

## **Agreement for Discharge of Fee Obligation**

June \_\_, 2007

In this agreement, "City" refers to the City of Sacramento, a California municipal corporation; "Rayton LLC" refers to Rayton Investment Group LLC, a California limited liability company; "Rayton Inc." refers to Mt Rayton, Inc., a California corporation; and "Callens" refers to Callens Massey Naults (California), Inc., a California corporation doing business as Callens International.

### **Background**

- A. The City, Rayton LLC, and Rayton Inc. are parties to an Agreement Regarding Conditions Precedent to Lease of Land dated December 12, 2006, and designated as City Agreement No. 2006-1261 (the "Conditions Precedent Agreement"). The Conditions Precedent Agreement sets out the framework by which the City will lease to Rayton LLC the real property located at 2721 Pullin Avenue in Sacramento, California, which comprises approximately 17.8 gross acres (the "Property"). The City and Rayton LLC have successfully conducted their negotiations of the ground lease described in the Conditions Precedent Agreement (the "Lease").
- B. Subsection 10(f) of the Conditions Precedent Agreement ("Subsection 10(f)", titled Broker's Fee, provides as follows in the first sentence: "The services provided in connection with [the Conditions Precedent Agreement] and the lease of the Property, the City will pay a fee to Callens International in accordance with a separate agreement."
- C. The purpose of this agreement is to discharge the City's obligation to Rayton LLC and Rayton Inc. under Subsection 10(f).

### **Terms and Conditions**

1. **Amount and Timing of Payment.** The City shall pay Callens a fee of \$175,000 (U.S. dollars) in two installments, as follows:
  - (a) The City shall pay \$87,500 to Callens within 10 work days after the City and Rayton LLC have entered into the Lease.
  - (b) The City shall pay \$87,500 to Callens within 10 work days after the beginning of the Operations Phase described in section 2.00(R)(3) of the Lease.
2. **Method of Payment.** The City shall make each payment required under section 1 either by mailing a City warrant to the following address (first class, postage prepaid) or by having a City warrant delivered to that address:

City of Berkeley  
1015 Center Street, Suite 100  
Berkeley, CA 94702  
Berkeley Council of Economic Advisors

Before any change in address by mailing other than by first class or by other means

City of Berkeley Department  
1015 Center Street, Suite 100  
Berkeley, CA 94702  
Berkeley Council of Economic Advisors

- Exchange of Information Agreements:** Municipalities have the authority to exchange information with the City and vice versa, including information under Subchapter S, but only if the City has received the appropriate request from the City. The agreement specifies when the City has received the request.
- Confidentiality and Non-Disclosure:** The agreement specifies the extent to which information regarding the financial and other activities of the City and vice versa, including information regarding the financial and other activities of the City and vice versa, is confidential and may be disclosed only to another authorized agency of the City.

City of Berkeley

By: \_\_\_\_\_  
City Manager  
City Manager  
Berkeley, CA 94702

City of Berkeley Council of Economic Advisors

By: \_\_\_\_\_  
City Manager  
City Manager  
Berkeley, CA 94702

City of Berkeley Council of Economic Advisors

By: \_\_\_\_\_  
City Manager  
City Manager  
Berkeley, CA 94702

City of Berkeley Council of Economic Advisors

By: \_\_\_\_\_  
City Manager  
City Manager  
Berkeley, CA 94702

Approved by: \_\_\_\_\_  
Berkeley City Council

By: \_\_\_\_\_  
City Manager  
City Manager  
Berkeley, CA 94702