE ARC OF A 843.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 22 DEGREES 52'26" TO THE SOUTHERLY LINE OF SAID TRACT BEING THE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE MOST SOUTHERLY LINE OF PARCEL A, AS FILED IN BOOK 120 OF PARCEL MAPS, AT PAGE 10. SAID BEARING IS SHOWN AS NORTH 71 DEGREES 30'19" WEST.

PARCEL B:

ALL THAT CERTAIN REAL PROPERTY IN THE CITY AND COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND BEING A PORTION OF THAT CERTAIN 203.161 ACRE TRACT OF LAND SHOWN AND DELINEATED ON RECORD OF SURVEY FILED IN BOOK 51 OF SURVEYS AT PAGE 10 OF THE OFFICIAL RECORDS OF SACRAMENTO COUNTY AND A PORTION OF PARCEL A AS SAID PARCEL IS SHOWN AND SO DESIGNATED ON PARCEL MAP FILED IN BOOK 120 OF PARCEL

EXHIBIT "A"
LEGAL DESCRIPTION continued

MAPS, AT PAGE 10 OF SAID OFFICIAL RECORDS BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID 203.161 ACRE TRACT OF LAND AS SHOWN ON SAID RECORD OF SURVEY, SAID POINT BEARS SOUTH 71 DEGREES 43'07" EAST, 169.51 FEET FROM THE SOUTHWESTERLY CORNER OF SAID TRACT;

THENCE ALONG SAID SOUTHERLY LINE NORTH 71 DEGREES 43'07" WEST, 169.51 FEET TO SAID SOUTHWESTERLY CORNER;

THENCE ALONG THE WESTERLY LINE OF SAID TRACT OF LAND, NORTH 14 DEGREES 06'26" EAST, 37.80 FEET;

THENCE CONTINUING ALONG SAID WESTERLY LINE, NORTH 07 DEGREES 07'30" EAST, 25.91 FEET;

THENCE CONTINUING ALONG SAID WESTERLY LINE AND ITS EASTERLY PROLONGATION SOUTH 71 DEGREES 34'07" EAST, 114.85 FEET;

THENCE LEAVING SAID EASTERLY PROLONGATION 439.27 FEET ALONG THE ARC OF A 750.00 FOOT RADIUS TANGENT CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 33 DEGREES 33'28";

THENCE NORTH 74 DEGREES 52'25" EAST, 583.72 FEET;

THENCE 136.27 FEET ALONG THE ARC OF A 1500.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 05 DEGREES 12'18";

THENCE NORTH 80 DEGREES 04'43" EAST, 1035.82 FEET;

THENCE 337.93 FEET ALONG THE ARC OF AN 825.00 FOOT RADIUS TANGENT CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 23 DEGREES 28'09";

THENCE NORTH 56 DEGREES 36'34" EAST, 416.15 FEET;

THENCE 192.85 FEET ALONG THE ARC OF A 500.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 22 DEGREES 05'55";

THENCE NORTH 78 DEGREES 42'29" EAST, 1371.35 FEET;

THENCE 711.37 FEET ALONG THE ARC OF A 1370.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 29 DEGREES 45'03";

THENCE SOUTH 71 DEGREES 32'29" EAST, 93.07 FEET TO A POINT ON THE EASTERLY LINE OF SAID 203.161 ACRE TRACT OF LAND ALSO BEING THE WESTERLY RIGHT-OF-WAY LINE OF 12TH STREET;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF 12TH STREET AND SAID EASTERLY LINE, SOUTH 18 DEGREES 26'40" WEST, 66.90 FEET TO THE INTERSECTION WITH THE WESTERLY PROLONGATION OF THE CENTERLINE OF "B" STREET BEING THE SOUTHEASTERLY CORNER OF SAID TRACT OF LAND AS SHOWN ON SAID RECORD OF SURVEY;

CLTA Preliminary Report

EXHIBIT "A"
LEGAL DESCRIPTION continued

THENCE ALONG THE WESTERLY PROLONGATION OF SAID CENTERLINE OF B STREET ALSO BEING THE SOUTHERLY LINE OF SAID TRACT OF LAND, NORTH 71 DEGREES 38'41" WEST, 361.91 FEET TO THE INTERSECTION OF THE PROLONGATION OF "B" STREET AND THE CENTERLINE OF 11TH STREET;

THENCE ALONG THE CENTERLINE OF 11TH STREET AND SAID SOUTHERLY LINE SOUTH 18 DEGREES 27'07" WEST, 62.81 FEET;

THENCE LEAVING SAID CENTERLINE AND CONTINUING ALONG SAID SOUTHERLY LINE, NORTH 71 DEGREES 32'53" WEST, 40.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF 11TH STREET;

THENCE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF 11TH STREET AND SAID SOUTHERLY LINE, SOUTH 18 DEGREES 27'07" WEST, 16.28 FEET;

THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE SOUTHERLY LINE OF SAID TRACT OF LAND, NORTH 84 DEGREES 24'44" WEST, 67.86 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 89 DEGREES 11'12" WEST, 59.50 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 84 DEGREES 52'06" WEST, 174.68 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 79 DEGREES 18'07" WEST, 46.26 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF 10TH STREET;

THENCE LEAVING SAID EASTERLY LINE, NORTH 82 DEGREES 18'34" WEST, 40.70 FEET TO A POINT ON THE CENTERLINE OF 10TH STREET;

THENCE ALONG SAID CENTERLINE SOUTH 18 DEGREES 20'40" WEST, 42.10 FEET;

THENCE LEAVING SAID CENTERLINE AND ALONG THE NORTHWESTERLY BOUNDARY OF LAND CONVEYED TO SOUTHERN PACIFIC TRANSPORTATION COMPANY BY DEED RECORDED IN BOOK 7404-05 AT PAGE 325 OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO, SOUTH 84 DEGREES 27'01" WEST, 83.62 FEET;

THENCE ALONG THE NORTHWESTERLY BOUNDARY OF THE LAND SO CONVEYED, SOUTH 81 DEGREES 47'13" WEST, 91.61 FEET;

THENCE CONTINUING ALONG THE NORTHWESTERLY BOUNDARY OF LAND SO CONVEYED, SOUTH 74 DEGREES 47'23" WEST, 165.45 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL OF LAND CONVEYED BY DEED RECORDED IN BOOK 7404-05 AT PAGE 325 OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO ALSO BEING THE CENTERLINE OF "C" STREET;

THENCE ALONG THE CENTERLINE OF "C" STREET, NORTH 71 DEGREES 39'20" WEST, 32.04 FEET;

THENCE LEAVING SAID CENTERLINE, SOUTH 78 DEGREES 44'26" WEST, 93.14 FEET TO A
CLTA Preliminary Report

EXHIBIT "A"
LEGAL DESCRIPTION continued

POINT ON THE CENTERLINE OF 9TH STREET;

THENCE ALONG THE CENTERLINE OF 9TH STREET, SOUTH 18 DEGREES 16'26" WEST, 13.22 FEET TO A POINT ON SAID CENTERLINE OF 9TH STREET ALSO BEING THE MOST SOUTHERLY CORNER OF THE LAND CONVEYED TO THE SOUTHERN PACIFIC COMPANY BY DEED RECORDED IN BOOK 197 OF DEEDS AT PAGE 163;

THENCE ALONG THE SOUTHERLY LINE OF THE LAND SO CONVEYED, SOUTH 78 DEGREES 44'26" WEST, 459.20 FEET TO A POINT ON THE NORTHEASTERLY PROLONGATION OF THE CENTERLINE OF 8TH STREET;

THENCE ALONG THE NORTHEASTERLY PROLONGATION OF THE CENTERLINE OF 8TH STREET, SOUTH 18 DEGREES 20'04" WEST, 2.91 FEET;

THENCE LEAVING SAID CENTERLINE AND ALONG THE NORTHERLY LINE OF THE LAND CONVEYED TO CONSUMERS ICE AND COLD STORAGE COMPANY BY DEED RECORDED IN BOOK 1239 OF DEEDS AT PAGE 366 OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO, SOUTH 78 DEGREES 44'26" WEST, 184.38 FEET TO A POINT ON THE NORTHERLY LINE OF "D" STREET;

THENCE ALONG SAID NORTHERLY LINE SOUTH 71 DEGREES 33'53" EAST, 30.45 FEET TO THE NORTHEAST CORNER OF PARCEL A AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD IN BOOK 120 OF PARCEL MAPS AT PAGE 10, OFFICIAL COUNTY RECORDS OF SACRAMENTO COUNTY;

THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL A SOUTH 81 DEGREES 33'29" WEST, 60.44 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, FROM A RADIAL LINE THAT BEARS NORTH 01 DEGREES 54'55" EAST, 320.84 FEET ALONG THE ARC OF A 347.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 52 DEGREES 58'34";

THENCE LEAVING SAID SOUTHERLY LINE, SOUTH 79 DEGREES 25'14" WEST, 190.28 FEET;

THENCE SOUTH 49 DEGREES 52'44" WEST, 326.94 FEET;

THENCE 444.33 FEET ALONG THE ARC OF A 843.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30 DEGREES 11'59";

THENCE SOUTH 80 DEGREES 04'43" WEST, 17.41 FEET;

THENCE SOUTH 33 DEGREES 41'42" WEST, 107.73 FEET;

THENCE SOUTH 80 DEGREES 04'43" WEST, 268.35 FEET;

THENCE SOUTH 18 DEGREES 24'47" WEST, 490.56 FEET;

THENCE SOUTH 26 DEGREES 44'53" EAST, 62.45 FEET;

THENCE SOUTH 71 DEGREES 37'38" EAST 57.14 FEET TO THE INTERSECTION OF THE
CLTA Preliminary Report

EXHIBIT "A"
LEGAL DESCRIPTION continued

NORTHERLY LINE OF "H" STREET WITH THE WESTERLY LINE OF 5TH STREET;

THENCE ALONG SAID WESTERLY LINE OF 5TH STREET SOUTH 18 DEGREES 26'34" WEST,
40.00 FEET TO THE CENTERLINE OF SAID "H" STREET;

THENCE ALONG SAID CENTERLINE OF "H" STREET AND ITS WESTERLY PROLONGATION NORTH
71 DEGREES 33'22" WEST, 136.17 FEET;

THENCE LEAVING SAID WESTERLY PROLONGATION NORTH 18 DEGREES 19'44" EAST, 219.75
FEET;

THENCE NORTH 74 DEGREES 25'02" WEST, 324.15 FEET;

THENCE 135.42 FEET ALONG THE ARC OF A 463.00 FOOT RADIUS CURVE TO THE LEFT,
THROUGH A CENTRAL ANGLE OF 16 DEGREES 45'28";

THENCE SOUTH 88 DEGREES 49'30" WEST, 65.06 FEET;

THENCE 173.69 FEET ALONG THE ARC OF A 598.00 FOOT RADIUS CURVE TO THE RIGHT,
THROUGH A CENTRAL ANGLE OF 16 DEGREES 38'31";

THENCE NORTH 74 DEGREES 31'59" WEST, 71.04 FEET;

THENCE 37.89 FEET ALONG THE ARC OF A 300.00 FOOT RADIUS CURVE TO THE LEFT,
THROUGH A CENTRAL ANGLE OF 07 DEGREES 14'13";

THENCE NORTH 81 DEGREES 46'12" WEST, 126.38 FEET;

THENCE 82.27 FEET ALONG THE ARC OF A 465.50 FOOT RADIUS CURVE TO THE RIGHT,
THROUGH A CENTRAL ANGLE OF 10 DEGREES 07'32";

THENCE NORTH 71 DEGREES 38'40" WEST, 81.23 FEET;

THENCE NORTH 71 DEGREES 36'58" WEST, 73.92 FEET;

THENCE SOUTH 85 DEGREES 33'27" WEST, 56.27 FEET;

THENCE 336.55 FEET ALONG THE ARC OF A 843.00 FOOT RADIUS CURVE TO THE RIGHT,
THROUGH A CENTRAL ANGLE OF 22 DEGREES 52'26" TO THE SOUTHERLY LINE OF SAID
TRACT BEING THE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE MOST SOUTHERLY LINE OF
PARCEL A, AS FILED IN BOOK 120 OF PARCEL MAPS, AT PAGE 10. SAID BEARING IS
SHOWN AS NORTH 71 DEGREES 30'19" WEST.

EXCLUDING THEREFROM A PARCEL WITH A LOWER PLANE 1CM ABOVE THE TOP OF THE
RAILS, AS SAID RAILS ARE PRESENTLY LOCATED OR AS SUCH RAILS WOULD BE INSTALLED
AT A LATER DATE, AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA AND BEING A PORTION OF THAT CERTAIN 203.161 ACRE TRACT OF
CLTA Preliminary Report

EXHIBIT "A"
LEGAL DESCRIPTION continued

LAND SHOWN AND DELINEATED ON THAT CERTAIN RECORD OF SURVEY FILED IN BOOK 51 OF SURVEYS AT PAGE 10 OF THE OFFICIAL RECORDS OF SACRAMENTO COUNTY AND A PORTION OF PARCEL A AS SAID PARCEL IS SHOWN AND SO DESIGNATED ON THAT CERTAIN PARCEL MAP FILED IN BOOK 120 OF PARCEL MAPS, AT PAGE 10 OF SAID OFFICIAL RECORDS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1 1/4 " IRON PIPE SITUATE ON THE SOUTHERLY LINE 289.99 FEET EAST OF THE SOUTHWEST CORNER OF SAID TRACT OF LAND, AS SHOWN ON SAID RECORD OF SURVEY;

THENCE FROM SAID POINT OF COMMENCEMENT ALONG THE SOUTHERLY LINE OF SAID TRACT OF LAND, NORTH 71 DEGREES 34'07" WEST A DISTANCE OF 120.48 FEET TO THE TRUE POINT OF BEGINNING;

THENCE FROM SAID POINT OF BEGINNING, CONTINUING ALONG THE SOUTHERLY LINE OF SAID TRACT OF LAND, NORTH 71 DEGREES 34'07" WEST A DISTANCE OF 169.51 FEET TO THE SOUTHWEST CORNER OF THE 203.161 ACRE TRACT OF LAND AS SHOWN ON SAID RECORD OF SURVEY;

THENCE ALONG THE WESTERLY LINE OF SAID TRACT OF LAND, NORTH 14 DEGREES 06'36" EAST A DISTANCE OF 37.80 FEET;

THENCE CONTINUING ALONG SAID WESTERLY LINE, NORTH 07 DEGREES 07'30" EAST A DISTANCE OF 25.91 FEET;

THENCE CONTINUING ALONG SAID WESTERLY LINE AND THE EASTERLY PROLONGATION OF SAID WESTERLY LINE, SOUTH 71 DEGREES 34'21" EAST A DISTANCE OF 114.83 FEET;

THENCE 439.27 FEET ALONG THE ARC OF A 750.00 FOOT RADIUS TANGENT CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 33 DEGREES 33'28";

THENCE NORTH 74 DEGREES 52'25" EAST A DISTANCE OF 583.72 FEET;

THENCE 136.27 FEET ALONG THE ARC OF A 1500.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 05 DEGREES 12'18";

THENCE NORTH 80 DEGREES 04'43" EAST A DISTANCE OF 1035.82 FEET;

THENCE 337.93 FEET ALONG THE ARC OF AN 825.00 FOOT RADIUS TANGENT CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 23 DEGREES 28'09";

THENCE NORTH 56 DEGREES 36'34" EAST A DISTANCE OF 416.15 FEET;

THENCE 192.85 FEET ALONG THE ARC OF A 500.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 22 DEGREES 05'55";

THENCE NORTH 78 DEGREES 42'29" EAST A DISTANCE OF 1371.35 FEET;

THENCE 711.37 FEET ALONG THE ARC OF A 1370.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 29 DEGREES 45'03";

CLTA Preliminary Report

EXHIBIT "A"
LEGAL DESCRIPTION continued

THENCE SOUTH 71 DEGREES 32'29" EAST A DISTANCE OF 93.08 FEET TO A POINT SITUATE ALONG THE EASTERLY LINE OF SAID TRACT OF LAND ALSO BEING THE WESTERLY RIGHT-OF-WAY OF 12TH STREET;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY OF 12TH STREET, SOUTH 18 DEGREES 27'18" WEST A DISTANCE OF 66.90 FEET TO THE INTERSECTION WITH THE WESTERLY PROLONGATION OF THE CENTERLINE OF "B" STREET, AS SHOWN ON SAID RECORD OF SURVEY;

THENCE ALONG THE WESTERLY PROLONGATION OF SAID CENTERLINE OF B STREET ALSO BEING THE SOUTHERLY LINE OF SAID TRACT OF LAND, NORTH 71 DEGREES 38'41" WEST A DISTANCE OF 361.91 FEET TO THE CENTERLINE INTERSECTION OF THE PROLONGATION OF "B" STREET AND 11TH STREET;

THENCE LEAVING THE WESTERLY PROLONGATION OF "B" STREET AND ALONG THE CENTERLINE OF 11TH STREET, SOUTH 18 DEGREES 27'07" WEST A DISTANCE OF 62.81 FEET TO A POINT SITUATE ALONG SAID CENTERLINE;

THENCE LEAVING SAID CENTERLINE, NORTH 71 DEGREES 32'53" WEST A DISTANCE OF 40.00 FEET TO A POINT SITUATE ALONG THE WESTERLY RIGHT-OF-WAY OF 11TH STREET;

THENCE ALONG THE WESTERLY RIGHT-OF-WAY OF 11TH STREET, SOUTH 18 DEGREES 27'07" WEST A DISTANCE OF 16.28 FEET;

THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY AND ALONG THE SOUTHERLY LINE OF SAID TRACT OF LAND, NORTH 84 DEGREES 24'44" WEST A DISTANCE OF 67.86 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 89 DEGREES 11'12" WEST A DISTANCE OF 59.50 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 84 DEGREES 52'06" WEST A DISTANCE OF 174.68 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 79 DEGREES 18'07" WEST A DISTANCE OF 46.26 FEET TO A POINT SITUATE ALONG THE EASTERLY RIGHT OF WAY OF 10TH STREET;

THENCE LEAVING SAID EASTERLY LINE, NORTH 82 DEGREES 18'34" WEST A DISTANCE OF 40.70 FEET TO A POINT SITUATE ON THE CENTERLINE OF 10TH STREET;

THENCE ALONG SAID CENTERLINE SOUTH 18 DEGREES 20'40" WEST A DISTANCE OF 42.10 FEET;

THENCE LEAVING SAID CENTERLINE AND ALONG THE NORTHWESTERLY BOUNDARY OF LAND CONVEYED TO SOUTHERN PACIFIC TRANSPORTATION COMPANY BY DEED RECORDED IN BOOK 7404-05 AT PAGE 325 OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO, SOUTH 84 DEGREES 27'01" WEST A DISTANCE OF 83.62 FEET;

EXHIBIT "A"
LEGAL DESCRIPTION continued

THENCE ALONG THE NORTHWESTERLY BOUNDARY OF THE LAND SO CONVEYED, SOUTH 81 DEGREES 47'13" WEST A DISTANCE OF 91.61 FEET;

THENCE CONTINUING ALONG THE NORTHWESTERLY BOUNDARY OF LAND SO CONVEYED, SOUTH 74 DEGREES 47'23" WEST A DISTANCE OF 165.45 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL OF LAND CONVEYED TO THE SOUTHERN PACIFIC TRANSPORTATION COMPANY BY DEED RECORDED IN BOOK 7404-05 AT PAGE 325 OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO ALSO BEING THE CENTERLINE OF "C" STREET;

THENCE ALONG THE CENTERLINE OF "C" STREET, NORTH 71 DEGREES 39'20" WEST A DISTANCE OF 32.04 FEET;

THENCE LEAVING SAID CENTERLINE, SOUTH 78 DEGREES 44'26" WEST A DISTANCE OF 93.14 FEET TO A POINT SITUATE ALONG THE CENTERLINE OF 9TH STREET;

THENCE ALONG THE CENTERLINE OF 9TH STREET, SOUTH 18 DEGREES 16'26" WEST A DISTANCE OF 13.22 FEET TO A POINT SITUATE ALONG SAID CENTERLINE OF 9TH STREET ALSO BEING THE MOST SOUTHERLY CORNER OF THE LAND CONVEYED TO THE SOUTHERN PACIFIC COMPANY BY DEED RECORDED IN BOOK 197 OF DEEDS AT PAGE 163;

THENCE ALONG THE SOUTHERLY LINE OF THE LAND SO CONVEYED, SOUTH 78 DEGREES 44'26" WEST A DISTANCE OF 459.20 FEET TO A POINT SITUATE ALONG THE NORTHEASTERLY EXTENSION OF THE CENTERLINE OF 8TH STREET;

THENCE ALONG THE NORTHEASTERLY EXTENSION OF THE CENTERLINE OF 8TH STREET, SOUTH 18 DEGREES 20'04" WEST A DISTANCE OF 2.91 FEET;

THENCE LEAVING SAID CENTERLINE AND ALONG THE NORTHERLY LINE OF THE LAND CONVEYED TO CONSUMERS ICE AND COLD STORAGE COMPANY BY DEED RECORDED IN BOOK 1239 OF DEEDS AT PAGE 366 OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO, SOUTH 78 DEGREES 44'26" WEST A DISTANCE OF 184.38 FEET TO A POINT ON THE NORTHERLY LINE OF "D" STREET;

THENCE ALONG SAID NORTHERLY LINE SOUTH 71 DEGREES 33'53" EAST A DISTANCE OF 30.45 FEET TO THE NORTHEAST CORNER OF PARCEL A AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD IN BOOK 120 OF PARCEL MAPS AT PAGE 10, OFFICIAL COUNTY RECORDS OF SACRAMENTO COUNTY;

THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL A SOUTH 81 DEGREES 33'29" WEST A DISTANCE OF 60.44 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, FROM A RADIAL LINE THAT BEARS NORTH 01 DEGREES 54'53" EAST, 320.83 FEET ALONG THE ARC OF A 347.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 52 DEGREES 58'30";

THENCE LEAVING SAID SOUTHERLY LINE, SOUTH 79 DEGREES 25'14" WEST A DISTANCE OF 190.28 FEET;

THENCE SOUTH 49 DEGREES 52'44" WEST A DISTANCE OF 326.94 FEET;

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EXHIBIT "A"
LEGAL DESCRIPTION continued

THENCE 444.33 FEET ALONG THE ARC OF A 843.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 30 DEGREES 11'59";

THENCE SOUTH 80 DEGREES 04'43" WEST A DISTANCE OF 985.70 FEET;

THENCE 140.86 FEET ALONG THE ARC OF A 1473.00 FOOT RADIUS TANGENT CURVE THROUGH A CENTRAL ANGLE OF 05 DEGREES 28'44";

THENCE SOUTH 85 DEGREES 33'27" WEST A DISTANCE OF 574.46 FEET;

THENCE 336.55 FEET ALONG THE ARC OF AN 843.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 22 DEGREES 52'26" TO A POINT SITUATE ALONG THE SOUTHERLY LINE OF SAID TRACT OF LAND AND THE TRUE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE MOST SOUTHERLY LINE OF PARCEL A, AS FILED IN BOOK 120 OF PARCEL MAPS, AT PAGE 10. SAID BEARING IS SHOWN ON SAID MAP AS NORTH 71 DEGREES 30'19" WEST.

EXCEPTIONS

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

1. PROPERTY TAXES ARE DUE THE CITY AND/OR COUNTY OF SACRAMENTO AND THE CALIFORNIA STATE BOARD OF EQUALIZATION, INCLUDING SPECIAL TAXES, PERSONAL PROPERTY TAXES AND/OR ASSESSMENTS COLLECTED WITH TAXES, FOR THE FISCAL YEAR 2006-2007, NOW A LIEN BUT NOT YET DUE OR PAYABLE.
2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ARISING AS A RESULT OF EVENTS OCCURING ON OR SUBSEQUENT TO THE DATE HEREOF, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5, (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE, OF THE STATE OF CALIFORNIA.
3. ASSESSMENTS AND OBLIGATIONS OF THE AMERICAN RIVER FLOOD ZONE C, COLLECTED IN SEMI-ANNUAL INSTALLMENTS WITH THE PROPERTY TAXES SHOWN ABOVE.
4. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE "AGREEMENT", BY AND BETWEEN CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION; SOUTHERN PACIFIC COMPANY, A CORPORATION; AND THE STATE OF CALIFORNIA, ACTING BY AND THROUGH ITS DEPARTMENT OF PUBLIC WORKS, AND THE CITY OF SACRAMENTO, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, RECORDED JULY 06, 1936, IN BOOK 574, PAGE 481, OFFICIAL RECORDS.

AN UNRECORDED SUPPLEMENTAL AGREEMENT, DATED APRIL 16, 1937, BY AND AMONG CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, SOUTHERN PACIFIC COMPANY, A CORPORATION, STATE OF CALIFORNIA, ACTING BY AND THROUGH ITS DEPARTMENT OF PUBLIC WORKS, AND THE CITY OF SACRAMENTO, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA UNDER THE TERMS AND ACCORDING TO THE CONDITIONS THEREIN SET FORTH.

AFFECTS PARCELS A AND B

5. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN "AGREEMENT", BY AND BETWEEN CENTRAL PACIFIC RAILWAY COMPANY, A CORPORATION, AND SOUTHERN PACIFIC COMPANY, A CORPORATION, AND CITY OF SACRAMENTO, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, RECORDED MAY 21, 1948, IN BOOK 1492, PAGE 427, OFFICIAL RECORDS.

AFFECTS: BLOCK BOUNDED BY "A" STREET, "B" STREET, 11TH STREET AND 12TH STREET

AFFECTS PARCEL B

EXCEPTIONS
(Continued)

Version 2

6. AN EASEMENT OVER SAID LAND TO CONSTRUCT, RECONSTRUCT, MAINTAIN AND OPERATE A FORTY-TWO (42) INCH WATER MAIN AND INCIDENTAL PURPOSES, AS GRANTED TO THE CITY OF SACRAMENTO, A MUNICIPAL CORPORATION, IN DEED RECORDED NOVEMBER 17, 1964, IN BOOK 5113, PAGE 64, OFFICIAL RECORDS.

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

THE TERMS AND PROVISIONS OF THAT CERTAIN "SUPPLEMENTAL AGREEMENT" EXECUTED BY SOUTHERN PACIFIC COMPANY, A CORPORATION OF THE STATE OF DELAWARE, AND THE CITY OF SACRAMENTO, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, RECORDED MARCH 22, 1966 IN BOOK 660322 OF OFFICIAL RECORDS, PAGE 491

AFFECTS PARCELS A AND B

7. A PORTION OF SAID LAND LIES WITHIN THE BOUNDARIES OF THE "CAMELLIA PLACE REDEVELOPMENT PLAN CAPITOL MALL RIVERFRONT PROJECT, PROJECT NO. 4, ADOPTED BY CITY OF SACRAMENTO ORDINANCE NO. 2681, FOURTH SERIES, AUGUST 24, 1966", A COPY OF WHICH WAS RECORDED SEPTEMBER 18, 1967 IN BOOK 670918 OF OFFICIAL RECORDS AT PAGE 338, SACRAMENTO COUNTY RECORDS, INCORPORATING THE HEREIN DESCRIBED PROPERTY AND OTHER PROPERTY WITHIN THE BOUNDARIES OF THE REDEVELOPMENT PROJECT AND AMENDMENTS THERETO;

(A) RECORDED JUNE 2, 1971, IN BOOK 710602 OF OFFICIAL RECORDS, PAGE 465, AND A SECOND COPY RECORDED JULY 15, 1971, IN BOOK 710715 OF OFFICIAL RECORDS, PAGE 263;

(B) RECORDED OCTOBER 6, 1980, IN BOOK 801006 OF OFFICIAL RECORDS, PAGE 908;

(C) RECORDED JULY 29, 1986, IN BOOK 860729 OF OFFICIAL RECORDS, PAGE 1619;

(D) RECORDED JULY 29, 1986, IN BOOK 860729 IN OFFICIAL RECORDS, PAGE 1682;

AFFECTS ALL THAT PORTION OF SAID PROPERTY LYING SOUTH OF A LINE RUNNING FROM THE CENTER OF THE "I" STREET BRIDGE EASTERLY TO THE NORTHERLY LINE OF CAMELLIA PLACE AND CONTINUING EAST TO 5TH STREET.

AFFECTS PARCELS A AND B

8. LACK OF ABUTTERS RIGHTS IN AND TO THE FREEWAY OR HIGHWAY ADJACENT TO SAID PROPERTY, SAID RIGHTS HAVING BEEN RELEASED AND RELINQUISHED BY DEED TO THE STATE OF CALIFORNIA, RECORDED AUGUST 08, 1968, IN BOOK 680808, PAGE 460, OFFICIAL RECORDS

EXCEPTIONS
(Continued)

AFFECTS PARCEL A

9. LACK OF ABUTTERS RIGHTS IN AND TO THE FREEWAY OR HIGHWAY ADJACENT TO SAID PROPERTY, SAID RIGHTS HAVING BEEN RELEASED AND RELINQUISHED BY DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 23, 1969, IN BOOK 690723, PAGE 62, OFFICIAL RECORDS.

AFFECTS PARCEL B

10. LACK OF ABUTTERS RIGHTS IN AND TO THE FREEWAY OR HIGHWAY ADJACENT TO SAID PROPERTY, SAID RIGHTS HAVING BEEN RELEASED AND RELINQUISHED BY DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 23, 1969, IN BOOK 690723, PAGE 66, OFFICIAL RECORDS.

AFFECTS PARCEL A

11. AN EASEMENT OVER SAID LAND FOR ELEVATED HIGHWAY STRUCTURE, TOGETHER WITH ALL NECESSARY FOUNDATIONS, SUBSTRUCTURES AND RELATED HIGHWAY FACILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO THE STATE OF CALIFORNIA, IN DEED RECORDED JULY 23, 1969, IN BOOK 690723, PAGE 68, OFFICIAL RECORDS.

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

AFFECTS PARCELS A AND B

12. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "EASEMENT INDENTURE", BY AND BETWEEN SOUTHERN PACIFIC COMPANY, A CORPORATION, AND STATE OF CALIFORNIA, RECORDED JULY 23, 1969, IN BOOK 690723, PAGE 68, OFFICIAL RECORDS.

AFFECTS PARCELS A AND B

13. LACK OF ABUTTERS RIGHTS IN AND TO THE FREEWAY OR HIGHWAY ADJACENT TO SAID PROPERTY, SAID RIGHTS HAVING BEEN RELEASED AND RELINQUISHED BY DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 23, 1969, IN BOOK 690723, PAGE 68, OFFICIAL RECORDS.

AFFECTS PARCELS A AND B

14. AN EASEMENT OVER SAID LAND FOR WATER PIPELINES AND INCIDENTAL PURPOSES, AS GRANTED TO THE CITY OF SACRAMENTO, IN DEED RECORDED AUGUST 01, 1969, IN BOOK 690801, PAGE 409, OFFICIAL RECORDS.

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

EXCEPTIONS
(Continued)

AFFECTS PARCEL A

15. AN EASEMENT OVER SAID LAND FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE AND USE OF A SCENIC TRAIL CROSSING AND INCIDENTAL PURPOSES, AS GRANTED TO THE STATE OF CALIFORNIA, IN DEED RECORDED MARCH 26, 1980, IN BOOK 800326, PAGE 488, OFFICIAL RECORDS.

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

AFFECTS PARCEL B

16. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "COVENANT AND AGREEMENT TO RESTRICT USE OF PROPERTY", BY AND BETWEEN SOUTHERN PACIFIC TRANSPORTATION COMPANY, AND CALIFORNIA DEPARTMENT OF HEALTH SERVICES, RECORDED JUNE 28, 1990, IN BOOK 900628, PAGE 1056, OFFICIAL RECORDS.

AFFECTS PARCEL B

17. NOTICE OF REDEVELOPMENT ACTIVITIES RECORDED BY THE COUNTY OF SACRAMENTO ON JULY 19, 1990 IN BOOK 900719 OF OFFICIAL RECORDS AT PAGE 1188, SACRAMENTO COUNTY RECORDS, INCORPORATING THE HEREIN DESCRIBED PROPERTY AND OTHER PROPERTY WITHIN THE RICHARDS BOULEVARD REDEVELOPMENT PROJECT UNDER THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW PURSUANT TO A REDEVELOPMENT PLAN APPROVED AND ADOPTED JULY 17, 1990 BY ORDINANCE NO 90-037 OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO AND RE-RECORDED AUGUST 7, 1990, IN BOOK 900807, PAGE 1583, OFFICIAL RECORDS.

AN ORDINANCE ADOPTING SECOND AMENDMENT TO THE RICHARDS BOULEVARD REDEVELOPMENT PLAN, EXECUTED BY THE CITY OF SACRAMENTO, RECORDED JULY 18, 1996 IN BOOK 960718, PAGE 1487.

AFFECTS PARCELS A AND B

18. AN EASEMENT OVER SAID LAND TO RECONSTRUCT, MAINTAIN AND OPERATE AN UNDERGROUND DUCT SYSTEM AND INCIDENTAL PURPOSES, AS GRANTED TO SACRAMENTO MUNICIPAL UTILITY DISTRICT, A BODY POLITIC, IN DEED RECORDED APRIL 10, 1991, IN BOOK 910410, PAGE 1229, OFFICIAL RECORDS.

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

AFFECTS PARCELS A AND B

19. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "COVENANT AND AGREEMENT TO RESTRICT USE OF PROPERTY", BY AND

EXCEPTIONS
(Continued)

BETWEEN SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, AND CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES, RECORDED MAY 19, 1994, IN BOOK 940519, PAGE 1437, OFFICIAL RECORDS.

AND AS AMENDED BY THE "AMENDMENT OF COVENANT AND AGREEMENT TO RESTRICT USE OF PROPERTY", RECORDED JULY 19, 1995, IN BOOK 950719, PAGE 1177, OFFICIAL RECORDS

AFFECTS PARCELS A AND B

20. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "COVENANT AND AGREEMENT TO RESTRICT USE OF PROPERTY", BY AND BETWEEN SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, AND CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL, RECORDED MAY 19, 1994, IN BOOK 940519, PAGE 1438, OFFICIAL RECORDS.

AFFECTS PARCEL B

21. AN EASEMENT OVER SAID LAND FOR A NON-EXCLUSIVE EASEMENT TO DESIGN, CONSTRUCT, OPERATE AND MAINTAIN A TELECOMMUNICATIONS TRANSMISSION SYSTEM (THE "FACILITIES") ON CERTAIN SPECIFIED PROPERTY AND INCIDENTAL PURPOSES, AS GRANTED TO SOUTHERN PACIFIC TELECOMMUNICATIONS COMPANY, A DELAWARE CORPORATION, IN DEED RECORDED NOVEMBER 30, 1994, IN BOOK 941130, PAGE 1264, OFFICIAL RECORDS.

SAID EASEMENT ALSO BEING RESERVED BY UNION PACIFIC RAILROAD, A DELAWARE CORPORATION AND IS SUBJECT TO THE TERMS AND PROVISIONS OF THE INSTRUMENT RECORDED PROFORMA.

THE LOCATION OF THIS EASEMENT IS LIMITED TO UNION PACIFIC RAILROAD COMPANY'S RESERVATION FOR EXISTING TRACK ALIGNMENT (RAILROAD EASEMENT I), UNION PACIFIC RAILROAD COMPANY'S PROPOSED ULTIMATE TRACK RESERVATION (RAILROAD EASEMENT II) AND UNION PACIFIC RAILROAD COMPANY'S PROPOSED 10' RESERVATION - MCI FIBER OPTIC (COMMUNICATIONS EASEMENT) AS SUCH EASEMENT RESERVATIONS ARE SHOWN ON THE SURVEY.

AFFECTS PARCELS A AND B

22. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "DEVELOPMENT AGREEMENT (CITY AGREEMENT NO. 95-246)", BY AND BETWEEN THE CITY OF SACRAMENTO, AND SOUTHERN PACIFIC TRANSPORTATION COMPANY, RECORDED JANUARY 08, 1996, IN BOOK 19960108 PAGE 838, AND RE-RECORDED MARCH 4, 1996, IN BOOK 19960304, PAGE 917, OFFICIAL RECORDS.

**EXCEPTIONS
(Continued)**

Version 2

THE TERMS AND PROVISIONS OF THAT CERTAIN "FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 95-246 WITH UNION PACIFIC RAILROAD", EXECUTED BY AND BETWEEN THE CITY OF SACRAMENTO, A MUNICIPAL CORPORATION AND UNION PACIFIC RAILROAD, RECORDED MARCH 1, 1999, IN BOOK 19990301, PAGE 886, OFFICIAL RECORDS

AFFECTS PARCELS A AND B

23. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "COVENANT TO RESTRICT USE OF PROPERTY AND ENVIRONMENTAL RESTRICTION", BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION, AND STATE OF CALIFORNIA, ACTING BY AND THROUGH THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL, RECORDED JULY 11, 2001, N IN BOOK 20010711, PAGE 1498, OFFICIAL RECORDS.

AFFECTS PARCEL B

24. AN EASEMENT OVER SAID LAND FOR A PERMANENT NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY TO CONSTRUCT, MAINTAIN, REPAIR, RECONSTRUCT, RENEW OR REPLACE A PUBLIC STREET AND ASSOCIATED IMPROVEMENTS, PUBLIC UTILITIES AND FACILITIES, SUCH AS WATER, SEWER, ELECTRIC, COMMUNICATION AND NATURAL GAS LINES (EXCLUDING GAS, OIL OR GASOLINE PIPE LINES) AND INCIDENTAL PURPOSES, AS GRANTED TO THE CITY OF SACRAMENTO, A MUNICIPAL CORPORATION, IN DEED RECORDED NOVEMBER 14, 2001, IN BOOK 20011114, PAGE 1564, OFFICIAL RECORDS.

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

THE EFFECT OF A SURVEY, BOOK 66 OF SURVEYS, PAGE 15, PURPORTING TO DELINEATE THE NEW CENTERLINE OF 7TH STREET AND SHOW PLACEMENT OF MONUMENTS.

AFFECTS PARCEL B

25. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "RECIPROCAL EASEMENT AGREEMENT", BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION, AND REA PARTNERS, A CALIFORNIA GENERAL PARTNERSHIP, RECORDED DECEMBER 17, 2002, IN BOOK 20021217, PAGE 2211, OFFICIAL RECORDS.

AFFECTS PARCELS A AND B

26. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "AGREEMENT FOR CONVEYANCE OF EASEMENTS", BY AND BETWEEN UNION PACIFIC RAILROAD, A DELAWARE CORPORATION, AND THE CITY OF SACRAMENTO,

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(Continued)

RECORDED JANUARY 02, 2003, IN BOOK 20030102, PAGE 958, OFFICIAL RECORDS.

AFFECTS PARCELS A AND B

27. THE LAND DESCRIBED HEREIN LIES WITHIN THE PROPOSED BOUNDARY OF THE CAPITAL STATION PROPERTY OWNER BUSINESS DISTRICT, AS DISCLOSED BY THAT CERTAIN ASSESSMENT MAP, RECORDED JUNE 9, 2004, IN BOOK 20040609 PAGE 1945, AND IS SUBJECT TO ANY FUTURE ASSESSMENT THEREOF.

AFFECTS PARCELS A AND B

28. ANY RIGHTS, INTERESTS OR CLAIMS ARISING FROM THE FOLLOWING MATTERS SHOWN ON A SURVEY PLAT ENTITLED "ALTA/ACSM LAND TITLE SURVEY UNION PACIFIC RAILYARD SACRAMENTO CALIFORNIA 95814" DATED SEPTEMBER 29, 2004

PREPARED BY: NOLTE BEYOND ENGINEERING
JOB NUMBER: SA 137103
AS FOLLOWS:

- A. FENCE LINES NOT SITUATED ON PROPERTY BOUNDARIES OVER MULTIPLE LOCATIONS AFFECTS PARCELS A AND B
- B. ENCROACHMENT OF RAILROAD TRACTS ONTO ADJACENT PROPERTY NEAR 11TH STREET (L16) AFFECTS PARCEL B
- C. BUILDING ENCROACHMENT (L12) AFFECTS PARCEL B
- D. RETAINING WALL NEAR PROPERTY LINE- THICKNESS AND OWNERSHIP NOT DETERMINED(L16) AFFECTS PARCEL B
- E. ENCROACHMENT OF A SANITARY SEWER LINE CROSSING 7TH STREET BETWEEN G STREET AND H STREET CONTINUING WEST AND SOUTHWEST TOWARDS H STREET AND 5TH STREET, CONTINUING WEST ALONG H STREET INTO PROPERTY AFFECTS PARCELS A AND B
- F. ENCROACHMENT OF SANITARY SEWER LINES, WATER LINES AND GAS LINES AFFECTS PARCELS A AND B
- G. ENCROACHMENT OF RAILROAD TRACKS ONTO AND THROUGH PROPERTY AFFECTS PARCELS A AND B
- H. ENCROACHMENT OF DIRT ROAD AND CONCRETE PADS AFFECTS PARCEL A AND B

29. AN UNRECORDED PARKING AGREEMENT EXECUTED BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY AS SUCCESSOR IN INTEREST TO SOUTHERN PACIFIC TRANSPORTATION COMPANY AND PLATINUM PARKING, AS SUCCESSOR IN INTEREST TO STERLING PARKING, INC., DATED SEPTEMBER 24, 1996, AS DISCLOSED BY SURVEY AND PHYSICAL INSPECTION AND ON THE TERMS AND PROVISIONS, AS AMENDED AND SUPPLEMENTED CONTAINED IN SAID AGREEMENT.

AFFECTS PARCEL B

EXCEPTIONS
(Continued)

30. EASEMENTS OVER SAID LAND FOR CONSTRUCTION, MAINTENANCE, REPAIR AND OPERATION OF A LIGHT RAIL TRANSIT LINE AND PASSENGER STATION, STORAGE TRACKS, AND FOR AN ELECTRICAL SUBSTATION TO BE USED IN CONNECTION THEREWITH, INCLUDING, WITHOUT LIMITATION, ANY PUBLIC UTILITY LINES OR COMMUNICATION LINES THAT MAY BE NEEDED IN CONNECTION WITH THE OPERATION OF AND INCIDENTAL PURPOSES, AS GRANTED TO SACRAMENTO REGIONAL TRANSIT DISTRICT, IN DEED RECORDED APRIL 25, 2005, IN BOOK 20050425, AT PAGE 1376 SACRAMENTO COUNTY RECORDS, SUBJECT TO THE TERMS, CONDITIONS, AND PROVISIONS AS CONTAINED THEREIN.

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

AND AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO GRANT OF EASEMENT FOR LIGHT RAIL TRANSIT, DATED AUGUST 1, 2006 BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION AND SACRAMENTO REGIONAL TRANSIT DISTRICT, A PUBLIC CORPORATION, RECORDED PROFORMA

AFFECTS PARCELS A AND B

31. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE AGREEMENT ENTITLED "EASEMENT AGREEMENT FOR BUS CIRCULATION LOOP", BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION, REA PARTNERS, A CALIFORNIA GENERAL PARTNERSHIP, AND SACRAMENTO REGIONAL TRANSIT DISTRICT, A PUBLIC CORPORATION, DATED MARCH 24, 2005, TO CONSTRUCT, MAINTAIN, REPAIR, REPLACE, AND OPERATE, A CIRCULATION LOOP AND PARKING AREA FOR BUSES IN CONNECTION WITH PASSENGER RAIL OPERATIONS AT THE AMTRAK DEPOT SITE, RECORDED APRIL 25, 2005, IN BOOK 20050425, AT PAGE 1377 SACRAMENTO COUNTY RECORDS.

AND AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO EASEMENT AGREEMENT FOR BUS CIRCULATION LOOP, DATED AUGUST 1, 2006, BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION, REA PARTNERS, A CALIFORNIA GENERAL PARTNERSHIP AND SACRAMENTO REGIONAL TRANSIT DISTRICT, A PUBLIC CORPORATION, RECORDED PROFORMA

AFFECTS PARCELS A AND B

32. AN EASEMENT OVER SAID LAND FOR ACCESS AND INCIDENTAL PURPOSES, AS RESERVED BY PROFORMA, IN DEED RECORDED PROFORMA, IN BOOK PROFORMA AT PAGE PROFORMA SACRAMENTO COUNTY RECORDS

AFFECTS PARCELS A AND B

EXCEPTIONS
(Continued)

33. EASEMENTS OVER SAID LAND FOR

- 1) RAILROAD PURPOSES DESIGNATED THEREIN AS "RAILROAD EASEMENT I" AND "RAILROAD EASEMENT II";
- 2) 50' WIDE EASEMENT FOR "TRACT 150" AND "SHIPPER TRACK";

EACH AS MORE FULLY DEFINED THEREIN AND INCIDENTAL PURPOSES THERETO, AS RESERVED BY UNION PACIFIC RAILROAD, A DELAWARE CORPORATION, IN DEED RECORDED PROFORMA, AS INSTRUMENT NO. PROFORMA OFFICIAL RECORDS.

AFFECTS PARCELS A AND B

34. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE AGREEMENT ENTITLED "COVENANT AND AGREEMENT REGARDING RESTRICTION ON USE OF PROPERTY AND GRANT OF EASEMENT", BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION, AND THOMAS ENTERPRISES OF SACRAMENTO, LLC, A DELAWARE LIMITED LIABILITY COMPANY, RECORDED PROFORMA, AS DOCUMENT NO. PROFORMA, OFFICIAL RECORDS.

AFFECTS PARCELS A AND B

35. AN EASEMENT OVER SAID LAND FOR TEMPORARY NONEXCLUSIVE EASEMENTS FOR ACTIVITIES RELATED TO THE CONSTRUCTION OF GRANTEE'S LIGHT RAIL STATION, TRACKAGE AND RELATED APPURTENANCE AND INCIDENTAL PURPOSES, AS GRANTED TO SACRAMENTO REGIONAL TRANSIT DISTRICT, A PUBLIC CORPORATION, IN DEED RECORDED JULY 07, 2006, IN BOOK 20060707 OF OFFICIAL RECORDS AT PAGE 0964 SACRAMENTO COUNTY RECORDS

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

AFFECTS PARCELS A AND B

36. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE AGREEMENT ENTITLED "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ON AIR RIGHTS", BY AND BETWEEN UNION PACIFIC RAILROAD COMPANY, A DELAWARE CORPORATION, AND THOMAS ENTERPRISES OF SACRAMENTO, LLC, A DELAWARE LIMITED LIABILITY COMPANY, RECORDED PROFORMA, AS DOCUMENT NO. PROFORMA, OFFICIAL RECORDS.

37. MEMORANDUM OF LEASE, DATED PROFORMA, BY AND BETWEEN, THOMAS ENTERPRISES OF SACRAMENTO, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS LESSOR, AND NATIONAL RAILROAD PASSENGER CORPORATION, A CORPORATION, AS LESSEE,

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RECORDED PROFORMA, AS DOCUMENT NO. PROFORMA, OFFICIAL RECORDS, AND ON THE TERMS AND CONDITIONS CONTAINED THEREIN AND AN UNRECORDED LEASE REFERRED TO THEREIN.

REQUIREMENTS

1) THE REQUIREMENT THAT UNION PACIFIC RAILROAD COMPANY PROVIDE ASSURANCES SATISFACTORY TO THIS COMPANY THAT THE EXCEPTION SHOWN AS ITEM #21 HEREIN CORRECTLY LIMITS THE LOCATION OF SAID EASEMENT.

AFFECTS PARCELS A AND B

LENDER'S NOTE:

IF A 1970 ALTA LENDER'S POLICY FORM HAS BEEN REQUESTED, THE POLICY, WHEN AND IF APPROVED FOR ISSUANCE, WILL EITHER BE ENDORSED TO ADD THE FOLLOWING LANGUAGE OR AN ENCUMBRANCE WILL BE ADDED TO SCHEDULE B, PART I AS FOLLOWS:

Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

- (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
- (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
- (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

APPROVAL FOR THE ISSUANCE OF THE 1970 ALTA LENDER'S POLICY FORM MUST BE REQUESTED AND APPROVED PRIOR TO CLOSE OF ESCROW. ALL OTHER FORMS OF POLICIES THAT ARE AUTHORIZED TO BE ISSUED ARE THE 1992 POLICIES ONLY.

BUYER'S NOTE:

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.
2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
3. Any rights, interests or claims of parties in possession of the land which are not shown by the public records.
4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.
5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

Commonwealth Land Title Insurance Company
Fidelity National Title Insurance Company
First American Title Insurance Company
First American Title Insurance Company of New York
Lawyers Title Insurance Corporation
Montana Title and Escrow Company
National Closing Solutions
National Closing Solutions of Alabama, LLC
NCS Exchange Professionals
North Idaho Title Insurance Company
Old Republic National Title Insurance Company

Placer Title Company
Placer Title Insurance Agency of Utah
Stewart Title Guaranty Company
Stewart Title Insurance Company
Targhee National Title
The Sterling Title Company
Ticor Title Insurance Company
Transnation Title Insurance Company
United General Title Insurance Company
Westcor Land Title Insurance Company
Wyoming Title and Escrow Company

PRIVACY POLICY NOTICE

Purpose Of This Notice

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of a persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of:

Commonwealth Land Title Insurance Company
Fidelity National Title Insurance Company
First American Title Insurance Company
First American Title Insurance Company of New York
Lawyers Title Insurance Corporation
Montana Title and Escrow Company
National Closing Solutions
National Closing Solutions of Alabama, LLC
NCS Exchange Professionals
North Idaho Title Insurance Company
Old Republic National Title Insurance Company

Placer Title Company
Placer Title Insurance Agency of Utah
Stewart Title Guaranty Company
Stewart Title Insurance Company
Targhee National Title
The Sterling Title Company
Ticor Title Insurance Company
Transnation Title Insurance Company
United General Title Insurance Company
Westcor Land Title Insurance Company
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- * Information we receive from you, such as on applications or other forms.
- * Information about your transactions we secure from our files, our affiliates or others.
- * Information we receive from a consumer reporting agency.
- * Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- * Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
- * Non-financial companies such as envelope stuffers and other fulfillment service providers

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**NOTICE
FEDERAL FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)**

Upon the sale of United States real property, by a non-resident alien, foreign corporation, partnership or trust, the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and as revised by the Tax Reform Act of 1984 (26 USCA 897 (C)(1)(A)(1) and 26 USCA 1445) requires the transferee (Buyer) of real property to withhold Internal Revenue Service income taxes in an amount equal to ten (10%) percent of the sale price from seller's proceeds, if ANY of the following conditions are met:

- (1) The selling price is greater than \$300,000.00
- (2) The selling price is less than \$300,000 AND the purchaser does not intend to occupy the property as his residence for at least 50% of the time of the first two 12 month periods following the date of transfer

Withholding is not required if both of the following conditions are met:

- (1) The selling price is less than \$300,000
and
- (2) The Buyer is acquiring the property as his residence, and the buyer or other qualifying family member will occupy the property for at least 50% of the time during each of the first 12-month periods following transfer of title to the buyer.

If the purchaser who is required to withhold income tax from the seller fails to do so, the purchaser is subject to fines and penalties as provided under Internal Revenue Code Section 1445. The seller may request a waiver or a reduced withholding amount by submitting a written request for a "qualifying statement" or "withholding certificate" (Form 8288-B) to:

Director, Internal Revenue Service
Philadelphia Service Center
P.O. Box 21086
Philadelphia, PA 19114-0586

Escrow Holder will, upon written instructions from the purchaser, withhold Federal Income Tax from the seller and will deposit said tax with the Internal Revenue Service, together with IRS Forms 8288 and 8288-A. The fee charged for this service is \$25.00 payable to the escrow holder.

CALIFORNIA WITHHOLDING

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a transferee (Buyer) may be required to withhold an amount equal to 3 1/3 percent of the sales price in the case of a disposition of California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary or the seller. OR
2. A corporate seller that has no permanent place of business in California

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000.00). OR
2. The seller executes a written certificate, under the penalty of perjury, of any of the following:
 - A. The property qualifies as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121; or
 - B. The seller is (or decedent, if being sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period; or
 - C. The seller has a loss or zero gain for California income tax purposes on this sale; or
 - D. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for non-recognition of gain for California income tax purposes under IRC Section 1033; or
 - E. If the transfer qualifies for non-recognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest); or
 - F. The seller is a corporation (or an LLC classified as a corporation for federal and California income tax purposes that is either qualified through the California Secretary of State or has a permanent place of Business in California); or
 - G. The seller is a partnership (or an LLC that is not a disregarded single member LLC and is classified as a partnership for federal and California income tax purposes) with recorded title to the property in the name of the partnership of LLC; or
 - H. The seller is a tax-exempt entity under either California or federal law; or
 - I. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust; or
 - J. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031; or
 - K. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031; or
 - L. The transfer of this property will be an installment sale that you will report as such for California tax purposes and the buyer has agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis for corporations or other entities

**CLTA PRELIMINARY REPORT FORM
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental policy power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditor's rights laws.

**EXCEPTIONS FROM COVERAGE
SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interest or claims which are not shown by the public records, but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2. CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorney's fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: (a) building; (b) zoning; (c) land use; (d) improvements on Land; (e) Land division; (f) environmental protection
 This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless: (a) notice of exercising the right appears in the Public Records at the Policy Date; or (b) the taking happened before the Policy Date and is binding on you if you bought the land without knowing of the taking.
4. Risks: (a) that are created, allowed, or agreed to by you, whether or not they appear in the Public Records; (b) that are known to you at the Policy Date, but not to us, unless they appear in the Public Records at the Policy Date; (c) that result in no loss to you; or (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8d, 22, 23, 24 or 25.
5. Failure to pay value for your Title.
6. Lack of a right: (a) to any Land outside the area specifically described and referred to in Paragraph 3 of Schedule A; and (b) in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

* For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 15:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 16:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 18:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$ 5,000.00

**3. AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorney's fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
*Land use *Land division *Improvements on the land *Environmental protection
This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
* a notice of exercising the right appears in the public records on the policy date
* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:
* that are created, allowed, or agreed to by you
* that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
* that result in no loss to you
* that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
* to any land outside the area specifically described and referred to in Item 3 of Schedule A; or
* in streets, alleys, or waterways that touch your land
This exclusion does not limit the access coverage in Item 5 of Covered Risks.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH ALTA ENDORSEMENT - FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;

(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insured the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditor's rights laws, that is based on:
 - (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine or equitable subordination; or
 - (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure: (i) to timely record the instrument of transfer; (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interest or claims which are now shown by the public records, but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other factors which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

5. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership

or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditor's rights laws, that is based on:
 - (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (i) to timely record the instrument of transfer; or (ii) of such recordation to impart notice to a purchaser for value or judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interest or claims which are not shown by the public records, but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

6. ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10-13-01) EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment of the Land; (ii)

the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the public records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the public records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the public records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24 25 and 26); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the public records at Date of Policy.

**NOTICE
DEPOSIT OF FUNDS AND DISBURSEMENT DISCLOSURE**

Unless you elect otherwise (as described below), all funds received by PLACER TITLE COMPANY (the "Company") in escrow will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The depositor acknowledges that the deposit of funds in a non-interest bearing demand account by Escrow Holder may result in said company receiving a range of economic benefits from the bank in the form of services, credits, considerations, or other things of value. The depositor hereby specifically waives any claim to such economic benefits payable to Escrow Holder resulting from non-interest bearing deposits. Unless you direct the Company to open an interest-bearing account (as described below), the Company shall have no obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by the Company and/or its affiliated company. Any such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow.

If you elect, funds deposited by you prior to the close of escrow may be placed in an individual interest-bearing account arrangement that the Company has established with one of its financial institutions. You do not have an opportunity to earn interest on the funds deposited by a lender. If you elect to earn interest through this special account arrangement, the Company will charge you an additional fee of \$30.00 for the establishment and maintenance of the account. This fee compensates the Company for the costs associated with opening and managing the interest-bearing account, preparing correspondence/documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes, and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn.

Funds deposited in an interest-bearing account will be withdrawn from such account and deposited in the Company's general escrow trust account approximately two business days prior to the scheduled close of escrow or other disbursement of such funds. **If you wish to have your funds placed in an interest bearing account (with an accompanying charge of \$30.00), please mark below, sign and return this form to your escrow officer.** In addition, you must complete and return IRS Form W-9. If you do not want to have your funds deposited in an interest-bearing account, you do not need to sign or return this notice and the Company will understand you to have elected to have your funds deposited in a non-interest bearing account. If you change your mind and later wish to have your funds placed in an interest-bearing account, please contact your escrow officer.

The funds you deposit are insured only to the limit provided by the Federal Deposit Insurance Corporation

PLEASE CONSIDER THIS MY/OUR INSTRUCTION TO PLACE MY/OUR DEPOSIT(S) IN A SEGREGATED, INTEREST-BEARING ACCOUNT. I/WE UNDERSTAND THAT AN ADDITIONAL FEE OF \$30.00 WILL BE CHARGED FOR THIS SERVICE. I/WE HAVE READ AND UNDERSTAND ALL OF THE ABOVE INFORMATION.

Signature

Social Security Number

Date

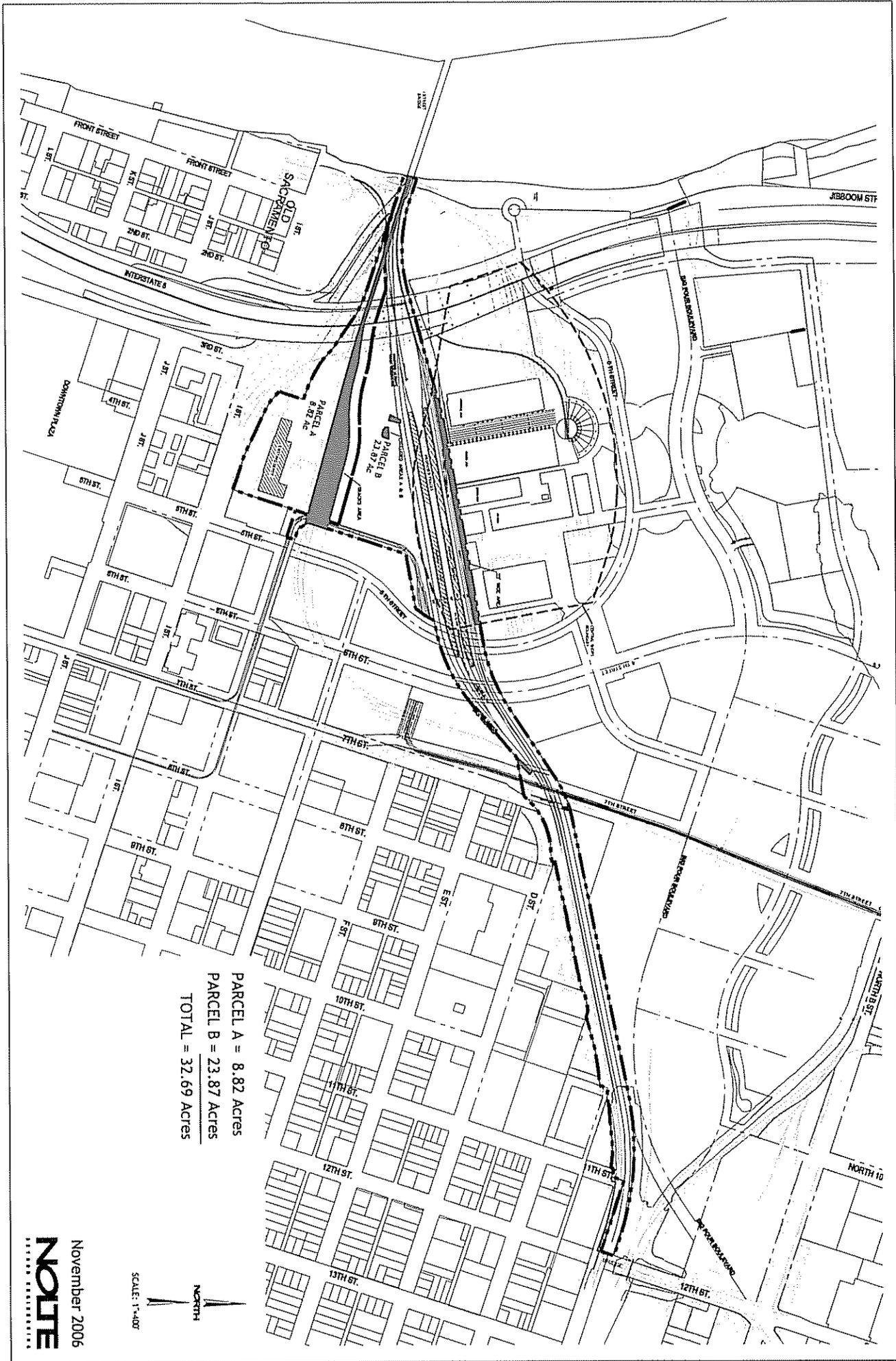
Signature

Social Security Number

Date

EXHIBIT H

**DESCRIPTION OF REMEDIATION AREAS
[TRACK AREA; RESTRICTED AREAS A & B; 25 FOOT STRIP**



PARCEL A = 8.82 Acres
 PARCEL B = 23.87 Acres
 TOTAL = 32.69 Acres

NORTH
 SCALE: 1"=400'

November 2006
NOTE

EXHIBIT I

ACCESS AND ENVIRONMENTAL REMEDIATION EASEMENT

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ACCESS AND ENVIRONMENTAL REMEDIATION EASEMENT

This Access and Environmental Remediation Easement ("**Easement**") is entered into as of this _____ day of _____, 200__, (the "**Effective Date**") by and between S. Thomas Enterprises of Sacramento, LLC ("**TES**") and the City of Sacramento ("**City**").

RECITALS

A. Pursuant to that certain Purchase and Sale Agreement dated December __, 2006 between City and TES (the "**Purchase Agreement**"), City is the owner of that certain parcel of real property located in the County of Sacramento, State of California, as more particularly described in Exhibit A attached hereto ("**Property**"). Capitalized terms not otherwise defined herein shall have the same meaning used in the Purchase Agreement.

B. Pursuant to the Purchase Agreement, TES will cause certain environmental remediation as required under the Purchase Agreement (the "**Remediation Obligations**") with respect to environmental conditions on the Property, as set forth in the Purchase Agreement.

C. In order for TES to perform and cause performance of the Remediation Obligations, City agreed to grant an easement to TES. City and TES desire to enter into this Easement to set forth the terms and conditions upon which City shall grant an easement over the Property to TES for the purposes specified herein.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, City and TES hereby agree as follows:

1. **Definitions.**

(a) **Remediation Work.** The term “**Remediation Work**” shall mean any intrusive and non-intrusive investigative, monitoring, cleanup, administrative or physical controls, response or other similar action as required under the Purchase Agreement in respect to the Remediation Obligations.

(b) **Remediation Systems.** The term “**Remediation Systems**” shall mean, collectively, those remediation systems, including all equipment, structures, engineered infrastructures and other improvements related thereto, monitoring wells, soil extraction wells and probes, product recovery wells and trenches and all related piping and equipment that currently exist on the Property and are currently required to be maintained on the Property, fencing and other physical controls or limitations, and those remediation systems, wells and related piping, piezometers/well points and/or extraction wells, related piping and equipment and other infrastructure and improvements, fencing and other physical controls that may hereafter be required to be installed on the Property to perform the Remediation Work.

2. **Grant of Easement.** City hereby grants to TES a non-exclusive easement for the purpose of installing, operating, maintaining, sampling, repairing, replacing, closing, investigating, monitoring, and removing the Remediation Systems, performing the Remediation Work, satisfying the Remediation Obligations under the Purchase Agreement and access to the Property for the purposes described herein.

3. **Quitclaim Deed.** The terms of the easement, right of access and right to enter to perform the Remediation granted herein shall commence as of the date of recordation of this Easement and shall automatically terminate at such time as TES or its designees have fulfilled its remedial obligations on the Property. At such time, TES shall execute and record in the Official Records of Sacramento County, California, a quitclaim deed quitclaiming to City or its successor-in-interest all of TES’s rights under this Easement.

4. **Assignment By TES.** TES’s rights and obligations under this Easement may be assigned by TES to a third party contractor or any other party, including a party with whom TES merges or that acquires substantially all of the assets of TES, which agrees to assume TES’ obligations with respect to the Remediation Obligations. TES shall notify City in writing at the address set forth in the Purchase Agreement of any such assignment and assumption, and the effective date thereof. From and after the effective date of such assignment and assumption, all references to “**TES**” herein shall include the third-party contractor or assignee designated by TES. For purposes of this Easement, the City acknowledges that any of TES’s employees, agents and contractors and governmental agencies having jurisdiction over the Property, are permitted assigns and are expressly permitted to enter upon the Property for the purpose of conducting the Remediation outlined in the Purchase Agreement between City and TES without further consent or other approval from City.

5. **Binding.** Until terminated as provided for above, this Easement shall be an encumbrance on the fee simple title to the Property and is a covenant running with the Property. All of the terms and provisions of this Easement shall extend to, bind and inure to the benefit of the City and TES, their successors, permitted assigns and transferees.

6. **Amendments**. This Easement may not be modified, amended or otherwise changed in any manner except by a written amendment executed by both City and TES, or their respective successors-in-interest.

7. **Governing Law**. This Easement shall be governed and construed in accordance with the laws of the State of California without giving effect to conflict of laws.

8. **Counterparts**. This Easement may be executed in counterparts, all of which together constitute one and the same document.

9. **Entire Agreement**. This Easement contains the entire agreement of the parties hereto with respect to the matters set forth herein, and no other agreement, arrangement or contract, oral or written, has been made by any party hereto or any employee, officer, agent or affiliate of any party hereto, which is not contained herein.

10. **No Waiver**. No waiver of any breach or default shall be construed as a continuing waiver of any provision or as a waiver of any other or subsequent breach of any of the provisions of this Easement.

11. **Severability**. If any term, provision, condition or covenant of this Easement is held to be unenforceable or invalid by a court of competent jurisdiction, then the remaining terms, conditions and provisions of this Easement shall not be affected thereby and shall remain in full force and effect.

12. **Further Assurances**. Each of the parties hereto agrees to do any further acts, or execute any further documents, which may be reasonably necessary or required in order to carry out the purposes of this Easement.

13. **Attorneys' Fees**. In the event that either party hereto shall institute any action or proceeding against any other party hereto to enforce, interpret or seek damages for the breach of any of the terms, provisions or conditions of this Easement, then the prevailing party in any such action or proceeding shall be entitled to recover from the other party the reasonable attorneys' fees and costs incurred by the prevailing party in the prosecution or defense of any such action or proceeding that are approved by binding court order.

14. **Special Provisions**. The following provisions shall apply to the activities performed on the Property undertaken by TES as allowed by this Easement, provided, however, that TES shall have no obligation or liability to City under this Section 14 with respect to any claim, tender or demand that City may have against TES arising under this Section 14 to the extent such claim, tender or demand is covered by the Policy (as defined in the Purchase Agreement) or by any other agreement entered into between TES and City governing any activities of TES on the Property. Nothing in this Easement shall be construed as: (A) expanding or otherwise altering the provisions of the Purchase Agreement or Policy relating to TES's obligations to perform remediation work and to indemnify City for Environmental Losses (defined in the Purchase Agreement); or (B) affecting or apportioning either party's right of recovery under the Policy, as set forth either in the Policy or the Purchase Agreement.

(a) No work performed by TES shall cause any unreasonable interference with the constant, continuous and uninterrupted use of the Property by City, its officers, agents,

contractors, lessees, or others. Nothing shall be done or suffered to be done by TES at any time that would cause damage or destruction of the facilities, equipment, or other appurtenances of City, its lessees or others. TES agrees to reimburse City for any such damage or destruction, or upon mutual agreement to restore said facilities, equipment, or other property to the condition it existed prior to such damage or destruction.

(b) Prior to beginning any work contemplated by this Easement, TES, at its sole expense, shall obtain all necessary permits and approvals to perform any work contemplated by this Easement.

(c) TES shall pay in full all persons and entities who perform labor or provide materials for the work to be performed by TES. TES shall not permit or suffer any mechanics' or materialmen's liens of any kind or nature to be enforced against any property of the City for such work performed.

(d) In the prosecution of the work contemplated by this Easement, TES shall comply with all applicable federal, state and local laws, regulations and enactments affecting the work. TES shall use only such equipment as is consistent with safety, both as concerns TES, its agents and employees, and the officers, agents, employees and property of the City and the public in general. TES (without limiting the generality of the foregoing) shall comply with all applicable state and federal occupational safety and health acts and regulations. If any failure by TES to comply with any such laws, regulations, and enactments, shall result in any fine, penalty, cost or charge being assessed, imposed or charged against the City, TES shall reimburse and indemnify the City for any such fine, penalty, cost or charge, including without limitation, attorney's fees, court costs and expenses.

(e) TES shall indemnify, defend and hold harmless City and its officers, employees and agents, from and against any and all claims, actions, penalties, losses, liabilities, damages, cleanup costs, or expenses of any nature, including payment of attorney's fees, whether for personal injury, death, property damage, economic losses or violation of any law or regulation, proximately caused from the negligent performance of the activities or work of TES or operation of TES's equipment on the Property, or any action or activity of TES or its officers, employees, agents or contractors, relating to the performance of work contemplated by this Easement, other than that resulting from the City's negligence or willful misconduct.

(f) TES shall at all times conduct its use of the easement in such a manner that it shall not constitute a public or private nuisance.

(g) Prior to undertaking any work contemplated under this Easement, TES shall obtain construction liability insurance coverage naming the City as additional insured with coverages as may be reasonably required by the City's Risk Manager.

IN WITNESS WHEREOF, the parties hereto have executed this Easement as of the date first above written.

<p>S. THOMAS ENTERPRISES OF SACRAMENTO, LLC a Delaware limited liability company</p> <p>By: _____ Name: _____ Title: _____</p>	<p>CITY OF SACRAMENTO</p> <p>By: _____ Name: _____ Title: _____</p> <p>ATTEST:</p> <p>_____</p> <p>CITY CLERK</p> <p>APPROVED AS TO FORM:</p> <p>_____</p> <p>CITY ATTORNEY</p>

EXHIBIT J

PARCEL A PROMISSORY NOTE

PROMISSORY NOTE

\$25,000,000.00

Sacramento, California _____, 2006

FOR VALUE RECEIVED, City of Sacramento, a California municipal corporation ("Maker"), promises to pay to the order of S. THOMAS ENTERPRISES OF SACRAMENTO, LLC, a Delaware limited liability company, its successors and assigns ("Holder") the principal sum of TWENTY-FIVE MILLION AND NO/100 DOLLARS (\$25,000,000.00) payable with interest as set forth below, without offset or deduction in lawful money of the United States of America which shall at the time of payment be legal tender in payment of all debts and dues, public and private, as follows:

1. Interest Rate and Payments.

1.1 Interest Rate. As of the date hereof, the principal amount hereof from time to time outstanding shall bear interest at the "Prime Rate" as published by The Wall Street Journal (or any successor publication designated by Holder). Interest shall compound daily and shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

1.2 Final Installment. If not sooner paid or accelerated pursuant to the terms hereof, the entire outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable in one (1) full and final installment on [two years from execution] (herein referred to as the "Maturity Date"). All payments shall be made payable to Holder at 431 I Street, Suite 202, Sacramento, California 95814.

1.3 Late Charge/Default Rate. If the total amount of principal and interest due is not paid in full within ten (10) days of the Maturity Date, Maker shall pay to the Holder hereof a late charge in the amount equal to ten percent (10%) of the amount not paid. From and after the maturity of this Note, whether upon the scheduled Maturity Date or resulting from the acceleration by Holder of the indebtedness evidenced by this Note following a default by Maker, all principal then due and payable under this Note shall bear interest until paid in full at an annual rate of twelve percent (12%) calculated on the basis of the actual number of days in the applicable year.

2. Attorneys' Fees. Maker promises to pay all costs of collection, including reasonable attorneys' fees, if this Note is collected by or through an attorney at law.

3. Prepayment. This Note may be prepaid in whole or in part at any time without a prepayment fee or other penalty. Any such prepayment shall be credited first to any unpaid costs or fees due hereunder then to accrued interest and then to principal.

4. Event of Default. (i) Failure of Maker to pay the entire unpaid principal balance, plus all accrued but unpaid interest thereon, on or before the Maturity Date or (ii) Failure of Maker to comply with each and every other term of this Note, following five (5) days written notice of any such failure, shall constitute an event of default hereunder ("Event of Default").

5. Remedies.

(a) Upon the occurrence of any Event of Default, the Holder of this Note may, at its option, declare all principal, interest and other indebtedness evidenced by this Note to be immediately due and payable without any presentment, demand, protest or notice of any kind and Holder shall be entitled to exercise any and all remedies available to it at law or in equity.

(b) The remedies of Holder as provided herein or at law or in equity shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Holder, and may be exercised as often as occasion therefore shall occur.

6. Notices. All notices, demands or requests hereunder shall be given in writing and hand delivered, sent by certified mail, reputable overnight courier or telecopy to the following addresses:

Holder: S. Thomas Enterprises of Sacramento, LLC
431 I Street, Suite 202, Sacramento, California 95814
c/o Suheil J. Total, Vice President-Development
Telecopier No. (916) 329-4501

With a copy to: Cushing, Morris, Armbruster & Montgomery, LLP
229 Peachtree Street, N.E., Suite 2110
Atlanta, Georgia 30303
c/o Jeffrey F. Montgomery, Esq.
Telecopier No. (404) 658-9865

Maker: City of Sacramento
915 "I" Street, Fifth Floor
Sacramento, CA 95814
c/o Ray Kerridge, City Manager
Telecopier No. (916) 808-7618

8. Waiver. Maker and Maker's successors and assigns hereby expressly waive presentment for payment, demand, notice of dishonor, protest, notice of protest, diligence in collection and all other notices or demands whatsoever with respect to this Note or the enforcement hereof except as expressly provided for herein, and hereby consent to any and all indulgences granted by Holder, all without in any way modifying, altering, releasing, affecting or limiting the validity of the indebtedness evidenced hereby or impairing any of Holder's rights following a default hereunder. No failure to accelerate the debt evidenced hereby by reason of default from time to time shall be construed (i) as a novation of this Note or as a reinstatement of the indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Holder thereafter to insist upon strict compliance with the terms of this Note, or (ii) to prevent the exercise of such right of acceleration or any other right granted hereunder or by the laws of the United States or any State thereof; and Maker hereby expressly waives the benefit of any statute or rule of law or of equity now provided, or which may hereafter be provided, which would produce a result contradictory to or in conflict with the foregoing. No extension of the time for payment of this Note or any installment due hereunder, made by agreement with any person now or hereafter liable for the payment of this Note, shall operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part, unless Holder agrees otherwise in writing. This Note may not be changed orally, but only by agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9. Exemptions. Maker hereby waives and renounces for Maker and Maker's successors and assigns, all rights to the benefits of any statute of limitations and any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisal, or exemption or now provided, or which may hereafter be provided by the Constitution or laws of the United States of America or of any State thereof to and in their property, real and personal, against the enforcement and collection of the obligations evidenced by this Note.

10. Governing Law and Related Matters. This Note is intended to constitute a contract under and shall be construed, interpreted and enforced in accordance with the laws of the State of California. If any provision of this Note shall be deemed unenforceable under applicable law, such provision shall be ineffective, but only to the extent of such unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Note. If more than one person signs this Note as a maker, each shall be a direct co-borrower and shall be jointly and severally liable hereunder, and shall not be a guarantor, accommodation party or other surety. All of the terms and provisions of this Note shall be applicable to and be binding upon each and every maker, endorser, surety, guarantor and all other persons who are or may become liable for the payment hereof and their successors or assigns.

11. Jurisdiction; Venue. Maker hereby irrevocably submits to the jurisdiction of the state courts and federal district court having a situs in Sacramento County, California, in any action or proceeding involving or in connection with this Note. Maker irrevocably agrees that all claims in respect of such actions or proceedings may be heard and determined in such courts. Maker irrevocably waives the defense of inconvenience of forum to the maintenance of such action or proceeding in any jurisdiction. Anything herein to the contrary notwithstanding, the Holder may bring any legal action or proceeding involving this Note in any other appropriate jurisdiction.

12. Avoidance of Usury. If from any circumstances whatsoever, fulfillment of any provision of this Note or of any other instrument evidencing or securing the indebtedness evidenced hereby, at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Note or under any other instrument evidencing or securing the indebtedness evidenced hereby, that is in excess of the current limit of such validity, but such obligations shall be fulfilled to the limit of such validity. In determining whether or not the rate of interest hereunder exceeds the highest lawful rate, Maker and Holder agree and intend that all sums paid hereunder which are deemed interest for the purposes of determining usury, shall be prorated, allocated or spread in equal parts over the longest period of time permitted under the applicable laws of the State of California.

13. Time of Essence. Time is of the essence of this Note.

14. Inurement. This Note shall bind and inure to the benefit of Maker and Holder and their respective successors, assigns and legal representatives, whether by voluntary action or by operation of law.

15. Captions. The captions of the paragraphs of this Note are for convenience only and are not intended to be nor shall be construed as being a part hereof and shall not limit, expand or otherwise affect any of the terms hereof.

SIGNED, SEALED AND DELIVERED by Maker as of the day and year first above set forth.

Signed, sealed and delivered
in the presence of:

CITY OF SACRAMENTO

Unofficial Witness

By: _____
Name: _____
Title: _____

State of _____

County of _____

On _____, 2006, before me, _____ [insert name], a Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
Print Name: _____
My commission expires: _____

EXHIBIT A
(TO EASEMENT)

LEGAL DESCRIPTION

EXHIBIT K

Description of Security

Legal Description

Parcel B

All that certain real property in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre Tract of land shown and delineated on Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said Parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at page 10 of said Official Records being described as follows:

BEGINNING at a point on the Southerly line of said 203.161 acre Tract of land as shown on said Record of Survey, said point bears South $71^{\circ}34'07''$ East, 169.51 feet from the Southwesterly corner of said Tract;

Thence along said Southerly line North $71^{\circ}34'07''$ West, 169.51 feet to said Southwesterly corner;

Thence along the Westerly line of said Tract of Land, North $14^{\circ}06'26''$ East, 37.80 feet;

Thence continuing along said Westerly line, North $07^{\circ}07'30''$ East, 25.91 feet;

Thence continuing along said Westerly line and its Easterly prolongation South $71^{\circ}34'07''$ East, 114.85 feet;

Thence leaving said Easterly prolongation 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of $33^{\circ}33'28''$;

Thence North $74^{\circ}52'25''$ East, 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of $05^{\circ}12'18''$;

Thence North $80^{\circ}04'43''$ East, 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of $23^{\circ}28'09''$;

Thence North $56^{\circ}36'34''$ East, 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of $22^{\circ}05'55''$;

Thence North $78^{\circ}42'29''$ East, 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29°45'03";

Thence South 71°32'29" East, 93.07 feet to a point on the Easterly line of said 203.161 acre Tract of Land also being the Westerly right-of-way line of 12th Street;

Thence along said Westerly right-of-way line of 12th Street and said Easterly line, South 18°26'40" West, 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street being the Southeasterly corner of said Tract of land as shown on said Record of Survey;

Thence along the Westerly prolongation of said centerline of B Street also being the Southerly line of said Tract of Land, North 71°38'41" West, 361.91 feet to the intersection of the prolongation of "B" Street and the centerline of 11th Street;

Thence along the centerline of 11th Street and said Southerly line South 18°27'07" West, 62.81 feet;

Thence leaving said centerline and continuing along said Southerly line, North 71°32'53" West, 40.00 feet to a point on the Westerly right-of-way line of 11th Street;

Thence along the Westerly right-of-way line of 11th Street and said Southerly line, South 18°27'07" West, 16.28 feet;

Thence leaving said Westerly right-of-way line and along the Southerly line of said Tract of Land, North 84°24'44" West, 67.86 feet;

Thence continuing along said Southerly line, South 89°11'12" West, 59.50 feet;

Thence continuing along said Southerly line, South 84°52'06" West, 174.68 feet;

Thence continuing along said Southerly line, South 79°18'07" West, 46.26 feet to a point on the Easterly right of way line of 10th Street;

Thence leaving said Easterly line, North 82°18'34" West, 40.70 feet to a point on the centerline of 10th Street;

Thence along said centerline South 18°20'40" West, 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84°27'01" West, 83.62 feet;

Thence along the Northwesterly boundary of the land so conveyed, South 81°47'13" West, 91.61 feet;

Thence continuing along the Northwesterly boundary of land so conveyed, South 74°47'23" West, 165.45 feet to the most Westerly corner of said parcel of land conveyed by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71°39'20" West, 32.04 feet;

Thence leaving said centerline, South 78°44'26" West, 93.14 feet to a point on the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18°16'26" West, 13.22 feet to a point on said centerline of 9th Street also being the most Southerly corner of the Land conveyed to the Southern Pacific Company by Deed recorded in Book 197 of Deeds at page 163;

Thence along the Southerly line of the land so conveyed, South 78°44'26" West, 459.20 feet to a point on the Northeasterly prolongation of the centerline of 8th Street;

Thence along the Northeasterly prolongation of the centerline of 8th Street, South 18°20'04" West, 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by Deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South 78°44'26" West, 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line South 71°33'53" East, 30.45 feet to the Northeast corner of Parcel A as shown on that certain Parcel Map filed for Record in Book 120 of Parcel Maps at Page 10, Official County Records of Sacramento County;

Thence along the Southerly line of said Parcel A South 81°33'29" West, 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01°54'55" East, 320.84 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52°58'34";

Thence leaving said Southerly line, South 79°25'14" West, 190.28 feet,

Thence South 49°52'44" West, 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30°11'59";

Thence South $80^{\circ}04'43''$ West, 17.41 feet;

Thence South $33^{\circ}41'42''$ West, 107.73 feet;

Thence South $80^{\circ}04'43''$ West, 268.35 feet;

Thence South $18^{\circ}24'47''$ West, 490.56 feet;

Thence South $26^{\circ}44'53''$ East, 62.45 feet;

Thence South $71^{\circ}37'38''$ East 57.14 feet to the intersection of the Northerly line of "H" street with the Westerly line of 5th Street;

Thence along said Westerly line of 5th Street South $18^{\circ}26'34''$ West, 40.00 feet to the centerline of said "H" Street;

Thence along said centerline of "H" Street and its Westerly prolongation North $71^{\circ}33'22''$ West, 136.17 feet;

Thence leaving said Westerly prolongation North $18^{\circ}19'44''$ East, 219.75 feet;

Thence North $74^{\circ}25'02''$ West, 324.15 feet;

Thence 135.42 feet along the arc of a 463.00 foot radius curve to the left, through a central angle of $16^{\circ}45'28''$;

Thence South $88^{\circ}49'30''$ West, 65.06 feet;

Thence 173.69 feet along the arc of a 598.00 foot radius curve to the right, through a central angle of $16^{\circ}38'31''$;

Thence North $74^{\circ}31'59''$ West, 71.04 feet;

Thence 37.89 feet along the arc of a 300.00 foot radius curve to the left, through a central angle of $07^{\circ}14'13''$;

Thence North $81^{\circ}46'12''$ West, 126.38 feet;

Thence 82.27 feet along the arc of a 465.50 foot radius curve to the right, through a central angle of $10^{\circ}07'32''$;

Thence North $71^{\circ}38'40''$ West, 81.23 feet;

Thence North $71^{\circ}36'58''$ West, 73.92 feet;

Thence South $85^{\circ}33'27''$ West, 56.27 feet;

Thence 336.55 feet along the arc of a 843.00 foot radius curve to the right, through a central angle of 22°52'26" to the Southerly line of said Tract being the point of **BEGINNING**.

The basis of bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at page 10. Said bearing is shown as North 71°30'19" West.

Said Parcel B contains 23.86 acres more or less.

EXCLUDING THEREFROM a parcel with a lower plane 1cm above the top of the rails, as said rails are presently located or as such rails would be installed at a later date, as follows:

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on that certain Parcel Map filed in Book 120 of Parcel Maps, at page 10 of said Official Records and being more particularly described as follows:

Commencing at a 1 1/4 " Iron Pipe situate on the Southerly line 289.99 feet East of the Southwest corner of said Tract of Land, as shown on said Record of Survey;

Thence from said Point of Commencement along the Southerly line of said Tract of Land, North 71°34'07" West a distance of 120.48 feet to the **True Point of Beginning**;

Thence from said Point of Beginning, continuing along the southerly line of said Tract of land, North 71°34'07" West a distance of 169.51 feet to the Southwest corner of the 203.161 acre tract of land as shown on said Record of Survey;

Thence along the westerly line of said Tract of Land, North 14°06'26" East a distance of 37.80 feet;

Thence continuing along said westerly line, North 07°07'30" East a distance of 25.91 feet;

Thence continuing along said westerly line and the easterly prolongation of said Westerly line, South 71°34'07" East a distance of 114.83 feet,

Thence 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33°33'28";

Thence North 74°52'25" East a distance of 583 72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05°12'18";

Thence North 80°04'43" East a distance of 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23°28'09";

Thence North 56°36'34" East a distance of 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22°05'55";

Thence North 78°42'29" East a distance of 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29°45'03";

Thence South 71°32'29" East a distance of 93.07 feet to a point situate along the Easterly line of said Tract of Land also being the Westerly right-of-way of 12th Street;

Thence along said westerly right-of-way of 12th Street, South 18°26'40" West a distance of 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street, as shown on said Record of Survey;

Thence along the westerly prolongation of said centerline of B Street also being the Southerly line of said Tract of Land, North 71°38'41" West a distance of 361.91 feet to the centerline intersection of the prolongation of "B" Street and 11th Street;

Thence leaving the westerly prolongation of "B" Street and along the centerline of 11th Street, South 18°27'07" West a distance of 62.81 feet to a point situate along said centerline;

Thence leaving said centerline, North 71°32'53" West a distance of 40.00 feet to a point situate along the westerly right-of-way of 11th Street;

Thence along the westerly right-of-way of 11th Street, South 18°27'07" West a distance of 16.28 feet;

Thence leaving said westerly right-of-way and along the southerly line of said Tract of Land, North 84°24'44" West a distance of 67.86 feet;

Thence continuing along said Southerly line, South 89°11'12" West a distance of 59.50 feet;

Thence continuing along said Southerly line, South 84°52'06" West a distance of 174.68 feet;

Thence continuing along said Southerly line, South 79°18'07" West a distance of 46.26 feet to a point situate along the Easterly right of way of 10th Street;

Thence leaving said easterly line, North 82°18'34" West a distance of 40.70 feet to a point situate on the centerline of 10th Street;

Thence along said centerline South 18°20'40" West a distance of 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84°27'01" West a distance of 83.62 feet;

Thence along the northwesterly boundary of the land so conveyed, South 81°47'13" West a distance of 91.61 feet;

Thence continuing along the northwesterly boundary of land so conveyed, South 74°47'23" West a distance of 165.45 feet to the most westerly corner of said parcel of land conveyed to the Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71°39'20" West a distance of 32.04 feet;

Thence leaving said centerline, South 78°44'26" West a distance of 93.14 feet to a point situate along the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18°16'26" West a distance of 13.22 feet to a point situate along said centerline of 9th Street also being the most Southerly corner of the Land conveyed to the Southern Pacific Company by Deed recorded in Book 197 of Deeds at page 163;

Thence along the Southerly line of the land so conveyed, South 78°44'26" West a distance of 459.20 feet to a point situate along the northeasterly extension of the centerline of 8th Street;

Thence along the Northeasterly extension of the centerline of 8th Street, South 18°20'04" West a distance of 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by Deed recorded in Book 1239 of Deeds

at page 366 Official Records of the County of Sacramento, South 78°44'26" West a distance of 184.38 feet to a point on the Northerly line of "D" Street,

Thence along said Northerly line South 71°33'53" East a distance of 30.45 feet to the Northeast corner of Parcel A as shown on that certain Parcel map filed for Record in Book 120 of Parcel Maps at Page 10, Official County Records of Sacramento County;

Thence along the Southerly line of said Parcel A South 81°33'29" West a distance of 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01°54'55" East, 320.83 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52°58'34";

Thence leaving said Southerly line, South 79°25'14" West a distance of 190.28 feet;

Thence South 49°52'44" West a distance of 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30°11'59";

Thence South 80°04'43" West a distance of 985.70 feet;

Thence 140.86 feet along the arc of a 1473.00 foot radius tangent curve through a central angle of 05°28'44";

Thence South 85°33'27" West a distance of 574.46 feet;

Thence 336.55 feet along the arc of an 843.00 foot radius tangent curve to the right through a central angle of 22°52'26" to a point situate along the southerly line of said Tract of Land and the **True Point of Beginning**.

Containing 17.46 acres of land, more or less.

The basis of bearings for this description is the most southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown on said map as North 71°30'19" West.

Prepared by:
Nolte Associates, Inc.

Ronald C. Parker 12/04/06
Ronald C. Parker Date
L.S. 4312



Legal Description

Parcel D

All that certain real property in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre Tract of land shown and delineated on Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said Parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at page 10 of said Official Records being described as follows:

COMMENCING at the most Easterly corner of that certain triangular strip of land conveyed to the Central Pacific Railway Company as Parcel No. 2 by deed recorded in Book 655 of Deeds at Page 489;

Thence along the boundary of said Parcel No. 2, South 89°35'01" West, 488.40 feet;

Thence continuing along said boundary South 00°24'59" East, 347.74 feet;

Thence leaving said boundary South 15°38'36" West, 165.98 feet to the **True Point of Beginning**;

Thence South 09°58'14" East, 581.56 feet;

Thence North 79°55'50" East, 288.50 feet;

Thence North 82°07'51" East, 150.00 feet;

Thence North 80°01'46" East, 286.61 feet to the beginning of a non-tangent curve concave to the East having a radius of 1263.14 feet to which a radial bears South 84°10'24" West;

Thence Northerly 498.86 feet along the arc of said curve through a central angle of 22°37'42" to the beginning of a non-tangent curve concave to the Southeast having a radius of 375.26 feet to which a radial bears North 02°21'08" East;

Thence Southwesterly 162.38 feet along said curve through a central angle of 24°47'34" to the beginning of a reverse curve concave to the Northwest having a radius of 526.33 feet to which a radial bears South 22°26'26" East;

Thence Easterly 153.99 feet along said curve through a central angle of 16°45'48";

Thence South 84°19'22" West, 232.96 feet to the beginning of a curve concave to the North having a radius of 637.00 feet;

EXHIBIT L

OPINION OF COUNSEL

[Date]

Ray Kerridge
City Manager
City of Sacramento
915 I Street, Fifth Floor
Sacramento, CA 95814

**Re: Purchase and Sale Agreement re Depot Property
Opinion of Counsel**

Dear Mr. Kerridge:

I am an attorney with the firm of Cushing Morris Armbruster and Montgomery, representing S. Thomas Enterprises of Sacramento, LLC (hereafter "Thomas"), who is a party to that certain Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") between Thomas, as Seller, and the City of Sacramento, as Buyer, concerning the property described in said Agreement ("Property") generally known as the Depot Property within the downtown Sacramento Railyards. As part of our engagement by Thomas, we have been requested to render this legal opinion, with the intention that the City of Sacramento is entitled to rely upon its accuracy and completeness in approving and entering into the Agreement, and with the knowledge that the City of Sacramento will so rely.

In rendering the opinions expressed herein, we have examined and relied upon certificates of officers of Thomas and upon certificates, originals or copies certified to our satisfaction of public officials, and we examined such other documents, records and papers as we have deemed necessary and relevant as a basis for this opinion.

This Opinion Letter is limited by, and is in accordance with, the October 15, 1997, edition of the Interpretive Standards applicable to Legal Opinions to Third Parties in Georgia Real Estate Secured Transactions adopted by the Legal Opinion Committee of the Real Property Law Section of the State Bar of Georgia, and such Interpretive Standards are incorporated in this Opinion Letter by this reference. Capitalized terms used in this opinion letter (and any attachments hereto) and not otherwise defined herein shall have the meanings assigned to such terms in the Interpretive Standards. Without limiting the generality of the foregoing, this opinion is subject to the following limiting conditions:

1. We express no opinion as to the financial ability of Thomas to fulfill its obligations under the Agreement.
2. We have reviewed such documents as, in our opinion, are required in order to render this opinion accurate and complete.

Based upon and subject to the foregoing, we are of the opinion that:

1. Thomas is a limited liability company validly formed and existing under the Constitution and laws of the State of Delaware and is currently in good legal standing.
2. The person executing Agreement has been duly authorized to sign the Agreement on behalf of Thomas, and such signature has the effect of legally binding Thomas.
3. S. Thomas Enterprises of Sacramento, LLC is the current name of that certain entity previously known as Millennia Sacramento, III, LLC by virtue of one or more name changes evidenced by appropriate filings with the Secretary of State for Delaware.

In rendering the foregoing opinions, we express no opinions as to the laws of any jurisdiction other than the State of Georgia, the State of Delaware with respect to the Delaware Limited Liability Company Act and federal law.

This opinion letter is limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein. This opinion is solely for your benefit and may not be relied upon in any manner by any other person. This opinion is rendered and effective as of the date hereof.

Very truly yours,

EXHIBIT M

Procedure to Determine Purchase Price of the Property

1. Introduction

Pursuant to this Agreement, the Purchase Price to be paid by Buyer to Seller shall be equal to the fair market value of the Property, including the value of Parcel A and Parcel B, and that such fair market value shall be determined pursuant to the provisions of this exhibit and the following assumptions ("Applicable Assumptions"):

A. The date of value shall be the date on which this Agreement is approved by resolution of the Sacramento City Council.

B. The Buyer's appraiser shall assume ownership of the Property by Seller.

C. Sections 1, 2 (but excluding the Facility Property defined therein), 3, 4, 5, 7, 11 and 12 of the Revised Scope of Appraisal, Special Assumptions and Hypothetical Conditions for the Property, prepared by the parties hereto and dated April 20, 2006.

D. To the extent the appraisers need assistance to determine or estimate costs related to building renovation, off-site development or structural engineering estimates, the appraisers shall utilize the City's building renovation cost and structural engineering determinations performed in conjunction with the City's studies for the preferred ITF design (i.e., the Working Paper series and other related studies) if the appraiser, in its judgment, determines that such information is necessary, provided that such information may be updated as deemed necessary by the appraiser, and Nolte Associate's Inc. for off-site infrastructure development if the appraiser, in its judgment, determines the information provided by Nolte Associates is necessary.

E. To the extent the appraisers need assistance to determine or estimate benefits, including but not limited to cost offsets, building renovation, off-site development, likely available public funding, revenue offsets (other than parking revenue), and public subsidies, the appraisers shall utilize qualified consultant(s). For parking revenue offsets, the appraisers shall utilize Seller and/or the

current parking management company, provided that such information is substantiated to the satisfaction of the appraiser.

F. If the appraisers determine that the highest and best use of the Property requires the relocation of the railroad tracks, the appraisers shall utilize the most recent cost estimates provided in the Track Relocation Financing Agreement. The appraisers may adjust the cost estimates to account for cost reductions based on the highest and best use (e.g., reduced passenger facilities, walkways, etc.). To the extent the appraisers determine that it is necessary to move the tracks for the highest and best use, the appraisers shall utilize City staff assistance and engage a qualified consultant with expertise and experience in procuring available local (Sacramento), state (California), and federal funds for public transportation projects to provide information as to the amount and foreseeability of public funds to offset any costs associated with relocating the tracks.

2. Determination of Fair Market Value

Buyer and Seller have each employed an appraiser to provide opinions of fair market value of the Property based upon the Applicable Assumptions. Buyer's appraiser has indicated a completion date of February 9, 2006, which when received will be shared with Seller. Buyer shall take all reasonable steps and exercise its best efforts to assist the appraiser to meet this projected completion date. Upon completion of Buyer's appraisal, Buyer and Seller shall negotiate, in good faith, toward an agreed-upon fair market value of the Property. Such negotiations shall commence promptly upon completion of the Buyer's appraisal and continue for up to ten (10) days. The fair market value for the Property shall be expressed in dollars per acre and applied to the area of Parcel A and to the area of Parcel B as determined by the appraisers. If, following good faith negotiations, an agreement as to the fair market value is not reached, the matter shall be referred to mediation pursuant to Section 3 below.

3. Mediation

If Buyer and Seller are not able to agree upon the fair market value for the Property in the 10-day period provided above in Section 2, then Buyer and Seller will utilize mediation as provided for in this Section. Unless the parties otherwise mutually agree, the scope of the mediation shall be limited to determination of the fair market value of the Property as applied to Parcel A and Parcel B.

The Parties have agreed that Hon. Richard Park (retired) shall serve as Mediator unless he is unavailable to serve within the time frames contemplated below.

The cost of the Mediator shall be borne equally by Buyer and Seller. The Parties shall bear their own attorney's fees and costs associated with the preparation, consultants, studies and other matters each deems necessary for the mediation. The Parties agree that the date for mediation, if necessary, is February 22, 2007 unless otherwise mutually agreed to by Buyer and Seller. The mediation shall be scheduled to last up to one (1) full day, unless at the culmination of the first day of mediation, the Parties mutually agree to extend the mediation into one or more additional days.

If the Buyer and Seller are unable to agree on a Mediator in substitution of Judge Park, or, if upon conclusion of such mediation, the Buyer and Seller are unable to agree on the fair market value, then the dispute shall be referred to arbitration in accordance with Section 4 below.

4. Arbitration

Any arbitration shall be commenced only after Buyer and Seller have commenced mediation and either have not been able to agree on a substitute mediator or have not been able to agree on the fair market value of the Property. Any arbitration shall be commenced by one party serving a Notice of Request for Arbitration on the other party.

Arbitration to determine the fair market value of the Property shall be conducted pursuant to Code of Civil Procedure Sections 1280-1294.2. The hearing shall be held at a convenient location in Sacramento County, California. All notices, including notices under Code of Civil Procedure Section 1290.4, shall be given as provided in Section 22(c) of this Agreement.

The issues to be presented and decided at the arbitration shall be limited to the determination of the fair market value of the Property. Only evidence relevant to that determination shall be admitted and/or considered by the arbitrator. The only question submitted for decision to the arbitrator, as described in Code of Civil Procedure section 1283.6, shall be determination of the fair market value of the Property. The Arbitrator is not required to adopt the position of either the Buyer or Seller in his or her decision, but rather shall be tasked with determining the fair market value of the Property based upon the evidence presented. Buyer and Seller will use their best efforts to complete the Arbitration in a timely fashion.

The fair market value as determined by the Arbitrator shall not be less than Buyer's determination of fair market value pursuant to Buyer's appraisal described in Section 2 of this Exhibit nor greater than Seller's determination of fair market value pursuant to Seller's appraisal described in Section 2 of this Exhibit.

The appointed Arbitrator must be a former or retired judge or an attorney with at least fifteen (15) years experience in real property, commercial, and municipal law, or other substantial experience (minimum 15 years) in the valuation of real property, with preference given to persons with substantial experience in valuing adaptive reuse properties and downtown and urban properties.

Any such arbitration shall be held and conducted before one (1) Arbitrator with the foregoing qualifications who shall be selected by mutual agreement of Buyer and Seller. If the Parties fail to mutually agree on the selection of an Arbitrator within fifteen (15) days after the commencement of arbitration, then an Arbitrator shall be appointed via a petition to the Presiding Judge of the Superior Court of Sacramento County pursuant to Code of Civil Procedure section 1281.6. If such a petition is necessary, each party will submit no more than 5 nominations to the Presiding Judge for consideration. The Presiding Judge will be asked in the petition to return five names from those requested in the petition, and the arbitrator will be selected with each party alternately striking two names from the list. The order of striking will be determined by a coin toss.

Prior to beginning the arbitration hearing, the Arbitrator must make all disclosures required by Code of Civil Procedure sections 1281.5 and 1281.9. The Arbitrator may be disqualified pursuant to Code of Civil Procedure section 1281.91 by either Buyer or Seller. If such a disqualification occurs, the Buyer and Seller will repeat the selection process outlined in this Paragraph 4.

Buyer and Seller agree that the arbitration proceedings should be transcribed, and that the cost of any transcription will be split equally.

The Arbitrator shall prepare in writing and provide to Buyer and Seller factual findings and the reasons on which the decision of the Arbitrator is based, as described in Code of Civil Procedure sections 1283.4 and 1283.6.

The matter shall be heard by the Arbitrator within forty-five (45) days from one party serving a Notice of Request for Arbitration on the other party, and final decision by the Arbitrator must be made within thirty (30) days from the day upon which the arbitration hearing is completed. The arbitration hearing date shall be established by the Arbitrator, in accordance with the Code of Civil Procedure section 1282.2. Costs and fees of the Arbitrator and court reporter shall be borne equally by Buyer and Seller. Buyer and Seller shall bear their own attorney's fees and costs of every kind incurred in connection with the arbitration, including any attorney's fees or costs associated with any petition to the Superior Court for the selection of an arbitrator, or to confirm, correct or vacate the arbitrator's award, and any appeal.

The decision of the Arbitrator shall be final, except as outlined in Code of Civil Procedure sections 1280-1294.2, and specifically may be the subject of a petition to confirm, correct or vacate the arbitrator's award on the grounds outlined in Code of Civil Procedure sections 1284-1293. The Parties' rights of appeal shall be governed by Code of Civil Procedure sections 1294-1294.2.

All witnesses that testify at the arbitration hearing will be administered an oath by the arbitrator.