COPY

DISPOSITION AND DEVELOPMENT AGREEMENT

BY AND AMONG

THE CITY OF VACAVILLE,

THE VACAVILLE REDEVELOPMENT AGENCY

AND

NUT TREE ASSOCIATES, LLC

(NUT TREE PROPERTY)

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DISPOSITION AND DEVELOPMENT AGREEMENT

NUT TREE PROPERTY
(NUT TREE ASSOCIATES, LLC)

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this "**Agreement**") is made as of February 4, 2003, by and among the City of Vacaville, a municipal corporation (the "**City**"), the Vacaville Redevelopment Agency, a public body corporate and politic (the "**Agency**"), and Nut Tree Associates, LLC, a Delaware limited liability company (the "**Developer**") with reference to the following facts:

(A) Under California law the Agency has the responsibility to implement the Redevelopment Plan for the Vacaville I-505/80 Redevelopment Project Area (the "**Redevelopment Plan**") adopted by the City on July 12, 1983 by Ordinance No. 1188, as amended from time to time, and the Redevelopment Implementation Plan adopted pursuant to Section 33490 of the Health and Safety Code. The Redevelopment Plan affects and controls the development and use of all real property located within an area within Vacaville, California, more particularly described in the Redevelopment Plan (the "**Project Area**").

(B) The Agency owns the property within the Project Area described in the attached Exhibit A-1 (the "**Agency Property**"). The Agency Property generally consists of the historic Nut Tree lands of approximately seventy-six (76) acres along East Monte Vista Avenue, which is commonly called the "**Core Property.**" The Shell Gas Station within the Core Property located at 1611 East Monte Vista Avenue ("**Shell Gas Station**") is subject to acquisition by Agency in August 2004.

(C) The City owns the property within the Project Area as shown in the attached Exhibit A -2 (the "**City Property**"). The City will transfer ownership of the City Property to Agency prior to the closing of escrow with the Developer for the Agency Property and the City Property (collectively the "**Property**").

(D) Agency and City have policies in place, including the Nut Tree Ranch Policy Plan that call for the development of the Property for special uses that benefit the economic development of the city as a whole while recognizing the place the site holds in Vacaville's history. Agency believes that Developer has proposed a plan for the area that will meet the goals and objectives of the Redevelopment Plan to revitalize the Project Area and appears consistent with the City's land use plans and policies to recapture the historic aspects of the Property's prior use.

(E) The Developer wishes to develop on the Property a mixed-use complex including retail, commercial, office, restaurant, public attraction, residential and hotel/conference center uses, along with extensive and ancillary landscaping, parking and other improvements including certain public improvements (collectively the "**Improvements**"). The specific land use components of the project contemplated hereunder by Developer ("Project") would consist of specialty restaurants, a business hotel, a public attraction area, select retail and commercial space, office uses, a full service hotel and conference center and residential uses. The general program for full development of the Property would involve:

(i) Completion of the initial planning process with approval by City and Agency of certain land use and development approvals, including but not limited to, a Planned Unit Development application, approval of a Development Agreement between City and Developer, and approval of this Disposition and Development Agreement.

(ii) Demolition of the existing, vacant Nut Tree buildings, save and except for the existing Harbison House and the Ice Cream Pavilion, as provided in Section 3.4 below. This work shall also include providing and maintaining temporary relocation of water, electric, and telephone services to the Harbison House and Stadium prior to and during demolition work on the Property, until the installation of permanent services via the contemplated Assessment District infrastructures and the removal of demolition debris and other site preparation activities for development of the Property.

(iii) Land use entitlements and the associated site planning and architectural design approvals for planned retail, commercial, office, residential and other uses, including the following general land use program:

(a) Public attraction areas (including the Nut Tree Train, a carousel or other similar attractions), landscaped grounds located within the approximately twenty (20) acres of the Core Area for Phase I and approximately two (2) acres of landscape area located between I-80 and New East Monte Vista Avenue to serve as a view corridor from I-80 for the Harbison House.

(b) High-end specialty Lifestyle and Attraction Retail and restaurant uses, as may be approved by Agency, in conformance with the Nut Tree Ranch Policy Plan, on the approximately twenty (20) acres of the Core Area for Phase I, to recapture the character of the area's history as "**The Nut**

Tree" as generally described in the Preliminary Development Plan. Development of the Property will eventually include approximately 430,000 square feet of retail/restaurant space.

(c) A full service Conference Center/ Hotel with a minimum of 200 guest rooms, banquet facilities, pool, spa, and related uses, and a conference/meeting facility of approximately 20,000 square feet, on approximately five (5) to eight (8) acres of the Core Area for Phase II.

(d) The construction of a approximately 150,000square feet of office space. The proposed office buildings will be constructed as Class A office space with a maximum height of one (1) story or as allowed by the Nut Tree Policy Plan.

(e) The construction of a maximum of approximately 350 residential units within the Core Area, in a mixed-use arrangement in close proximity to the proposed office and commercial land uses.

(f) The development of parking, landscaping and other site features to accommodate the above-listed project components, although a future parking lot on the Stadium site is expected to be used to support the daytime, overflow parking needs of the full - service Conference Center/ Hotel and, if acceptable by City, may be used to support adjacent office and retail uses. Parking will be constructed in phases with the construction of the specific project components as developed. Parking ratios and design standards will be in conformance with City standards, as permitted by the Nut Tree Ranch Policy Plan and the other land use approvals associated with development of the Property.

(F) The Parties have undertaken unified environmental and land use entitlement processes, which include or provide for, among other things, review under the California Environmental Quality Act, a Planned Unit Development Application under the Nut Tree Policy Plan, and this formal Disposition and Development Agreement for the sale and development of the Property, and which will include at a later date initiation of the Nut Tree Area Assessment District. However, as noted herein, nothing in this Agreement shall commit the City Council of the City or the Agency Board to approve or grant the discretionary land use and environmental approvals or actions proposed to be undertaken with respect to the potential development of this Property except as otherwise provided though such approvals or this Agreement and any formal Development Agreement between City and Developer.

(G) The Improvements for the development of the Property are consistent with the Redevelopment Plan, the City's General Plan, the Nut Tree Policy Plan, and applicable zoning requirements.

(H) To accomplish development of the Improvements set forth in this Agreement, the City agrees to transfer the City Property to Agency and the Agency agrees to convey the Property to the Developer pursuant to the terms and conditions of this Agreement, for the construction of the Improvements.

(I) The Developer has the necessary experience, skill, and ability to carry out the commitments contained in this Agreement. Agency has reviewed the credentials and experience of Developer and Developer's team of experts and believes that they have the required special and unique expertise necessary for development of the mixed uses contemplated by this Agreement. As such, this Agreement contains specific provisions for the Agency to retain authority to approve transfers of interests from Developer to others.

WITH REFERENCE TO THE FACTS RECITED ABOVE, and in mutual consideration of the promises of the Parties as set forth herein, the Agency, City and Developer (collectively the "**Parties**") agree as follows:

ARTICLE 1
DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

In addition to the terms defined elsewhere in this Agreement, the following definitions shall apply:

(a.) "**Affiliate**" means any one or more of the following: (i) any member of Developer; or (ii) any Person, (1) which owned or controlled, directly or indirectly, by Developer, or (2) in which Developer, directly or indirectly, owns or controls a majority voting or ownership (or both) interest, or (3) any combination of any one or more of the Persons specified in this Subsection (a).

(b.) "**Agency**" means the Vacaville Redevelopment Agency, a public body corporate and politic, organized and existing pursuant to the California Community Redevelopment Law.

(c.) "**Agency Board**" means the board of the Vacaville Redevelopment Agency.

(d.) "**Agency Executive Director**" means the executive director of the Vacaville Redevelopment Agency or his or her designee.

(e.) "**Agency Property**" means the real property described in the attached Exhibit A-1.

(f.) "**Agreement**" means this Disposition and Development Agreement.

(g.) "**Attraction Retail**" means a retailer that serves a regional vs. local area. It is intended that this would exclude uses such as a standard grocery stores, dry cleaners, video rental shops, etc. Attraction Retail includes major retailers that attract regional shopping. It could also include major retail not existing or well represented in the local market major electronics, Borders, Barnes and Noble, etc. Attraction retail would be of a nature to entice travelers to make the Nut Tree a destination or a stop. Examples of Businesses defined as Attraction Retail uses are shown on Exhibit G.

(h.) "**Certificate of Completion**" means a certificate issued by the Agency indicating completion of the Improvements within a Phase or Phases as described in Section 8.7 of this Agreement.

(i.) "**CC&R's**" means the covenants, conditions, and restrictions required under Section 3.10 of this Agreement.

(j.) "**CEQA**" means the California Environmental Quality Act (California Public Resources Code §§ 21000 et seq.).

(k.) "**City**" means the City of Vacaville, a municipal corporation organized under the laws of the State of California.

(l.) "**City Manager**" means the City Manager of the City of Vacaville or his or her designee.

(m.) "**City Property**" means the real property shown in the attached Exhibit A- 2.

(n.) "**Close of Escrow or Closing**" means the close of each escrow through which the Agency and/or City will convey portions of the Property to Developer pursuant to this Agreement.

(o.) "**Conference Center/Hotel**" means the full-service conference center and hotel to be construction during Phase IV of the Project.

(p.) "**Core Property**" means the central historic Nut Tree property of approximately 76 acres as delineated in the attached Exhibit A-1.

(q.) "**Developer**" means Nut Tree Associates, LLC, a Delaware limited liability corporation, and any successor or assignee to its rights under this Agreement to the extent permitted by this Agreement.

(r.) "**Development Agreement**" shall mean the development agreement for the Project to be negotiated and executed between the Developer and the City.

(s.) "**Escrow Holder**" means the Vacaville, California office of Fidelity National North American Title Insurance Company, or First American Title Insurance Company, or such other title company or qualified escrow holder upon which the Parties may subsequently agree, with which one (1) or more escrows shall be established by the Parties to accomplish the acquisition and disposition of the Property as provided in this Agreement.

(t.) "**Executive Director**" or "**Director**" means the Executive Director of the Vacaville Redevelopment Agency or his or her designee.

(u.) **"Final Construction Plans"** means the final construction plans for the Improvements in a Phase of the Project.

(v.) **"Financing Plan"** means a plan for financing the Improvements and acquiring the acreage for the various Phases of the Project, as described in Section 5.6 of this Agreement.

(w.) "**Harbison House**" means the historical residential structure on the Property commonly referred to as the "Harbison House".

(x.) "**Ice Cream Pavilion**" means the ice cream pavilion currently on the Property that was part of the former Nut Tree development.

(y.) "**Improvements**" means all of the Project improvements on the Property to be developed by Developer pursuant to this Agreement and Preliminary Development Plans.

(z.) "**Lifestyle Retail**" means retailers and restaurants that specialize in high-end or specialty goods that generally occupy smaller spaces but may go up to approximately 25,000 square feet of floor space. Lifestyle Retail does not include outlet stores that specialize in deep discounted merchandise or "factory seconds". Lifestyle Retail are retailers that entice travelers to make the Nut Tree a destination stop. The Lifestyle Retail is a crucial element in recreating the festive ambiance of the historic Nut Tree. Examples of Lifestyle Retail uses are included in Exhibit H.

(aa.) **"Limited Service Business Hotel"** means a limited service hotel consisting of 90-120 rooms.

(bb.) "**New East Monte Vista Avenue**" means East Monte Vista Avenue as may be realigned in the future by the City or Agency.

(cc.) **"Nut Tree Assessment District"** or **"Assessment District"** means the assessment district to be formed as more particularly described in Section 3.5 of this Agreement.

(dd.) **"Nut Tree Associates LLC"** means Nut Tree Associates, LLC, a Delaware limited liability company, whose members are Snell & Co., a California limited liability company, and a Rockwood Capital Real Estate Partners Fund IV, L.P. a Delaware limited partnership.

(ee.) "**Nut Tree Train**" means the train, track, and related equipment used in the operation of the train ride that was part of the former Nut Tree development.

(ff.) "**Nut Tree Village**" means that portion of the Project as more particularly described in Section 2.2 of this Agreement.

(gg.) "**Opening**" means the opening of each escrow through which the Agency will convey portions of the Property to Developer pursuant to this Agreement.

(hh.) "**Parties**" means the Agency, City and the Developer.

(ii.) "**Permitted Exceptions**" means the exceptions to title to the Property approved by the Parties as listed in the attached Exhibit E.

(jj.) **"Person"** means an individual, general or limited partnership, limited liability partnership or company, corporation, trust, estate, real estate investment trust, association or any other entity.

(kk.) "**Policy Plan**" means the Nut Tree Area Policy Plan, as last amended, which has been adopted by the City and details the physical development of the Property and the standards by which the Developer must develop the Improvements, as amended from time to time.

(ll.) "**Preliminary Development Plan**" means the preliminary plans for development of the Improvements prepared by the Developer in accordance with the Policy Plan and attached to this Agreement as Exhibit B.

(mm.) "**Project**" means the development of the entire Property as set forth in the Preliminary Development Plan, as it may be amended from time to time by Developer with the prior written consent of the Agency.

(nn.) "**Project Area**" means the Vacaville I505/80 Redevelopment Project Area, as more particularly described in the Redevelopment Plan.

(oo.) "**Property**" means the Agency Property and the City Property, as described collectively in Exhibits A, A- 1 and A-2.

(pp.) **"Qualified Transferee"** means a Person who (i) has the financial resources necessary to pay the expected Project costs for the portion of the Project being transferred to such Person; (ii) has experience and expertise in developing project similar in size and scope to the portion of the Project being transferred to such Person; and (iii) in the sole reasonable discretion and approval rights of the Agency, has an established and good business reputation, including an established record of maintaining fair employment practices and good employee relations.

(qq.) "**Redevelopment Plan**" means the Redevelopment Plan for the Vacaville I-505/80 Redevelopment Project Area adopted by the City on July 12, 1983 by Ordinance No. 1188, as amended from time to time.

(rr.) "**Stadium**" means the sports facility located to the north of the Property, currently known as the "**Travis Credit Union Stadium.**"

Section 1.2 Exhibits.

The following exhibits are attached to and incorporated into this Agreement:

Exhibit A	Overall diagram of the Property
Exhibit A-1	Description of Agency Property
Exhibit A-2	Plat Map of City Property
Exhibit B	Preliminary Development Plan
Exhibit C	Schedule of Performance
Exhibit D	Form of Grant Deed
Exhibit E	Permitted Exceptions
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Exhibit G	Examples of Attraction Retail Uses
Exhibit H	Examples of Lifestyle Retail Uses

ARTICLE 2
TERM OF DISPOSITION AND DEVELOPMENT AGREEMENT; EXCLUSIVE RIGHT TO DEVELOP PROPERTY; PRESERVATION OF LAND USE DISCRETION UNLESS AND UNTIL DEVELOPMENT AGREEMENT APPROVED

Section 2.1 Term of Disposition and Development Agreement.

This Agreement is intended to cover a potentially extended period of development time as Developer seeks to purchase, develop and improve the Property in a series of Phases as set forth below. Each Phase shall be separate and distinct from each other phase, although Developer shall be is entitled to commence work on a subsequent Phase prior to completion of a prior Phase when Developer has satisfied certain condition as provided in Section 2.2 below.

Subject to Section 2.2 below, the time constraints on any Phase contained in this Agreement may be extended by the mutual written consent of the Parties. Agency's Executive Director and City's City Manager are authorized to extend this Agreement for a single one (1)-year period for any Phase on behalf of Agency and City, respectively.

Section 2.2 Phases of Development; Recognition for Need for Flexibility in Selection of Phases to Develop.

The Parties contemplate the development of the Property in four (4) "**Phases**." The Phases are described in greater detail immediately below. Each Phase of development will be planned as a unified development of the Improvements contemplated for said Phase and as approved by Agency; however, the Parties understand that on account of the mixed use development contemplated by this Agreement, Developer may purchase and develop portions of a single Phase (by purchasing and developing some, but not all, of the parcels within a given Phase) at different times prior to completing an earlier Phase or Phases upon satisfaction of the conditions contained in this Agreement, including, but not limited to, those set forth in this Section 2.2.

Following is a list of the four (4) Phases of development contemplated by the Parties:

Phase I: Development of the Primary Retail Area. Phase I shall be developed on a minimum of twenty (20) acres substantially as described in this Agreement, the environmental impact report ("**EIR**") for the Project and in the other planning documents associated with the Project. This area will include a

public attraction area, (to include the Nut Tree Train, tracks, carousel, landscaping or other similar attractions) ("**Public Attraction Area**"), landscaped grounds located within the Core Area, and approximately two (2) acres of landscaped area located between I-80 and New East Monte Vista Avenue (as part of the view corridor for the Harbison House), and a minimum of 70,000 square feet of Lifestyle Retail. The Developer shall use its best efforts to include a maximum of two (2) restaurants and one (1) major anchor tenant from Exhibit H (i.e. a bookstore) within the Lifestyle Retail component of Phase I. The cumulative building square footage of such restaurants and major anchor tenant shall not exceed 60% of the 70,000 square feet of the Lifestyle Retail building space to be included in Phase I and shall be subject to the requirements of the Nut Tree Policy Plan. Phase I may also include up to approximately nine (9) additional acres of rental residential units. The Parties anticipate that Phase I will encompass a minimum of twenty (20) acres and a maximum of (29) acres of the Property as described above. Developer has proposed that primary retail area be called "**Nut Tree Village**" and a primary purpose of this development is to recapture the flavor of the area's history as the Nut Tree. The Nut Tree Village shall be developed in accordance with the approved Preliminary Development Plan. As noted above, the Public Attraction Area is intended to promote local interest and link the proposed uses to the historic Nut Tree property by including the Nut Tree Train, a carousel or other similar attraction, a market hall and landscaped grounds for picnics, the view corridor to the Harbison House, etc. The Phase I Area, which is part of the Preliminary Development Plan, is shown and identified as "**Phase I**" on Exhibit B attached hereto.

Developer shall within twenty-four (24) months from the execution of this Agreement be under construction and be diligently working towards the completion of a minimum of twenty (20) acres of the Phase I development, except the rental housing component, if any, as described above and in accordance with the **Schedule of Performance**.

While the Agreement contemplates flexibility in the phasing of development, Phase I shall be under construction and diligently pursued towards completion before any other Phase. Developer shall commence construction of the Phase I Improvements upon completion of the demolition (including abatement and disposal of asbestos containing materials) by the Assessment District of the existing Nut Tree buildings throughout the Property other than the Harbison House and the Ice Cream Pavilion, as provided in Section 3.4, below, including, but not limited to, the Nut Tree restaurant, studio, toy store, and remaining residential structures. Such demolition work shall be completed in accordance with the Schedule of Performance (as defined below). Developer shall commence site preparation activities immediately following the transfer of the Phase I Property and removal of the demolition debris in accordance with the Schedule of Performance.

Phase II: Initial Mixed Use Phase. Developer shall have 100% of Phase I under construction within sixty (60) months from the execution of this Agreement and in accordance with the **Schedule of Performance** and be diligently pursuing such construction to the Agency's satisfaction in order to purchase additional acres of the Core Property for the Phase II development The Phase II development shall be a minimum of fifty (50) acres, which shall include the area of the Phase I development and may include Lifestyle Retail, Attraction Retail, high-end restaurants, office use, Limited Service Business Hotel, and residential units in accordance with the Nut Tree Ranch Policy Plan.

Phase III: Final Mixed Use Phase. Developer shall have 100% of Phase I construction completed and Phase II under construction in accordance with the **Schedule of Performance** and be diligently pursing such construction to completion to the Agency's satisfaction in order to purchase the remaining acreage of the Core Property, excluding that acreage reserved for the Conference Center/Hotel; provided, however, the cumulative acreage of Phase I and Phase II shall equal or exceed fifty (50) acres in the aggregate. Development may include Lifestyle Retail, Attraction Retail, high-end restaurants, office use, Limited Service Business Hotel, and residential units in accordance with Nut Tree Ranch Policy Plan.

The last date for Developer to acquire portions of the Property from the Agency and City pursuant to this Agreement shall be the date which is sixty (60) months after the date of execution of this Agreement, as such date may be extended for the reasons expressed in Section 8.11 or 14.3 (the "End Date"); provided, however, that the End Date shall be further extended as follows: (a) if by the End Date Developer has acquired fifty (50) acres or more of the Core Property, the End Date shall be automatically extended by one (1) year, to seventy-two (72) months after the execution of this Agreement; (b) if by the End Date (as extended pursuant to sub-paragraph (a)) Developer has acquired sixty (60) acres or more of the Core Property, the End Date shall be further extended to a date which is eighty-four (84) months after the execution of this Agreement; and (c) if by the End Date (as extended pursuant to sub- paragraph (b)) Developer has acquired sixty-eight (68) acres or more of the Core Property, which excludes that portion of the Property comprising of Phase IV, the End Date shall be further extended to a date which is ninety-six (96) months after the execution of this Agreement.

Phase IV: Conference Center/Hotel. Developer shall have thirty-six (36) months from the execution of this Agreement to obtain all building permits and approvals and to have under construction and be diligently pursuing to completion a full-service Conference Center/Hotel with a minimum of 200 rooms, convention and banquet facilities of at least 20,000 square feet, a pool, spa, and related facilities and may include a recreation/fitness center and tennis courts. (The Conference Center/Hotel will encompass approximately five (5) to eight (8) acres of the Property). No failure by Developer to accomplish the objectives of

this paragraph shall constitute a default under this Agreement, and the Agency's sole recourse in such event shall be to exercise its option provided in the following paragraph.

During this thirty-six (36) month period, the Agency shall collaborate in good faith with Developer in obtaining financing for the Conference Center/Hotel operator which may include conduit financing and other incentives. If at the end of this period of time, the Conference Center/Hotel is not actively under construction, the Agency shall have the option of developing the Conference Center/Hotel on its own by soliciting proposals from other interested developers. Should the Agency elect to provide additional incentives to such other interested developers not explicitly provided for under this Agreement. Developer shall have a sixty (60)-day right of first refusal for the development of said Conference Center/Hotel on the same terms as those offered to the developer whose proposal the Agency wishes to accept. The sixty (60)-day right of first refusal shall commence upon Agency's notice to Developer of Agency's selection of such other interested developer. The notice shall include a complete description of the terms offered to the developer whose proposal the Agency wishes to accept. Developer may exercise such right of first refusal by giving notice of acceptance to the Agency at any time prior to the expiration of the sixty (60)-day period. If Agency does not exercise its option to develop the Conference Center/Hotel on its own by notice to Developer given within one hundred eighty (180) days after the end of the thirty six (36)-month period, Developer shall have the right to pursue alternate development of the site; any such alternate development shall be subject to approval by the Agency in its reasonable discretion and to normal City discretionary planning approvals.

Section 2.3 Timetable for Development of Phases.

(A) In accordance with the provisions above, the purchase and development of each Phase shall follow the timetable set forth in the Schedule of Performance attached hereto as Exhibit C. Notwithstanding the foregoing, Developer shall be permitted to accelerate the timetable set forth in the Schedule of Performance and subject to the conditions set forth in Section 2.2, above.

The Developer shall not commence any construction of the Improvements including site preparation with respect to any Phase, until (a) Developer has first received Agency's written approval of the Final Construction Plans with respect to the Improvements for the portion of such Phase to be conveyed; and (b) the Close of Escrow upon the portion of such Phase to be conveyed to Developer has occurred. Any breach of this Section by Developer shall afford the Agency its rights and remedies under Article 10 of this Agreement.

Section 2.4 Exclusive Development Rights; Special Expertise of Developer.

During the period of this Agreement, neither Agency nor City will market or sell or develop the Property, or negotiate to do any of the foregoing, to any person or company other than Developer.

This Agreement has been approved based upon the unique development experience and proved capabilities of Nut Tree Associates, LLC, in particular, Roger Snell and Rockwood Capital. As such, subject to Article 9 below, the City and Agency specifically retain the right to approve any assignment or transfer of the rights under this Agreement and to deny any such assignment or transfer that, in the sole judgment of the City and Agency, will not meet the goals and objectives of the development of the Property in accordance with the Redevelopment Plan and the unique historical relationship that the Nut Tree site has with the Vacaville area. Developer acknowledges the limitations that this provision has on assignment or transfer of this Agreement and understands the discretion vested in the City and Agency, subject to Article 9, to approve or deny any proposed assignment or transfer.

Developer shall meet the timetables and Schedule of Performance set forth in this Agreement. Roger Snell and Rockwood Capital Real Estate Fund IV, L.P. shall remain members of the Developer, unless their withdrawal is approved by the City and the Agency as determined within their sole discretion. If either Roger Snell or Rockwood Capital Real Estate Fund IV, LP withdraw as a member of Developer without the City's and Agency's prior written approval, such withdrawal shall be a material default of this Agreement and grounds for immediate termination of this Agreement without the right to cure as provided in Section 10.4, below.

Section 2.5 Land Use Discretion.

This Agreement evidences the intent of the Parties to process the necessary planning entitlements for the proposed development as set forth herein, but this Agreement does not constitute a binding obligation on City that such entitlements will be approved. Developer understands and acknowledges that the City Council and the Agency Board retain full discretion over all land use and environmental review processes to be undertaken in connection with the Project, unless or until a written Development Agreement between Developer and City is agreed upon, approved, and executed.

ARTICLE 3
INITIAL OBLIGATIONS OF DEVELOPER

Section 3.1 Planning Processes; Environmental Matters.

Developer shall undertake and fund all costs associated with the coordinated processing of the various land use and environmental procedures applicable to this Project, including, but not limited to:

(A) CEQA certification and other associated environmental studies relative to the proposed Project developed under a contract(s) awarded by City and prepared under the sole authority of City's Community Development Department and with consultants selected by City. A "program" environmental impact report ("**Program EIR**") has been completed and certified for the Project. Subsequent activities in the program will be examined in light of the Program EIR to determine whether additional environmental analysis and documentation is required. Developer recognizes and agrees that further environmental review may be needed for later Phases of the development and that all such costs shall be funded by Developer, which funds are non-refundable.

(B) Conceptual site plans and building elevations, etc., as part of a Planned Unit Development Application under the Nut Tree Area Policy Plan for each of the Phases of development of the Property.

(C) All habitat and wetland mitigation plans or measures, whether under state or federal law, for the proposed development of the Property. To the degree that such processes fall within the auspices of federal and/or state agencies, coordination of such processes with the local land use and environmental processes cannot be assured by City or Agency.

(D) Except as set forth in Article 4 relating to the obligations of the City and or Agency, Developer will be responsible for the funding of all planning processing fees, development impact fees, building permit fees, school fees, and all other development related fees and charges.

(E) As set forth below, City will apply for the establishment of, and Agency shall advance funds for all costs necessary for the creation of an assessment district, referred to herein as the "**Nut Tree Assessment District**" or "**Assessment District**". The Assessment District shall promptly reimburse Agency for such funds advanced by Agency after the formation of such Assessment District.

(F) In addition to required City land use approvals, Developer must obtain the prior approval of the Agency for the Project design and tenants proposed for the various areas to be developed in accordance with criteria as set forth in this Agreement. The review and approval of tenants will be part of the Agency review of the Financing Plan under Section 5.6, below.

(G.) In addition Developer shall reimburse the City, in the amount of $182,100.00 for the cost of preparing the Program EIR, less any reasonable costs incurred by Developer to modify or adapt such EIR in connection with the Project (i.e. obtaining negative declaration). Developer shall pay such costs to the City on a prorated basis upon the Close of Escrow for each portion of each Phase of the Project. The prorated portion shall be based on the amount of the Property conveyed divided by the total acreage of the Property (i.e. approximately 76 acres).

Section 3.2 Development of the Property.

Developer shall develop the Property in accordance with the provisions of this Agreement, the Development Agreement with City, and the planning and land use approvals received from Agency and/or City.

Section 3.3 Relationship to Other Public Improvements.

City, Agency and Developer acknowledge and agree that development beyond the first twenty (20) acres of the Property plus the Conference Center/Hotel may be limited and, in fact, may not be possible at all unless and until the planned Nut Tree overpass and I-80 ramps are widened or otherwise improved or unless the Vacaville City Council, in exercising its discretion in reviewing and approving environmental review of these proposed freeway improvements adopts statements of overriding consideration relative to unmitigated environmental impacts, which would allow development of the Property without these proposed improvements. These proposed improvements will be made at the expense of City and it is anticipated that the construction of said improvements will begin in the Spring of 2004 as further described in Section 4.4 of this Agreement. However, the Parties recognize that said improvements are subject to the design and approval of the State of California and, therefore, no representations can be made relative to the actual date such improvements will be approved or constructed.

Section 3.4 Demolition; Stadium and Harbison House Access and Utilities.

The Assessment District shall be responsible, for demolition (including the abatement and removal of asbestos-containing material and lead-based paint) of

the existing Nut Tree restaurant, toy store, studio, residential structures, sign, and all other structures on the Property, excepting the Harbison House and the Ice Cream Pavilion, as well as the temporary relocation of the water, electric, and telephone services to the Stadium and Harbison House as provided below. Developer acknowledges that the Assessment District shall be responsible for all costs associated with said demolition and that the Assessment District shall spread these costs over the Property and that said costs shall not be shared by other property owners within the Assessment District. City, however, shall be responsible for removing the existing southern "**Nut Tree**" pylon sign ("**Southern Pylon Sign**") in connection with its construction of the planned Nut Tree overpass and I-80 ramps. Developer shall be responsible for removing or integrating into the Project the other existing "**Nut Tree**" pylon sign located to the north ("**Northern Pylon Sign**"). Developer shall also maintain temporary water, electric, and telephone services to the Stadium and Harbison House until permanent services can be provided by the Assessment District infrastructures, and preserve and maintain the Ice Cream Pavilion if it can be reasonably preserved in light of its structural condition, the Ice Cream Pavilion. If the Ice Cream Pavilion can not be preserved, Developer shall construct a re-creation of the Ice Cream Pavilion that is reasonably acceptable to the City and Agency in the Public Attraction Area. As further discussed in Section 5.10 below, at all times during development of the Property, including demolition, site preparation and construction of the Improvements and the Assessment District infrastructure improvements, Developer shall ensure that its activities do not interrupt continuous access by the public to the Stadium adjoining the Property and in utility services and access to the Stadium and Harbison House.

Section 3.5 Formation of Assessment District for Off-Site Public Improvements

Developer acknowledges the need to form the Nut Tree Assessment District as a mechanism to fund the infrastructure improvements necessary to serve the Project and adjacent properties. City has hired an engineer for the formation of the Nut Tree Assessment District and will provide services of its financial advisor to assist in structuring the Assessment District. Said Assessment District must be formed prior to any development occurring on the Property. It is anticipated that said formation will be considered at the same time that the land use and environmental processes for the Project are considered by City and Agency governing boards.

In general, the allocation of assessment costs will be as set forth in Exhibit F of this Agreement, in order to fund the various public improvements contemplated by the Assessment District (which include but are not limited to, the relocation or widening of East Monte Vista Avenue and the extension of Nut Tree Road, west and east of the Nut Tree overcrossing). City will take those steps determined to be necessary and appropriate to establish, join and participate in

said Assessment District including, but not limited to, petitioning or otherwise assisting in the formation of the Assessment District.

All soft and hard infrastructure costs and formation costs associated with the Assessment District, other than condemnation costs, if any, for the Shell Property described in Section 7.7 below should that be necessary, shall be allocated among the various owners of property in the area of the Assessment District which includes the Property as well as certain other adjoining property owned by TKG NUT TREE, LLC and Solano County, excluding demolition and any additional improvement costs which shall be allocated solely to the Property as mentioned above. The allocation of assessments will generally encompass the following criteria, but, ultimately, will be as adopted in the report of the Assessment District engineer and approved by the Vacaville City Council, within their discretion.

At the time of creation of the Assessment District, Developer may propose for inclusion in the Assessment District other improvement costs that will benefit properties within the Assessment District and that will meet the City's standard for lien-to-value ratio at the time the Assessment District is created.

City will prepare plans and specifications for the Assessment District. City anticipates soliciting bids for the Assessment District and Nut Tree Overcrossing improvements in January 2004 with start of construction in Spring 2004, weather permitting.

If the start of construction of the Assessment District project is delayed by Developer's failure to close escrow on purchase the Phase I Property by January 1, 2004, Developer will be responsible for any additional costs incurred by City and/or Agency as a result of such delay, such as inflated construction cost for the time that the Assessment District and Nut Tree Overcrossing projects are delayed, as further described below in this Section.

It is estimated, as of the date of this Agreement, that the Developer's share of the Assessment District assessments secured against the Property shall not exceed $7,810,000, which does not include the non-potable pumps, turnouts, and filters. The Agency will contribute $3,000,000 to the Developer's share of these assessments. Developer shall be financially responsible and liable for the balance of the Assessment District costs and such responsibility and liability shall commence upon the first Close of Escrow for any portion of the Property, including that to be conveyed for the Phase I development.

The forgoing notwithstanding, in the event that the Developer's share of the assessments is less than $7,810,000, the Agency's contribution will be reduced by an amount equal to thirty-eight percent (38%) of the difference between $7,810,000 and Developer's actual share of the Assessment District assessments.

If the City is delayed in soliciting bids for the Assessment District improvements on or before January 1, 2004, due to Developer's failure to acquire fee title to Phase I Property for any reason other than a City-caused delay, then the maximum amount of Assessment District assessments secured against the Property shall be increased by the product of $7,810,000 and the percentage increase, if any, in the ENR San Francisco Bay Area Cost Index ("Index") between January 1, 2004 and the date when such final bids are obtained; provided however, that the increase in such maximum amount shall not exceed the lesser of (i) the amount by which lowest responsible bids exceeds $7,810,000 or (ii) the lesser of the Index or 10%. City shall act reasonably and expeditiously in obtaining such bids. The Parties agree that any change in the scope or quality of the Assessment District improvements from those shown in Exhibit F may change and that such change shall not be used to offset or adjust the amount of the lowest responsible bid if such bid exceeds $7,810,000.

Section 3.6 Construction of East Monte Vista Avenue as Part of the Proposed Assessment District; Landscaping and Landscaping Maintenance.

The Parties recognize that the realignment and reconstruction of East Monte Vista Avenue is a critical and key component to the development of the Property and, further, represents a primary component of the proposed Assessment District. City will provide project management for the design and construction administration for the construction of the Assessment District improvements, including New East Monte Vista Avenue. The City anticipates that it will solicit bids for the Nut Tree Assessment District project in January of 2004, provided that Developer acquires fee title to Phase I Property by said date.

The Developer will establish a landscape and lighting district for the on-going maintenance of the landscaping and lighting of the Nut Tree Assessment District areas once the New East Monte Vista Avenue project has been completed.

Section 3.7 Creation of Assessment District Relative to Potential Proprietary Development of Solano County Lands.

The Parties recognize that a portion of the land benefited by the public improvements to be funded through the Assessment District is owned by other governmental agencies, primarily the County of Solano. Under California law, such agencies are not subject to inclusion within the Assessment District contemplated by this Agreement. However such agency-owned lands may, eventually, be developed and used for non-governmental uses and, if so, should be required to pay a portion of the underlying cost of the public improvements funded by the Assessment District. In order to potentially recoup some of the

costs of such public improvements, Developer may establish a benefit district to include such lands in the benefit district in anticipation of recovering a portion of such costs from the owners of these lands that are developed and used for non-governmental purposes.

Section 3.8 Other Obligations Relative to the Historical Use of the Property as the Nut Tree.

(A) Agency will sell the Nut Tree Train, cars, tracks and other equipment to Developer upon the Close of Escrow for Phase I property for one dollar ($1.00). Thereafter, Developer will be responsible for refurbishing the Nut Tree Train, tracks, and associated equipment. Notwithstanding the foregoing, Developer may elect to replace the Nut Tree Train and/or tracks with a new train and/or tracks if in its reasonable discretion and with the Executive Director's consent, which shall not be unreasonably withheld, Developer determines that the cost of refurbishing the current Nut Tree Train and/or tracks is less economical than purchasing a new train and/or tracks. Developer shall operate the Nut Tree Train and/or tracks and shall keep and maintain the same in good conditions and in conformance with all applicable local, state, and federal law including, but not limited to, the requirements of the Americans with Disabilities Act and Title 24 of the California Code of Regulations for a period of not less than twenty (20) years from the date of Agency's issuance of certificate of completion for the Phase I Improvements. The responsibility for operating and maintaining the Nut Tree Train and/or tracks (and the indemnity below) may be transferred by Developer to a separate benefit district, which shall encumber the Property with authority to undertake this obligation. Developer shall establish and be responsible for all costs associated with establishing said benefit district. Developer will indemnify and save the Agency and City harmless from and against any and all losses, damages, liabilities, claims, demands, actions, and/or causes of action which may be suffered, incurred by or brought against the Agency or City as a result of Developer's operation, ownership, or maintenance of the Nut Tree Train, cars, tracks and equipment. Notwithstanding the foregoing, the expense of the on-going operation and maintenance of the Nut Tree Train shall be the responsibility of the above-mentioned benefit district.

Prior to the Close of Escrow for the property to be conveyed for the Phase I development, the Developer will work cooperatively with the Vacaville Museum, a non-profit corporation and owner of the Harbison House, to integrate the Harbison House into the development of the Property. Such efforts shall include, but not be

limited to, execution of a written agreement between the Developer and the Vacaville Museum pertaining to such integration of the Harbison House into the development of the Property that is mutually acceptable to the Vacaville Museum and to Developer. Developer shall ensure that the Vacaville Museum understands and acknowledges that all agreements between Developer and the Vacaville Museum are contingent upon the Close of Escrow for the property to be conveyed to Developer for the Phase I development. The Parties recognize that the Harbison House is owned by the Vacaville Museum and the Vacaville Museum will be the primary organization overseeing the use of such facility. If at any time either Developer or the Vacaville Museum elects to relocate the Harbison House to another location on the Property, the cost and location of such relocation shall be as mutually agreed to by the Developer and the Vacaville Museum. The foregoing notwithstanding, if Developer proposes to move the Harbison House to another location on the Property, the Developer shall be responsible for the reasonable costs of such relocation. If the Vacaville Museum proposes to move the Harbison House off the Property, the Developer will not be responsible for such moving costs. The Developer, however, shall cooperate with the Vacaville Museum in the latter's efforts to move the Harbison House off the Property.

(B) Developer will provide, free of rent, not less than 750-square feet of tenant space within the Nut Tree Village to a non-profit organization approved by the Agency Executive Director for the operation of a visitor's center. It is proposed that operation of such a visitor center will be with a local non-profit organization. Said space may be provided as part of or adjacent to another facility within the Nut Tree Village, such as a wine-tasting facility or other retail use. If the Developer is unable to secure an agreement with a non-profit organization after twelve (12) months from the date of completion of Phase I, the Agency Executive Director may, in his or her sole discretion, waive the requirement of this Section to provide, free of rent, tenant space for a visitor's center.

(C) Developer shall work to re-create and integrate various aspects of the historical Nut Tree uses in the new development, including elements such as the Ice Cream Pavilion, kiosks, hobbyhorses, etc. The Agency agrees to provide non-financial assistance to Developer in Developer's research of Nut Tree history and collection Nut Tree memorabilia, which will be incorporated into the various historic aspects of the Project.

Section 3.9 Dedication of Rights of Way and Easements.

Developer shall dedicate, without compensation, any and all roads, right-of-ways, and utility or other easements required for development of the Project in accordance with City standards and conditions imposed by the City during the review of Developer's application for approval of the Project.

Section 3.10 Project-wide Covenants, Conditions & Restrictions.

In conjunction with the planning approvals for Phase I, Developer shall propose CC&R's for the Property as a whole and record said CC&R's against the Property in each Phase as that Phase is purchased by Developer. The CC&R's shall be subject to the prior review and written approved by Agency and City. The purpose of the CC&R's is to ensure adequate and consistent operation and maintenance of Project common areas, including, but not limited to, public attractions, private streets, lights, signage, parking and landscaping (including approximately two (2) acres of landscaped area to be located between I-80 and New East Monte Vista Avenue: i.e. the Harbison House view corridor). To further these objectives, the CC&R's shall require the establishment of a maintenance association managed by Developer. The maintenance association may be created as part of the CC&R's or by an additional, separate document, which shall be subject to the prior review and written approval by Agency and City. The maintenance association shall be created prior to the recording of the initial parcel map or subdivision map for the Property. Developer shall record the CC&R's (and, if applicable, the document creating the maintenance association), with the County of Solano Recorder prior to the recording of the initial parcel map or subdivision map for the Property. Developer shall require any successors in interest to the Property (or portion thereof) to provide written acknowledgment of the CC&R's and such successor's agreement to be bound by such CC&R's. The CC&R's shall not be amended or terminated without prior notice to the Agency and shall not be amended in any material respect nor terminated without the prior written consent of the Agency and City, which consent shall not be unreasonably withheld.

ARTICLE 4
OBLIGATIONS OF THE AGENCY AND/OR CITY

Section 4.1 Staff Resources and Processing of Applications.

City and Agency agree to use their best efforts to commit the necessary time and resources of City and Agency staff to timely process and consider the land use and environmental applications and entitlements needed for the Project.

Section 4.2 Sale of Property to Developer; Sale of Property Only Upon Commencement of Phases of Development.

During the term of this Agreement, Agency and/or City agree to sell to Developer those lands under their individual or collective ownership, which are necessary for development of the Property as follows:

(A) The Core Property, consisting of approximately seventy-six (76) acres, more or less, at a uniform cost of two dollars and twenty cents ($2.20) per square foot, plus the costs of any assessments for Phases I, II, III and IV. Provided that, the Developer meets the following milestones as a condition of purchasing Phases I, II, III and IV, which milestones are more particularly set forth in Section 2.2 and summarized as follows: (i) with respect to Phase I, Developer shall purchase a minimum of twenty (20) acres within twenty-four (24) months of the execution of this Agreement; (ii) with respect to purchasing parcels in Phase II, Developer must have purchased not less than twenty (20) acres in Phase I and shall be diligently pursuing construction of the Phase I development; (iii) with respect to purchasing parcels within Phase III, within sixty (60) months from the execution of this Agreement, Developer shall have purchased a minimum of fifty (50) cumulative acres (for Phases I and II developments), have completed 100% of the Phase I development and be diligently working towards the completion of Phase II development; (iv) if Developer has not purchased all of the Property (except Phase IV, as described below) within sixty (60) months from the execution of this Agreement, Developer may purchase portions of the Property not previously purchased (other than Phase IV) at any time prior to seventy-two (72) months following the execution of this Agreement if the Developer has 100% of Phase I construction completed and Phase II development is under construction and Developer is diligently pursuing completion of construction of at least sixty (60) cumulative acres of the Property; and (v) if Developer has not purchased all of the Property (except Phase IV, as described below) within eighty-four (84) months from the execution of this Agreement, Developer may purchase portions of the Property not previously purchased (other than Phase IV, as described below) at any time prior to ninety-six (96) months following the execution of this Agreement if Developer shall have 100% of Phase I construction completed and Phase II development under construction and shall be diligently pursuing completion of construction of at least sixty-eight (68) cumulative acres of the Property. In addition and not as a condition of purchasing Phases I, II or III, if Developer has purchased a minimum of twenty (20) acres within twenty-four (24) months of the

execution of this Agreement for Phase I development, Developer shall be entitled to purchase the portion of the Property to be used for Phase IV (the Conference Center/Hotel) at a cost of two dollars and twenty cents ($2.20) per square foot, provided, however, that all other conditions contained herein applicable to such purchase have been satisfied and such purchase shall take place within a time period sufficient to meet the requirements of Section 2.2. Said land price of $2.20 per square foot is agreed to be the uniform price throughout the Property even though a higher price might be obtained for the initial lands proposed to be developed. The Parties agree to this square footage price for two (2) primary reasons: (1) in recognition of the community centered development elements that recapture the historic nature of the Nut Tree but which do not, in and of themselves, bring substantial economic income to Developer, and (2) because the assessments for public improvements will be substantially allocated to lands within this Core Area of the Project.

The forgoing not withstanding, if Developer does not meet the timeframes specified in Section 2.2 of this Agreement, Agency and/or City shall have the right to sell the balance of the Property or only portion thereof, to a third party; provided, however, that Developer shall have a sixty (60)-day right of first refusal to acquire the portion to be sold to such third party at fair market value as determined by an independent MAI appraiser as selected by Agency.

(B) The parcel of land that may become available when the existing Northern Pylon Sign is removed as provided in Section 3.6, above. This parcel shall be treated as part of the Core Property and sold at a uniform cost of two dollar and twenty cents ($2.20) per square foot plus the costs of any assessments.

(C) Excess lands that may become available, as determined by City, which are not needed for the Nut Tree Road extension, New East Monte Vista Avenue, or the transition of ramps to and from the newly constructed Nut Tree overpass at the same cost per square foot that the such land was acquired by City from TKG Nut Tree, LLC, Masson Lands, or other former owners, plus the cost of assessments and improvements.

(D.) Developer agrees and acknowledges that any of the land contemplated to be sold hereunder by City or Agency to Developer within any Phase will only be sold if needed by Developer to meet the objectives within each Phase of development and said sales will be timed to coincide with the development within the given Phase

and sold in accordance with the terms and conditions of this Agreement. Developer shall have no right, title or interest in such land prior to its sale by Agency or City. Further, Developer understands and acknowledges that the sales price for the Property or City's Excess Lands provided in Subsection 4.2(C) above does not include the costs of assessments that may encumber and apply to said land and that the final price will include the square footage charge and any Nut Tree Assessment District assessments previously paid by City or Agency, excluding the $3,000,000 to be contributed by the Agency pursuant to Section 3.5, plus the assumption of responsibility for any unpaid, future Assessment District assessments on such land.

Section 4.3 Payment of Development Impact Fees.

(A) Non-residential Development. Agency will pay to City on Developer's behalf any City development impact fees, ("**Development Impact Fees**") then in effect for all non residential components of each Phase (i.e. retail, commercial, conference-hotel, and office development) or shall reimburse Developer for Developer's payment of such Development Impact Fees at the time such fees are due. Developer will pay all other customary City fees and charges and the customary fees and charges of all other governmental agencies including, but not limited to, full school mitigation fees and county facility development impact fees.

(B) Residential Development. Developer shall pay all Development Impact Fees then in effect for the residential components of each Phase plus any and all other customary fees and charges of the City and other governmental agencies (including, but not limited, the full mitigation fees required by any local school district, which may be higher than the statutorily-prescribed school mitigation fees).

Section 4.4 Limitations on Development Until Nut Tree Overpass Widening.

City, Agency, and Developer acknowledge and agree that development beyond the first approved minimum twenty (20) acres of the Property (including any land that may become available to and purchased by Developer as a result of City's realignment of East Monte Vista Avenue) may be limited and, in fact, may not be possible at all unless and until the Nut Tree overpass and I-80 ramps are widened or otherwise improved. Said overpass and ramp improvements will be made at the expense of City and it is anticipated that construction of said improvements may begin in Spring 2004 and completed in Spring 2005. However, it is anticipated that the new bridge as well as the realignment of East Monte Vista Avenue will be open for the public, and will accommodate four (4) lanes of traffic by December 2004. The City will commit to this schedule, provided that the Developer purchases the Phase I Property by January 1, 2004 so that the City may sell Assessment District bonds and solicit bids for these projects. The Parties recognize that said improvements are subject to the design and approval of the State of California and, therefore, no representations can be made relative to the actual date such improvements will be approved, constructed, or opened for public use.

Section 4.5 Use of Tradenames and Trademarks.

Developer will develop the Property in furtherance of the historical Nut Tree properties. In furtherance of this, Agency will allow Developer and owners and operators of businesses located within the Project to the exclusive use the Nut Tree trademarks and tradenames to the extent such marks, names and other intellectual property rights are held by Agency, with the understanding that such marks, names and other rights shall remain the property of Agency until such time as Developer has acquired seventy-five percent (75%) of the Project, at which time, the Agency agrees to transfer to Developer all Nut Tree trademarks and tradenames for no additional consideration. Agency shall assist Developer in evaluating the extent of the Agency's interest in such trademarks and tradenames by providing, at Developer's request, copies of all contracts, federal filings and other documentation relative to such matters.

ARTICLE 5
DEVELOPER PRE-CONDITIONS TO DEVELOPMENT

Section 5.1 Conditions Precedent.

As conditions precedent to the Close of Escrow for any portion of the Property to be conveyed for each Phase, each condition set forth in the Sections of this Article 5 must first be met by the times specified for such conditions, by a

date that will allow the Close of Escrow to occur by those dates set forth in Section 2.2 above, and in accordance with the Schedule of Performance, for each Phase of development, or this Agreement may be terminated pursuant to Article 10, below.

Section 5.2 Deposits.

(A) Upon the execution of this Agreement, the fifty thousand dollars ($50,000) previously deposited by Developer pursuant to the terms of that certain agreement entitled "**Agreement Between the Vacaville Redevelopment Agency, Snell & Co., and Rockwood Capital, LLC Regarding the Exclusive Right to Negotiate a Disposition and Development Agreement for the Former Nut Tree Property**", dated October 23, 2002, shall remain on deposit with Agency. The deposit shall be applied towards the purchase price of the first parcel or parcels in Phase I.

(B) For each subsequent Phase of development, Developer shall also deposit with Agency the sum of fifty thousand dollars ($50,000), which will be credited towards the purchase price of parcels within such Phase. The fifty thousand dollars ($50,000) for each Phase shall be deposited with the Agency on or before the date Developer submits an application for any planning approval to the City (e.g. design review application) with respect to such Phase.

(C) If Developer fails to purchase any portion of the Property within a given Phase by the Close of Escrow date specified in the Schedule of Performance for which the fifty thousand dollars ($50,000) deposit has been made, and such Close of Escrow date has not been extended as provided herein or by the written agreement of the Parties, the Agency shall retain the fifty thousand dollars ($50,000) deposit for each such failure as liquidated damages for the failure of Developer to develop such Phase, it being understood and agreed by the Parties, as signified by their initials below, that the actual amount of damages to be suffered by the Agency as a result of such failure(s) would be extremely difficult to determine and calculate.

Agency Initials _____ City: Initials _____ Developer: Initials _____

(D) If for any reason the escrow for Phase I portion of the Property fails to close by the date scheduled therefore in the Schedule of Performance through no fault of Developer (e.g. if this Agreement is successfully challenged and set aside by a referendum approved

by the voters after having received approval by the Agency Board). Agency shall, upon demand from Developer, promptly return to Developer the fifty thousand dollars ($50,000) deposit required under Subsection (A) above. The deposits required under Subsection (B) shall be non-refundable and shall either be applied towards the purchase price of the property in question or retained as liquidated damages as provided in Subsections (B) and (C) above.

Section 5.3 Preliminary Development Plan.

At the time of the execution of this Agreement, the Developer shall have prepared a Preliminary Development Plan for the Property consistent with the Redevelopment Plan and the Policy Plan. The Preliminary Development Plan shall consist of exhibits and illustrative photographs showing the expected quality and style of the Project, a site plan showing the general location of buildings on the Property, the proposed uses of the Property, and the layout on the Property of parking, landscaping, and pedestrian and vehicular ingress, egress, and access. A copy of the Preliminary Development Plan is attached to this Agreement as Exhibit B.

The Preliminary Development Plan illustrates the quality and type of project expected on the Property, and shall not constitute a binding pre-approval for any specific construction approval. Following execution of this Agreement, the Developer shall prepare subsequent development applications as required by the Policy Plan (planned development application; design review application, etc.) for each Phase of Project development. Such subsequent development applications shall be subject to consistency with the Preliminary Development Plan and compliance with the requirements of the Policy Plan regulations. Developer further agrees to:

(A) Study the feasibility of extending the Nut Tree Train tracks to serve the Stadium and/or the County of Solano Nut Tree Airport.

(B) Heighten the façade of the Lifestyle Retail buildings and to work with the Agency to explore the feasibility of adding second story residential units, office and/or retail space, above all or some of the Lifestyle Retail buildings. The Agency may, but shall not be required to, participate in funding such second story residential units, office and/or retail space.

(C) Develop family recreation uses such as miniature golf and batting cages

Section 5.4 Application for City Permits and Other Approvals.

(A) Developer shall apply to the City, or any other public agency having jurisdiction or regulatory control over the Property including, but not limited to, the Solano Irrigation District, for all necessary permits and approvals (including design review, grading, and encroachment permits) necessary for the construction of the Improvements for each Phase of development consistent with the Policy Plan and the Preliminary Development Plan in accordance with the timetables set forth in Section 2.3 and the Schedule of Performance and shall diligently and in good faith pursue and obtain such permits and approvals no later than ninety (90) days following application therefore, except for building permits, which shall be obtained in accordance with Section 5.5(B), below. If such permits and approvals have not been obtained by Developer within such time period despite Developer's good faith efforts, then this Agreement may be terminated pursuant to Section 10.2, below.

(B) Prior to the Close of Escrow for any Phase of development, Developer shall, at its sole cost, prepare the subdivision or parcel map for the creation of a new legal parcel consisting of the portion of the Property to be developed for the Phase in question. This process shall be followed by the Parties relative to each Phase of development of the Property.

Section 5.5 Final Construction Plans; Building Permit.

(A) The final construction plans for the Improvements in all Phases of development ("**Final Construction Plans**") shall consist of all construction documentation upon which the Developer and its contractors shall rely in building the Improvements. The Final Construction Plans shall include (without limitation) final architectural drawings, landscaping plans and specifications, final elevations, building plans and specifications (also known as "**working drawings**"). The Final Construction Plans shall be consistent with the Policy Plan and based upon the Preliminary Development Plan and shall not materially deviate from the Preliminary Development Plan without the written consent of the Agency. The Final Construction Plans shall also be consistent with the relevant provisions of the Vacaville Municipal Code and shall incorporate the appropriate mitigation measures specified in the mitigated negative declaration approved by the City in connection with approval of the Policy Plan.

(B) After applying for a building permit, the Developer shall diligently pursue and obtain such building permit, and no later than sixty (60) days following application therefore, the Developer shall deliver evidence to the Agency that the Developer is entitled to issuance of a building permit upon payment of all development, construction, and permit fees. Only upon delivery to the Agency of such evidence in a form reasonably satisfactory to the Agency Executive Director shall this pre disposition condition be deemed met.

Section 5.6 Financing Plan.

(A) For each Phase of the development of the Property, Developer shall submit to Agency a financing plan ("**Financing Plan**"), which shall consist of the Developer's plan for:

(i.) Firm commitments for interim construction financing and other financing from external sources to assist in financing the development of the Improvements and acquisition of the portion of the Property for such Phase, certified by the Developer to be true and correct. The commitment for construction financing shall be in amounts sufficient to pay all the costs (above those funded by equity) of developing and constructing the Improvements and acquiring such portion of the Property, including (but not limited to) the purchase price and all development, construction and permit fees and charges to be paid by the Developer. If a commitment, preliminary commitment, or letter of interest for permanent financing has been obtained, that information shall be included in the Financing Plan.

(ii.) A financial statement or other evidence in a form reasonably satisfactory to the Agency Executive Director demonstrating that the Developer has sufficient additional capital funds available and is committing such funds to cover the difference, if any, between the costs of development of the Improvements and acquisition of such portion of the Property and the amount available to the Developer from external sources.

(iii.) To the extent known, the tenants proposed for the non-residential portions of the Project (e.g. retail, commercial, hotel, restaurant, office, etc.) to be constructed as part of the Phase in question.

(B) No later than the time set forth in the timetables set forth in the Schedule of Performance, as may be extended herein, the Developer shall submit a proposed Financing Plan to the Agency

Executive Director for the development of each parcel within the Phase to be conveyed hereunder. Upon receipt by the Agency Executive Director of the proposed Financing Plan, the Director shall promptly review the proposed Financing Plan and approve or disapprove it. The Director's review of the proposed Financing Plan shall consist of determining if the financing contemplated in the Financing Plan: (1) provides sufficient funds to develop the Improvements; (2) is documented in the form of firm commitments customary for all such funding with only such conditions to funding as are reasonably acceptable to the Director; and (3) will be provided on terms consistent with this Agreement. If the proposed Financing Plan is not approved by the Director, then the Director shall notify the Developer in writing of the reasons for disapproval. The Developer shall thereafter submit to the Director a revised proposed Financing Plan within thirty (30) days of the notification of disapproval. The Director shall promptly approve or disapprove the revised proposed Financing Plan based on items (1) through (3) in this paragraph. Only upon approval of a Financing Plan by the Director shall this pre disposition condition be deemed met.

(C) The foregoing notwithstanding, the Agency agrees to make reasonable changes to this Agreement at the reasonable request of lenders and other external sources providing financing in connection with a Financing Plan prepared for any portion of the Property to be conveyed hereunder.

Section 5.7 Evidence of Availability of Funds.

Within ten (10) days following the satisfaction of all conditions for issuance of a City building permit other than the payment of permit fees, the Developer shall submit to the Agency Executive Director evidence reasonably satisfactory to the Director that any conditions to the release or expenditure of funds described in the approved Financing Plan have been met or will be met at the Closing and that such funds will be available at and following the Closing for constructing the Improvements and purchasing the Property. With respect to any funds to be provided from any source other than a commercial lender, the evidence shall include evidence that the funds to be provided have been (or at the Closing will be) set aside in an account or accounts restricted for use for the purposes set forth in the approved Financing Plan.

Section 5.8 Insurance.

Within ten (10) days following the satisfaction of all conditions for issuance of a building permit other than the payment of permit fees in accordance with Section 5.7, the Developer shall submit to the Agency Executive Director evidence that the insurance requirements of this Agreement have been met.

Section 5.9 Full Service Conference Center/ Hotel Operator.

In connection with the development of the full service Conference Center/Hotel, the Developer shall submit to the Agency Executive Director a franchise operator proposal for said Full Service Conference Center/Hotel ("**Franchise Operator Proposal**") at least sixty (60) days prior to the proposed commencement of construction of such full-service Conference Center/Hotel. Upon the Director's receipt of the Franchise Operator Proposal, the Director shall review the Franchise Operator Proposal and approve or disapprove it within fifteen (15) calendar days of its receipt. Among other things, the Director may consider: (1) the quality of the franchising organization, (2) the conditions of the franchising organization's obligation to issue the franchise, and (3) any other factors reasonably relevant to the Agency's interest in having the Hotel affiliated with a first class hotel chain through a Franchise Agreement. If the Franchise Operator Proposal is not approved by the Director, then the Director shall notify the Developer in writing of the reasons for disapproval. The Developer shall thereafter submit to the Director a revised Franchise Operator Proposal within fifteen (15) days of the notification of disapproval. The Director shall approve or disapprove the revised Franchise Operator Proposal within fifteen (15) days of receipt based on items (1) through (3) in this paragraph. If the Director disapproves the revised-Franchise Operator Proposal, then the Agency shall have the right, pursuant to Section 10.4 to terminate the obligations to the Agency and the Developer under this Agreement with respect to the development of a Full Service Conference Hotel. Only upon approval of a Franchise Operator Proposal (and subsequent execution of an agreement by the Developer and the franchising organization) shall this pre-disposition condition be deemed met.

Section 5.10 Temporary Parking in Stadium Area; Removal of Temporary Stadium Parking Easement on Nut Tree Property; Developer's Obligation to Stripe Stadium Parking Lot and make Minor Repairs; Access to Stadium During Construction of Nut Tree Road Extension; Avoidance of Disruption of Utility Service to Stadium; Harbison House.

Agency has entered into an agreement with adjoining property owners to: (1) allow Agency to use the Stadium parking lot for Project parking from 6:00 A.M. until 6:00 P.M., on weekdays, and (2) to eliminate the existing temporary parking easement on the Property, which allows parking in the parking area near the former Nut Tree restaurant by users of the Stadium. Said agreement (entitled "**Agreement Relating to the Sale of Property from Flying Squirrel Entertainment, LLC to BC Stadium, LLC**") was recorded on May 7, 2002, as instrument number 2002-00057501, in the Official Records of the County of Solano ("**Stadium Agreement**"). Pursuant to the terms of the Stadium Agreement, Agency shall grant to Developer the right to use the Stadium parking lot in accordance with the Stadium Agreement and this Agreement. First priority

shall be given to meeting the parking needs for the Conference Center/Hotel. However, as determined in the reasonable discretion of the Agency to the extent the parking needs of the Conference Center/Hotel are met and spaces in the Stadium parking lot remain available for use by Developer under this Agreement, Developer may be entitled to allocate such excess parking for office and retail uses within the Project.

Developer shall be obligated to make minor repairs (such as patching/filling potholes) and to paint parking stall stripes on the Stadium parking lot as required by Section 2 of the Stadium Agreement. Such repairs and improvements will be made one (1) time only by Developer and are temporary in nature pending construction by the Stadium owner of the permanent Stadium parking lot. Developer's duty to make such repairs and improvements shall not arise until Developer has notified Agency of Developer's need to use the Stadium parking lot, in which case Developer shall make such repairs and improvements prior to such use of the Stadium parking lot.

If access to the Stadium is restricted during the construction of the Project and/or the improvements funded by the Nut Tree Assessment District, Developer agrees to provide a temporary access to the Stadium through the Property in accordance with Section 3.4 of this Agreement. Developer shall determine the route and location of such temporary access, which obligation shall be in effect only for such time as Stadium access is disrupted by development of the Property and/or Nut Tree Assessment District improvements. Developer shall coordinate its construction of the Improvements with the Stadium owners and City. Developer shall reasonably avoid disruption of those utility services that currently pass through or across the Property to serve the Stadium and Harbison House.

ARTICLE 6
AGENCY AND/OR CITY RESPONSIBILITIES

Section 6.1 Prior Agency Activities.

Prior to execution of this Agreement, the Agency Board and the City Council held a public hearing on and approved this Agreement. In connection with that approval, the Agency Board and the City Council approved this Agreement pursuant to Health & Safety Code Section 33433 and found that the California Environmental Quality Act had been satisfied by completion and certification of the Environmental Impact Report prepared in connection with the Policy Plan.

Section 6.2 Agency and City Assistance.

(A) The Agency and City shall provide reasonable assistance to the Developer in obtaining any City permits and approvals and all other permits, approvals, and "will serve" letters necessary for construction of the Improvements. For example, the Agency shall arrange and facilitate meetings between the Developer and the City's Planning Division staff, and contribute ideas and potential solutions at such meetings. In addition, the Agency shall participate actively in such meetings to the extent determined reasonably necessary by the Agency Executive Director.

(B) The Developer understands and acknowledges that execution of this Agreement in no way limits the discretion of the City or any other government agency in the permit and approval process.

Section 6.3 Signage.

(A) Developer acknowledges that the existing Southern Pylon Sign and Northern Pylon Sign shall be removed accordance with Section 3.4 above. Developer, however, shall use its best faith effort to preserve and utilize the existing panels on both the Northern and Southern Pylon Sign and shall bear the cost of removing and re-using the panels of such Pylon Sign. The Developer shall be allowed signage on the Property consistent with the Policy Plan and City's citywide sign program, as may be adopted and amended by City from time to time.

(B) The main building on the Property is the former "Nut Tree" restaurant and gift shop building, located along East Monte Vista Avenue and parallel to I-80. The southern wall of this building currently includes a large "Nut Tree" sign that faces I-80. Developer shall not remove, alter, relocate, or destroy this sign until a plan of removal and disposition for the sign has been approved in writing by Agency's Executive Director.

ARTICLE 7
DISPOSITION OF PROPERTY

Section 7.1 Purchase and Sale.

Subject to the terms and conditions of this Agreement, the Agency and City shall sell the Property to Developer, and Developer shall purchase the Property from the Agency and City. The Property shall be conveyed by grant deeds in substantially the form attached hereto as Exhibit D.

Section 7.2 Purchase Price.

The purchase price of the Property shall be as set forth in Section 4.2 and shall be payable as follows. At the Close of Escrow for the portion of the Property to be conveyed, the deposit required under Subsections 5.2(A) and (B) shall be credited towards the purchase price of such portion of the Property and Developer shall pay the balance of the purchase price in cash.

Section 7.3 Opening Escrow.

To accomplish the conveyances of the Agency Property and/or City Property, the Parties shall establish an escrow for each sale with the Escrow Holder and shall execute and deliver to the Escrow Holder written instructions that are consistent with this Agreement.

Section 7.4 Close of Escrow; Building Permit; Conveyance of Property.

The Close of Escrow for each sale shall occur no later than thirty (30) days after the completion of all predisposition conditions set forth in Article 5 relating to the particular sale, but in no event later than those dates set forth in the Schedule of Performance for the portion of the Property to be conveyed, subject to extension as provided herein. At the Close of Escrow, the Agency shall convey such portion of the Property, and the Developer shall accept conveyance of the property conveyed pursuant to the grant deed. Prior to the Close of Escrow for such portion of the Property, the Developer shall have obtained a City building permit for the Improvements to be constructed by Developer on such portion of the Property.

Section 7.5 Condition of Title.

Each portion of the Property conveyed hereunder shall be conveyed free of all liens, encumbrances, clouds, conditions, and rights of occupancy and possession, except the Permitted Exceptions for the Property set forth in Exhibit E or as otherwise agreed to in writing by the Parties.

Section 7.6 Condition of the Property.

Each portion of the Property shall be conveyed to the Developer in "as is" condition such that: (i) environmental and hazardous materials remedial work or mitigation, if any, will be the responsibility of Developer, and (ii) Developer will accede to (and the Agency and the City will assign to Developer) any rights the Agency or City may have and against any prior owner or occupant or existing tenant (excluding the City or Agency and any of its other entities) of the Property for such remedial work or mitigation. Neither the Agency nor City shall be responsible for demolition, site preparation, removal or placement of improvements, soil conditions (including soil conditions relating to hazardous or toxic materials), or removing any subsurface obstruction or correcting any subsurface condition. Except as set forth specifically to the contrary in this Agreement, neither the Agency nor City shall have any responsibility for the suitability of the Property for the development of the Improvements, and if the conditions of the Property are not entirely suitable for the development of the Improvements, then the Developer shall put the Property in a condition suitable for the Improvements to be constructed. Developer waives any right of reimbursement or indemnification from the Agency or City for the Developer's costs related to any physical conditions on the Property whether known or unknown existing at or before the time of sale. Except as expressly set forth in this Agreement, neither Agency nor City has any actual knowledge of any hazardous or toxic materials on the Property that currently require remediation or removal in order to develop and use the Property for the uses contemplated by this Agreement. It is the obligation of Developer to undertake such inspections and due diligence that it determines necessary and appropriate to evaluate the condition of the Property and its suitability for development. If, during the construction of the Improvements, the Developer is required by a regulatory agency with jurisdiction over the Property to remediate or remove any hazardous or toxic materials that are on the Property, any and all such costs of remediation or removal shall be borne by Developer. Neither Agency nor City will have any responsibility for any remediation or removal of any hazardous or toxic materials on the Property, although Developer may seek such monetary contribution that may be the responsibility of the Agency's predecessors in interest to the Property. Developer shall also be responsible for any additional costs Developer may incur as a result of the presence of any archeological or cultural artifacts discovered on the Property during the construction of the Improvements; neither the Agency nor the City has actual knowledge of the presence of either on the Property.

As signified by their initials below, the Agency has advised the Developer of the existence of the Environmental Impact Report ("**EIR**") for the development of the Property and Developer has read the EIR and acknowledges that the conditions and hazards identified in the EIR may limit the Developer's ability to develop the Property, to obtain insurance, or to receive assistance after a disaster, and the Developer will obtain professional advice regarding such hazards and conditions.

Agency Initials _____ Developer Initials _____

Section 7.7 Shell Gas Station Property, Chevron Gas Station Property, Wetlands Mitigation, Aircraft Fuel Contamination, Agricultural Use of Property.

Insofar as is known to City and Agency, the following conditions may limit or affect Developer's ability to develop or use the Property and may require the removal or remediation of land or mitigation of environmental impacts by Developer:

(A) There is an existing and presently operating Shell Gas Station with an existing lease ("**Shell Lease**"). At present, the Shell Gas Station is owned by TKG Airport Road, LLC ("**TKG**") and shall continue to exist until the present term of the Shell Lease expires in July 2004, or earlier if the parties to the Shell Lease mutually agree to terminate the Shell Lease earlier. TKG is obligated to convey said property ("**Shell Property**") to Agency pursuant to the provisions of that certain "Agreement for the Acquisition and Exchange of Nut Tree Land and Intangibles in the City of Vacaville and other Related Matters between Agency, City and TKG Nut Tree, LLC, and TKG Airport Road, LLC", dated November 8, 2000 ("**TKG Agreement**"), contains provisions for the remediation of any contamination on or about the Shell Property by the Shell Oil Company or TKG, and that TKG is responsible for any and all environmental mitigation, clean up, and/or remediation necessary as a result of or arising from the operation of the Shell Gas Station, should the Shell Oil Company or current tenant of the Shell Property not take responsibility for said environmental mitigation, clean up and/or remediation, as required by the Shell Lease. In addition, the TKG Agreement provides that should clean-up and remediation of the Shell Property not be completed and approved by the Solano County Office of Environmental Management, and any and all other necessary governmental entities, by the time that Agency or City needs possession of the Shell Property, then Agency or City may, at Agency's or City's sole discretion, complete the clean up and

remediation with all costs of such clean up and remediation and any and all other associated or related costs to be paid by and be the responsibility of TKG.

(B) There was a Chevron Gas Station previously operating on a portion of the Property, which site is presently under monitoring for potential remediation of hazardous or toxic materials.

(C) Wetland mitigation measures may be required for development of the Property.

(D) Aircraft fuel contamination is known to exist on the Stadium parking lot. Neither City nor Agency know the extent of such contamination or what costs, if any, Developer will incur relative to this issue should there be migration of such hazardous or toxic materials to surrounding properties. Nothing in this Agreement is intended to impose on Developer any responsibility for the investigation or remediation of any contamination on the Stadium parking lot, excluding any investigation or remediation arising from or in connection with Developer's occupancy or use of the Stadium parking lot as permitted herein.

(E) Developer understands and acknowledges that the Property was in agricultural use historically and, thus, there may be residual pesticides and other hazardous or toxic materials that may require removal or remediation by Developer in order to develop or use the Property.

Section 7.8 Costs of Escrow and Closing.

AD VALOREM TAXES, IF ANY, FOR THE PROPERTY SHALL BE PRORATED AS OF THE CLOSING DATE FOR EACH PORTION OF THE PROPERTY TO BE CONVEYED HEREUNDER. THE LIEN OF ANY BOND OR ASSESSMENT EXISTING ON THE PORTION OF THE PROPERTY CONVEYED SHALL BE PRORATED AS OF THE CLOSING DATE. THE PARTY REQUESTING OR OBTAINING TITLE INSURANCE SHALL PAY THE COST OF SUCH INSURANCE. ALL OTHER COSTS OF ESCROW (INCLUDING, WITHOUT LIMITATION, ANY ESCROW HOLDER'S FEE, COSTS OF TITLE COMPANY DOCUMENT PREPARATION, RECORDING FEES, AND TRANSFER TAX) SHALL BE BORNE ONE-HALF (1/2) BY THE AGENCY AND ONE-HALF (1/2) BY THE DEVELOPER.

Section 7.9 Title Insurance.

At the Close of Escrow for each portion of each Phase of the Project, the title company shall issue to Developer or its Affiliate, an ALTA Form B-1970 Extended Coverage Owner's Policy of Title Insurance (the "Title Policy"), in the amount of the purchase price of the portion of the Property being transferred, containing Developer's endorsements, insuring Developer or its Affiliate as owner of good, marketable and indefeasible fee simple title to the portion of the Property being transferred, and subject only to the Permitted Exceptions. The Agency shall pay for the ALTA portion of the premium for the Title Policy and Developer shall pay for the increased cost of such Title Policy to meet the requirements herein set forth, including the cost of Developer's endorsements, the costs of any survey(s) and legal description(s) that the title company requires for issuance of the Title Policy, and for the cost of any other increase in the amount or scope of title insurance if requested by Developer or its Affiliate.

ARTICLE 8
CONSTRUCTION OF IMPROVEMENTS.

Section 8.1 Conditions Precedent to Commencement of Construction.

The Developer shall not commence any construction of the Improvements save and except for the demolition work and other site preparation, as provided for in Sections 2.2 and 2.3, until: (a) Developer has first received Agency's written approval of the Final Construction Plans; and (b) the Close of Escrow. Any breach of this Section by Developer shall afford the Agency its rights and remedies under Article 10 of this Agreement. This limitation on the commencement of construction, however, shall not apply to the construction of Improvements funded by the Nut Tree Assessment District if Developer becomes responsible for the construction work to be performed by the Assessment District, as provided in Section 3.5, above.

Section 8.2 Commencement of Construction.

The Developer shall commence construction of the Improvements in accordance with the timetables set forth in the Schedule of Performance. Developer shall seek, and City and Agency shall issue upon standard conditions, necessary rights of entry to undertake development activity on those portions of the Property that have not yet been purchased by Developer and closed escrow, including the right of Developer to stage construction on portions of the Property not yet acquired by Developer as long as it does not conflict with the City's Nut Tree Road overcrossing project or the Assessment District project and Developer indemnifies, defends and holds the Agency and City harmless from any claim or liability arising from such use of the Property. In connection with this staging, Developer agrees to obtain an Agency Right of Entry Agreement including

providing proof of insurance to the mutual satisfaction of Developer, City and Agency with respect to any such off-site staging.

Section 8.3 Completion of Construction.

Subject to extension of time for (1) enforced delay pursuant to Sections 8.11 and 14.3 below, and (2) as permitted herein, the Developer shall diligently prosecute to completion the construction of Improvements and the Project in accordance with the Schedule of Performance and the terms of this Agreement.

Section 8.4 Construction Pursuant to Plans.

Unless modified by operation of Section 8.5 below, all work of construction and development of the Improvements thereon shall be done in accordance with the approved Final Construction Plans.

Section 8.5 Material Change in Plans.

If the Developer desires to make any material change in the Final Construction Plans, the Developer shall submit the proposed change to the Agency for its prior written approval. If the Final Construction Plans, as modified by any proposed change, conform to the requirements of this Agreement, the Agency shall approve the change by notifying the Developer in writing of the approval. Unless such proposed change is rejected by the Agency within seven (7) calendar days after its receipt of same, such change shall be deemed to have been approved by Agency. If rejected by Agency within such time period, the previously-approved Final Construction Plans shall continue to remain in full force and effect. Notwithstanding the aforementioned, Developer shall be entitled to make changes (including customary field changes) in the Developer's Final Construction Plans which are non material without first obtaining prior written consent of the Agency.

Section 8.6 Development In Compliance With Law.

The Developer shall cause all construction to be performed in compliance with: (a) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, and (b) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other official of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Developer shall be responsible to the Agency for the procurement and maintenance thereof, as may be required of the Developer and all other persons or entities engaged in work on the Property.

Section 8.7 Certificate of Completion.

Promptly after completion of the Improvements (on any parcel within a Phase) in accordance with those provisions of this Agreement relating solely to the obligations of the Developer to construct the Improvements, the Agency shall provide an instrument so certifying the completion of those Improvements ("Certificate of Completion"). These certifications shall be conclusive determination that the covenants in this Agreement with respect to the obligations of the Developer to construct the Improvements on such Phase have been met. The certification shall be in such form as will enable each certificate to be recorded among the Official Records of the County of Solano. Such certifications and determinations, however, shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a deed of trust securing money loaned to finance the Improvements, and shall not be deemed a notice of completion under the California Civil Code.

Section 8.8 Right of Access.

During the period of construction of the Improvements, representatives of the Agency and the City shall have reasonable right of access to the Property upon twenty-four (24) hours prior notice to the Developer, during normal construction hours to ensure compliance with the provisions of this Agreement, including (but not limited to) the inspection of the work being performed in constructing the Improvements. Such representatives of the Agency and the City shall be those who are so identified in writing by Agency's Executive Director and the City Manager. The entry of such representatives of the Agency and the City onto the Property shall be subject to, and consistent with, reasonable rules and regulations of the general contractors(s) hired by the Developer to construct the Improvements on the Property.

Section 8.9 Prevailing Wages.

When the Improvements which are considered to be Public Works under State law are constructed, the Developer shall and shall cause the contractor and subcontractors to pay prevailing wages in the construction of the Improvements as those wages are determined pursuant to Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations and comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations. The Developer shall and shall cause its contractor and subcontractors to keep and retain such records as are necessary to determine that prevailing wages have been paid as required by law. Copies of the currently applicable per diem prevailing wages are available from the City of Vacaville Public Works Department, 650 Merchant Street, Vacaville, California. During the construction of the Improvements, Developer shall or shall cause its contractor to post at the Property the applicable prevailing rates of per diem wages. Developer shall

indemnify, hold harmless and defend (with counsel reasonably acceptable to the Agency and City) the Agency and the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Developer, its contractors and subcontractors) to pay prevailing wages as required by law or to comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations in connection with construction of the Improvements or any other work undertaken or in connection with the Property.

Section 8.10 Cost of Development

Except as expressly set forth herein to the contrary, the Developer is solely responsible for all costs of construction of the Improvements for each Phase of development.

Section 8.11 Extension of Time of Performance.

The time for performance by Developer of its obligations under this Agreement shall be extended where delays in such performance are caused by one or more of the following events:

(A) Infrastructure Capacity. Beyond the land needed for Phase I, the timing and amount of development proposed pursuant to the entitlements which ultimately may be granted by the City shall be subject to the availability and capacity of future traffic circulation, water, sewer, and other public facilities capacities. If the timing or amount of development is delayed or reduced due to limitations on the availability of infrastructure to serve development, then the time limits and times for the start and completion of development set forth herein will be extended for a period of time equal to the delay caused by the unavailability of infrastructure capacity.

(B) Public Agency Delay. Developer shall not be deemed to be in default in the performance of its obligations pursuant to Sections 3.1(C), 3.3, 3.4, 4.4, 5.4(A) and 14.3 of this Agreement where delays are caused by one or more public agencies or other third parties under City or Agency direct control, provided that Developer has acted in good faith and in a reasonable manner with respect to such delay. In the event that time limits under this Agreement, as extended, are delayed due to such events, omissions or delays by public agencies or other third parties under City or Agency direct control, with respect to Sections 3.1(C), 3.3, 3.4, 4.4 5.4(A) or 14.3, time limits and times for completion of development set forth herein shall be extended for the period of time equal to the delay caused

by such public agencies or other third parties under City or Agency direct control.

ARTICLE 9
ASSIGNMENT AND TRANSFERS

Section 9.1 Definitions.

As used in this Article 9, the term "**Transfer**" means:

(A) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to this Agreement or of the Property or any part thereof or any interest therein or of the Improvements constructed thereon, or any contract or agreement to do any of the same; or

(B) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to any ownership interest in the Developer or any shareholder in the Developer, or any contract or agreement to do any of the same.

Section 9.2 Purpose of Restrictions on Transfer.

This Agreement is entered into solely for the purpose of development and operation of the Improvements on the Property and its subsequent use in accordance with the terms of this Agreement. The qualifications and identity of the Developer are of particular concern to the Agency and City, in view of the importance of the redevelopment of the Property to the general welfare of the community. It is because of the qualifications and identity of the Developer that the Agency and City are entering into this Agreement with the Developer and that Transfers are permitted only as provided in this Agreement.

Section 9.3 Transfers Prohibited.

(A) The limitations on Transfers set forth in this Article 9 shall apply from the date of this Agreement until the issuance of a Certificate of Completion of the last of any Phase of development undertaken pursuant to this Agreement. Subject to Section 9.4 below, neither Developer nor a Qualified Transferee shall make or create any Transfer, either voluntarily or by operation of law, of any parcel within a Phase prior to the recordation of a Certificate of Completion with respect thereto pursuant to Section 8.7 without the prior approval of the Agency and City, which may be granted or denied in the Agency and City's sole discretion. Any Transfer made in contravention of this Section 9.3 shall be void and shall be deemed to be a material default of this Agreement by Developer.

(B) Notwithstanding Section 9.3(A) above, no approval of the Agency and City shall be required with respect to a Transfer of a security interest in the Property through a deed of trust or similar instrument for the benefit of a lender making a loan identified in an approved Financing Plan for any property within a Phase. Similarly, no approval of the Agency and City shall be required in the event of a foreclosure on a Security Financing Interest as described in Section 12.1 below.

Section 9.4 Permitted Transfers. The following Transfers shall be permitted, notwithstanding the provisions of Section 9.3:

(A) Developer may permit the Transfer of Developer's rights and obligations hereunder to develop and own one (1) or more legal parcels within a Phase to an Affiliate of Developer if Developer notifies the Agency of the proposed Transfer or acquisition at least thirty (30) days in advance of the consummation thereof, identifying the transferor and transferee and providing such information regarding the transferee as shall reasonably require to establish that such transferee is an Affiliate of Developer.

(B) Developer may Transfer to a Qualified Transferee Developer's rights and obligations hereunder to develop and own one (1) or more parcels within a Phase if it complies with the following conditions: (1) Developer submits to the Agency a description of the proposed Transfer, including the Qualified Transferee and the interest being transferred, in such detail as the Agency shall reasonably request, and obtains the Agency's written consent, which consent may be granted or withheld in the Agency's reasonable discretion, to the proposed Transfer and the Qualified Transferee; and (2) the Qualified Transferee agrees to assume the obligations of Developer under this Agreement with respect to the interest being transferred in form and substance satisfactory to the Agency and City, including without limitation the obligations of Developer to finance, construct and lease the Improvements contemplated for the interest being transferred.

(C) Any owner of a legal parcel within the Property may transfer all or any portion of or interest in such parcel at any time after a Certificate of Compliance has been issued with respect to such parcel, without the need for notice to or consent of the Agency and City.

A Transfer to a Qualified Transferee (which has been approved by Agency as provided herein) shall release Developer from its obligations under this Agreement with respect to the portion of the Property so transferred, and no

breach of this Agreement by a Qualified Transferee shall permit the exercise of any remedy against Developer. Otherwise, no Transfer permitted herein shall release Developer of any of its obligations hereunder, except as otherwise permitted herein, unless the Agency and City agree in writing to such release.

ARTICLE 10
DEFAULT AND GENERAL REMEDIES

Section 10.1 Application of Remedies.

The provisions of this Article 10 shall govern the Parties' remedies for breach or failure under this Agreement.

Section 10.2 No Fault of Parties.

The following events constitute a basis for a Party to terminate this Agreement with respect to any Phase without the fault of the others:

(A) The Developer, despite good faith efforts, is unable to obtain any City permits or approvals it desires or needs with respect to such Phase within the time and in the manner specified in Article 2.

(B) The Agency or City, despite good faith efforts, is unable to convey the Property or any portion thereof to the Developer within the time and in the manner specified herein, and the Developer is otherwise entitled to such conveyance.

(C) The City fails to grant the land use and planning approvals necessary for development of the Property as contemplated by this Agreement.

Upon the election of the terminating Party pursuant to this Section 10.2, this Agreement may be terminated as to the Phase in question (except for any portion of such Phase already conveyed to Developer and diligently under construction or as to which a Certificate of Completion has been issued) by written notice to the other Parties. After a termination pursuant to this Section 10.2, any costs incurred by a Party in connection with this Agreement or the Improvements shall be completely borne by such Party and no Party shall have any rights against or liability to the other, except with respect to the return of the deposit required under Section 5.2(A) above, the delivery of plans and documents, and those provisions of this Agreement that recite that they survive termination of this Agreement.

Section 10.3 Fault of Agency or City.

Except as to events constituting a basis for termination under Section 10.2 above, each of the following events, if uncured after expiration of the applicable cure period, shall constitute a material breach of this Agreement by Agency or City:

(A) Except as provided in Section 10.2 above, the Agency or City without good cause fails to convey a portion of the Property within the time and in the manner specified herein, and the Developer is otherwise entitled to such conveyance.

(B) The Agency or City breaches any other material provision of this Agreement.

Upon the happening of an event described in this Section 10.3, the Developer shall first notify the Agency or City in writing of the purported breach or failure, and the Agency or City, as the case may be, shall have thirty (30)-days from receipt of such notice to cure such breach or failure or, if such breach or failure cannot be cured within such thirty (30)-day period, commence the cure within such time period and diligently and thereafter within a total of no more than ninety (90) days prosecutes such cure to completion. Notwithstanding the foregoing, Developer shall have no right of termination if, within such thirty (30)-day period, the Agency or the City (as the case may be) notifies Developer of the election of Agency or the City (as the case may be) of the election of Agency or the City to cure such breach and thereafter, within a total of no more than ninety (90) days after Developer's original notice, diligently prosecutes such cure to completion, to the reasonable satisfaction of Developer. If the Agency or City does not cure the breach or failure within such period or notify Developer that it disputes that a breach or failure has occurred, then the breach or failure shall constitute an material breach of this Agreement, in which case Developer shall be entitled to avail itself of any rights or remedies afforded it in law or in equity.

Section 10.4 Fault of Developer.

Except as to events constituting a basis for termination under Section 10.2 above, each of the following events, if uncured after expiration of the applicable cure period, shall constitute a material breach of this Agreement by Developer.

(A) Any condition in Article 2 and 3 is not satisfied within the time periods as they may be extended as provided herein and in the manner specified in this Agreement, except with respect to Phase IV (as provided in Section 2.2).

(B) The Developer does not attempt diligently and in good faith to cause satisfaction of all Developer obligations and conditions set forth in this Agreement.

(C) The Developer fails to pay the Agency or City any amount due to the Agency or City under the provisions of this Agreement within the time and in the manner specified herein.

(D) The Developer refuses for any reason (including, but not limited to, lack of funds) to accept conveyance from the Agency of a portion of the Property within the time and in the manner specified in this Agreement.

(E) The Developer attempts or completes a Transfer except as permitted under Article 9.

(F) The Developer breaches any other material provision of this Agreement.

Upon the happening of any event described in this Section 10.4, the Agency or City shall first notify the Developer in writing of the purported breach or failure, and the Developer shall have thirty (30) days from receipt of such notice to cure such breach or failure or, if such breach or failure cannot be cured within such thirty (30)-day period, commence the cure within such time period and diligently and thereafter within a total of no more than ninety (90) days prosecutes such cure to completion. However, neither the Agency nor the City shall have a right to exercise any of the following remedies (nor shall the Developer be deemed to be in breach) if, within such thirty (30)-day period, Developer notifies the Agency or City, as the case may be, of the election of Developer to cure such breach and thereafter within a total of no more than ninety (90) days after the Agency's or the City's notice, as the case may be, Developer diligently prosecutes such cure to completion, to the reasonable satisfaction of the Agency or the City, as the case may be. If the Developer does not cure the breach or failure within the applicable period or notifies the Agency or City that it disputes that a breach or failure has occurred, then the breach or failure shall constitute a material breach of this Agreement by Developer, in which case the Agency or the City, as the case may be, shall be entitled to avail itself of any or all of the following rights and remedies: (i) terminating in writing this Agreement as to any parcels within a Phase with respect to which the breach occurred and as to any portion of any future Phase that has been conveyed to Developer and which is not actively under construction and being diligently pursued toward completion; (ii) prosecuting an action for damages (unless the Developer breach or failure occurs prior to the Closing of any parcels within a given Phase, in which case the Agency or City's damages shall be limited to the liquidated damages specified in Section 5.2); (iii) seeking specific performance of this Agreement as to the Improvements on any parcel which has been conveyed

to Developer; (iv) obtaining plans, data, and approvals pursuant to Section 10.5 above; or (v) the remedy specified in Article 11 below; any other remedy permitted by law; provided, that under no circumstances shall the Agency or any other person be entitled to recover consequential or punitive damages against Developer or, if such breach or failure cannot be cured within such thirty (30) day period, commences the cure within such time period and diligently and in good faith prosecutes such cure to completion.

Notwithstanding the foregoing, no right of termination by the Agency or City shall affect the rights (or obligations) of any Person to whom a lot in the Phase in question has been transferred in accordance with the terms of this Agreement. For example, if a lot in a Phase has been transferred to a Qualified Transferee that is performing its obligations under this Agreement with respect to such lot, the termination of this Agreement as to Developer with respect to the Phase in which such lot is located, shall not apply to such Qualified Transferee or Qualified Tranferee's rights under this Agreement. In addition, if a material breach occurs with respect to a parcel or parcels which have been transferred to a Qualified Transferee, the remedies in this Agreement pertaining to the material breach shall not apply to or affect the Developer.

Section 10.5 Plans, Data and Approvals.

If this Agreement is terminated pursuant to Sections 10.2 or 10.4 above with respect to a portion of a Phase where a Certificate of Completion has not been issued, then the Developer shall promptly deliver to the Agency with respect to such Phase copies of all plans and specifications for the Improvements, all permits and approvals obtained in connection with the Improvements, and all applications for permits and approvals not yet obtained but needed in connection with or for the construction of the Improvements.

ARTICLE 11
RIGHT OF REVERTER

Section 11.1 Right of Reverter

Following the Close of Escrow for a particular portion of the Property, Developer shall diligently and in good faith pursue completion of the Improvements approved by City and Agency for such portion of the Property in accordance with Section 2.2 and the Schedule of Performance provided for in this Agreement. If Developer (or a Qualified Transferee) fails to complete such Improvements within such time limits (as evidenced by the issuance of a Certificate of Completion by Agency) Agency or City, as the case might be shall have the right to reenter and take possession of such portion of the Property and all Improvements thereon, and to revest in the Agency or City the estate of Developer (or a Qualified Transferee) in such portion of the Property.

Upon revesting in the Agency or City of title to any portion of the Property, the Agency or City shall promptly use its best efforts to resell such portion of the Property consistent with its obligations under state law and/or the Redevelopment Plan. Upon sale, the proceeds shall be applied as follows:

a. First, to reimburse the Agency or the City for any reasonable costs it incurs in managing or selling the Property, including but not limited to amounts to discharge or prevent liens or encumbrances arising from any acts or omissions of Developer or its contractors;

b. Second, to the Developer in the amount of the purchase price Developer paid in cash to purchase such portion of the Property from the Agency or City at the Closing;

c. Third, to the Developer in the amount of the reasonable costs expended by Developer in undertaking the construction of the Improvements on such portion of the Property; and

d. Any balance to the Agency.

The right of reverter contained in this Section 11.1 shall be set forth in the Grant Deed.

Section 11.2 Rights of Mortgagees.

Any rights of the Agency under Section 11.1 above shall not defeat, limit or render invalid any lease, mortgage, deed of trust, or any other security interest permitted by this Agreement or otherwise consented to by the Agency in writing or any rights provided for in this Agreement for the protection of holder of security interests in the Property.

ARTICLE 12
SECURITY FINANCING INTERESTS

Section 12.1 No Encumbrances Except for Development Purposes.

Notwithstanding any other provision of this Agreement, mortgages and deeds of trust, or any other reasonable method of security (including assignment of leases and ground leases to a lender as security for a loan), are permitted to be placed upon the Property or Improvements prior to issuance of a Certificate of Completion pursuant to this Agreement for any lot within any Phase of development without Agency approval, but only for the purpose of securing loans of funds to be used for acquiring the portion of the Property or construction of the Improvements for such parcel within any Phase, and any other expenditures which Developer reasonably believes are necessary and appropriate to develop the Property under this Agreement, and costs and expenses incurred or to be

incurred by the Developer or a Qualified Transferee in furtherance of this Agreement. The Developer shall promptly notify the Agency of any mortgage, deed of trust, sale and leaseback or other financing, conveyance, encumbrance or lien that has been or will be created or attached to any portion of the Property. The words "mortgage" and "deed of trust" as used in this Agreement include all appropriate modes of security for financing real estate acquisition, construction, and land development. Mortgages, deeds of trust, and other reasonable methods of security permitted by this Article Twelve are collectively referred to herein as a "**Security Financing Interest.**"

Section 12.2 Holder Not Obligated to Construct.

The holder of any Security Financing Interest authorized by this Agreement is not obligated to construct or complete any improvements or to guarantee such construction or completion; nor shall any covenant or any other provision in conveyances from the Agency to Developer evidencing the realty comprising the Property or any part thereof be construed so to obligate such holder. However, nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses of Improvements provided for or authorized by this Agreement.

Section 12.3 Notice of Default and Right to Cure.

Whenever the Agency or City pursuant to its rights set forth in this Agreement delivers any notice or demand to the Developer or any permitted Qualified Transferee of Developer with respect to the commencement, completion, or cessation in construction of the Improvements, the Agency shall at the same time deliver to each holder of record of any Security Financing Interest creating a lien upon the Property or any portion thereof a copy of such notice or demand. Each such holder shall (insofar as the rights of the Agency are concerned) have the right, but not the obligation, at the holder's option, within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default or breach by Developer or such Qualified Transferee affecting the Property and to add the cost thereof to the security interest debt and the lien on its security interest. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect such Improvements or construction already made) without first having expressly assumed in writing the Developer's obligations to the Agency under this Agreement. The holder in that event must agree to complete the construction of the Improvements in the manner provided in this Agreement, and submit evidence satisfactory to the Agency that it has the qualification and financial responsibility necessary to perform such obligations. Any such holder properly completing the Improvements pursuant to this Section shall assume all rights and obligations of Developer under this Agreement with

respect to the portion of the Property covered by the holder's lien (and/or that portion of the Property acquired by such holder pursuant to foreclosure of such lien, deed in lien of foreclosure or other means) and shall be entitled, upon written request made to the Agency, to a Certificate of Completion from the Agency.

Section 12.4 Failure of Holder to Complete Improvements.

In any case where a notice of default by the Developer in completion of the Improvements under this Agreement has been given by Agency to the holder of record of any Security Financing Interest, and such holder, having first exercised its option to construct, has not, within one hundred twenty (120) days of such notice, proceeded diligently with construction, the Agency shall be afforded these rights against such holder it would otherwise have against Developer under this Agreement.

Section 12.5 Right of Agency to Cure.

In the event of a default or breach by Developer of a Security Financing Interest prior to the completion of the Improvements, and the holder thereof has not exercised its option to complete the Improvements, the Agency may cure the default or breach, prior to the completion of any foreclosure. In such event, the Agency shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the Agency in curing such default or breach. The Agency shall also be entitled to a lien upon the Property or any portion thereof to the extent of such costs and expenses.

Section 12.6 Holder to be Notified.

The Developer, for itself, its successors and assigns hereby warrants and agrees that each term contained herein dealing with Security Financing Interests and rights of holders thereof shall be either inserted into the relevant deed of trust or mortgage or acknowledged by the holder prior to the holder coming into or obtaining any security right or interest in the Property.

ARTICLE 13
CONTINUING COVENANTS

Section 13.1 Nature of Obligations.

The covenants set forth in this Article 13 as well as the right of reverter specified in Section 11.1 above shall be continuing covenants of Developer and its successors and assigns with respect to the Property and shall be contained in the grant deed conveying the Property or any portion thereof from the Agency or City to Developer.

Section 13.2 Prohibition on Discrimination.

Developer covenants for itself and its successors and assigns that:

(i) There shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, age, marital status, disability, ancestry, or national origin in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the Property nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property. The foregoing covenant shall run with the land; and

In the sale, lease or occupancy of the Property, Developer shall not effect or execute any agreement, lease, conveyance of other instrument whereby the Property, or any part thereof, is restricted upon the basis of race, color, creed, religion, sex, sexual orientation, age, marital status, disability, ancestry, or national origin. Developer, its successors and assigns, shall comply with all federal, state and local laws, in effect from time to time, prohibiting discrimination or segregation by reason of race, color, creed, religion, sex, sexual orientation, age, marital status, disability, ancestry, or national origin.

ARTICLE 14
GENERAL PROVISIONS

Section 14.1 Notices. Demands and Communication.

Formal notices, demands, and communications between the Agency or City and the Developer shall be sufficiently given if, and shall not be deemed given unless, secured personally, or dispatched by certified mail, return receipt requested, or by facsimile transmission or reputable overnight delivery service with a receipt showing date of delivery, to the principal offices of the Agency and City and the Developer as follows:

Agency and City:	Vacaville Redevelopment Agency 40 Eldridge Avenue, Suites 1 5 Vacaville, CA 95688 Attention: Executive Director
Developer:	Nut Tree Associates, LLC PO Box 1121 Ross, CA 94957 Attention: Roger Snell
With a copy to:	Rockwood Capital Real Estate Fund IV, L.P. Two Embarcadero Center, 23rd Floor San Francisco, CA 94111 Attention: Donald L. Clark.

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 14.1. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

Section 14.2 Non Liability of Officials Employees and Agents.

No member, official, employee or agent of the Agency or the City shall be personally liable to the Developer, or any successor in interest, in the event of a material breach of this Agreement by Agency or City or for any amount which may become due to the Developer or successor in interest or on any obligation under the terms of this Agreement.

Section 14.3 Enforced Delay.

The failure by any Party to perform any of its obligations under this Agreement shall not be deemed to be a default hereof where such failure is due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, quarantine restrictions, freight embargoes, lack of transportation, court order, delays due to environmental remediation of the Property, or any other similar causes beyond the reasonable control and without the fault of the Party claiming an extension of time to perform (not including the lack of funds by Developer or the Developer's inability to finance the acquisition of the Property, or any portion thereof, or to construct the Improvements) . An extension of time for any such excusable delay will be deemed granted if notice by the Party claiming such extension of time is sent to the other Party(ies) within ten (10) calendar days of the event giving rise to the excusable delay. Times of performance under this Agreement may also be extended by the written agreement of Parties.

Under the above circumstances, the failure in, performance by any party shall not be deemed to be a default hereof. Further, delay may occur if the City's Nut Tree Road overpass project or the I-80 ramps project are not constructed unless the Vacaville City Council, in exercising its discretion in reviewing and approving environmental review of these proposed projects adopts statements of overriding consideration relative to unmitigated environmental impacts which would allow development of the Property without the proposed overpass and ramp improvements. City and Agency, at their sole discretion, will consider an absence of liquidity in the capital markets as a reason for possible extension of this Agreement.

Section 14.4 Non Discrimination.

In satisfaction of Health and Safety Code Sections 33435 and 33436, the grant deed by which the Property, or any portion thereof may be conveyed, shall prohibit certain discriminatory behavior by the Developer in connection with its use of the Property.

Section 14.5 Time of the Essence.

Time is of the essence in this Agreement.

Section 14.6 Inspection of Books and Records.

The Agency and City shall have the right at all reasonable times to inspect on a confidential basis the books, records and all other documentation of the Developer pertaining to its obligations under this Agreement. The Developer shall also have the right at all reasonable times to inspect the books, records and all other documentation of the Agency and City pertaining to its obligations under this Agreement.

Section 14.7 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any of its provisions.

Section 14.8 Venue.

In the event that suit shall be brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the state courts of the County of Solano or, where otherwise appropriate, exclusively in the United States District Court, Eastern District of California, Sacramento, California.

Section 14.9 Interpretation of Agreement.

Each party has reviewed this Agreement and any question of doubtful interpretation shall not be resolved by any rule or interpretation providing for interpretation against the drafting party. This Agreement shall be construed as if both parties drafted it. The captions and headings contained herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 14.10 Indemnity.

The Developer shall indemnify, defend and hold the Agency and the City, and their respective officers and employees, harmless against all claims made against them arising out of or in connection with the ownership, occupancy, development, and use of the Property, or any portion thereof, or in connection with the construction of the Improvements by the Developer or the Developer's contractors, subcontractors, agents, employees or tenants; however, this indemnity shall not extend to any claim arising solely from the Agency's or City's negligence or the Agency's or the City's failure to perform its obligations under this Agreement.

Section 14.11 Liability Insurance.

The Developer shall cause to have in full force and effect during the construction of the Improvements liability insurance with limits of not less than $2 million per occurrence and $5 million combined, which shall by be endorsed to include the Agency and City and their officers, officials and employees as additional insureds but excluding any negligent acts committed in connection with the Project by the City, employees of the City and consultants of the City.

Section 14.12 Rights and Remedies Cumulative.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise or failure to exercise one or more of such rights or remedies by any Party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default by another Party.

Section 14.13 Applicable Law.

This Agreement shall be interpreted under the laws of the State of California.

Section 14.14 Severability.

If any term, provision, covenant or condition of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such holding or determination.

Section 14.15 Legal Actions:

(A) In the event any legal action is commenced to interpret or to enforce the terms of this Agreement, to collect damages as a result of any breach of this Agreement, or to enforce the rights and obligations of the parties hereunder, the Party prevailing in any such action shall be entitled to recover against the Party not prevailing all reasonable attorneys' fees, expert fees, and other costs reasonably incurred in such action (and any subsequent action or proceeding to enforce any judgment entered pursuant to an action on this Agreement)

(B) In the event legal action is commenced by a third party or parties, the effect of which is to directly or indirectly challenge or compromise the enforceability, validity, or legality of this Agreement and/or the power and ability of the Agency or City to enter into this Agreement or to perform its obligations hereunder, the Agency, City or the Developer may (but shall have no obligation to) defend such action. Upon commencement of any such action, the Agency, City and the Developer shall meet in good faith to seek to establish a mutually acceptable method of defending such action. If within thirty (30) days after the commencement of any such action, a mutually acceptable method of defense has not been agreed to by the Parties, the Developer may (but shall have no obligation to) provide written notice of its intention to defend such action.

Section 14.16 Equal Opportunity

For purposes of this Agreement and Developer's obligations hereunder, the Developer and its successors, assigns, contractors, and subcontractors shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, age, national origin, veteran's status, or physical or mental disability. Such action will include and apply to the employment of subcontractors and applicants for employment. The Developer and its contractors and subcontractors agree to post in conspicuous places, available to all employees and applicants for employment, notices setting forth the provisions of this non discrimination clause.

Section 14.17 Identity and Authority.

The person(s) executing this Agreement on behalf of the Developer does hereby covenant and warrant that the Developer is a duly authorized and existing Delaware limited liability company; that the Developer has, is and shall remain in good standing and qualified to do business in the State of California; that the Developer has full right, power and authority to enter into this Agreement and to carry out all actions on its part contemplated by this Agreement; that the execution and delivery of this Agreement were duly authorized by proper action of the Developer and no consent, authorization or approval of any person is necessary in connection with such execution and delivery or to carry out all actions on the Developer's part contemplated by this Agreement, except as have been obtained and are in full force and effect; that the person(s) executing this Agreement on behalf of the Developer has full limited liability company authority to do so; and that this Agreement constitutes the valid, binding and enforceable obligation of the Developer.

Section 14.18 Binding Upon Successors Covenants to Run With Land

This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the Parties. However, there shall be no Transfer by the Developer except as permitted in Article 9, above. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any successor, heir, administrator, executor, successor, or assign of such Party who has acquired an interest in compliance with the terms of this Agreement or under law.

Section 14.19 Parties Not Co-Venturers.

Nothing in this Agreement is intended to or does establish the Parties as partners, co-venturers, joint venturers, or principal and agent with one another.

Section 14.20 Provisions Not Merged.

None of the provisions of this Agreement shall be merged by the grant deed or any other instrument transferring title to any portion of the Property, and neither the grant deed nor any other instrument transferring title to any portion of the Property shall affect this Agreement.

Section 14.21 Entire Understanding of the Parties.

This Agreement (including the exhibits to this) constitutes the entire understanding and agreement of the Parties with respect to the matters set forth in this Agreement, including, but not limited to, the conveyance of the Property and the development of the Improvements.

Section 14.22 Real Estate Commissions.

Each Party represents and warrants that it has not entered into any agreement, and has no obligation, to pay any real estate commission in connection with the transaction contemplated by this Agreement. If a real estate commission is claimed through either Party in connection with the transaction contemplated by this Agreement, then the Party through whom the commission is claimed shall indemnify, defend and hold the other Party harmless from any liability related to such commission. The provisions of this section shall survive termination of this Agreement.

Section 14.23 Approvals.

(A) Whenever this Agreement calls for Agency or City approval, consent, or waiver, the written approval, consent, or waiver of the Agency Executive Director or City Manager shall constitute the approval, consent, or waiver of the Agency or City, without further authorization required from the Agency Board or City Council. The Agency and City hereby authorizes the Agency's Executive Director and City's City Manager to deliver such approvals or consents as are required by this Agreement; or to waive requirements under this Agreement, on behalf of the Agency or City. At the request of Developer, the Executive Director or City Manager may, in his or her sole discretion, extend for a period not to exceed one (1) year the times for Developer's performance under this Agreement.

(B) All approvals under this Agreement shall be subject to reasonableness standard, except where a discretionary standard is specifically provided.

(C) The Developer acknowledges that nothing in this Agreement limits the City's discretion in considering, approving, conditionally approving, or denying any requested land use approval from City.

Section 14.24 Amendments.

The Parties can amend this Agreement only by means of a writing signed by all Parties.

Section 14.25 Multiple Originals; Counterparts.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

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AS OF THE DATE FIRST WRITTEN ABOVE, the Parties evidence their Agreement to the terms of this Agreement by signing below:

Executed this 6th day of Feb, 2003.

City:

CITY OF VACAVILLE,
a municipal corporation,

By: _____
Its: City Manager

Agency:

VACAVILLE REDEVELOPMENT AGENCY,
a public body corporate and politic,

By: _____
Its: Executive Director

APPROVED AS TO FORM:

Vacaville Redevelopment Agency

BY: _____
Gerald L. Hobrecht, Agency Counsel

City of Vacaville

BY: _____
Gerald L. Hobrecht, City Attorney

Developer:

NUT TREE ASSOCIATES, LLC,
a Delaware limited liability company

By: Snell & Co. LLC, a California limited liability company, its managing member

Its: _____
Roger Snell

APPROVED AS TO FORM:
Paul, Hastings, Janofsky & Walker LLP

By: _____
Charles V. Thornton,
Nut Tree Associates, LLC Counsel

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Solano } ss.

On Feb. 6, 2003 (Date), before me, Katherine M. Larson, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Roger Snell (Name(s) of Signer(s)),

☐ personally known to me
☒ 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.

Katherine M Larson
Signature of Notary Public

KATHERINE M. LARSON
Commission # 1217042
Notary Public - California
Solano County
My Comm. Expires May 1, 2003

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Disposition and Development Agreement
Document Date: Feb. 4, 2003 Number of Pages: _____
Signer(s) Other Than Named Above: City of Vacaville, Vacaville Redevelopment Agency

Capacity(ies) Claimed by Signer
Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: Nut Tree Associates, LLC

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of SOLANO } ss.

On Feb. 7, 2003 (Date) before me, CAROL J. YOUNT NOTARY Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))
personally appeared DAVID J. VAN KIRK (Name(s) of Signer(s))

☒ personally known to me
☐ 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.

Carol J. Yount
(Signature of Notary Public)

CAROL J. YOUNT
Commission # 1278822
Notary Public - California
Solano County
My Comm. Expires Sep 29, 2004

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

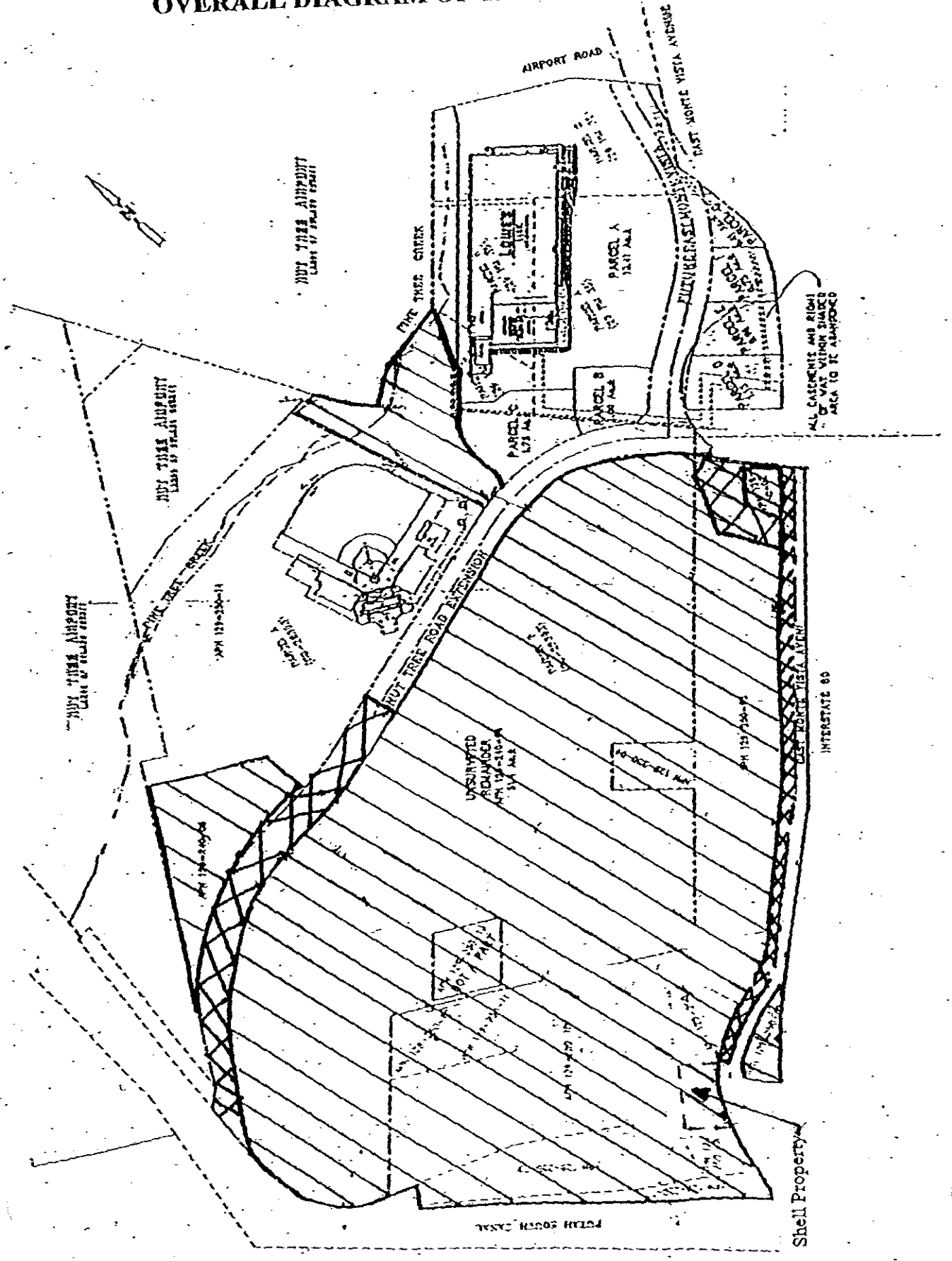
RIGHT THUMBPRINT OF SIGNER
Top of thumb here

EXHIBIT A

(Property Description)

EXHIBIT "A"

OVERALL DIAGRAM OF THE PROPERTY



Agency Property –"Core Property"

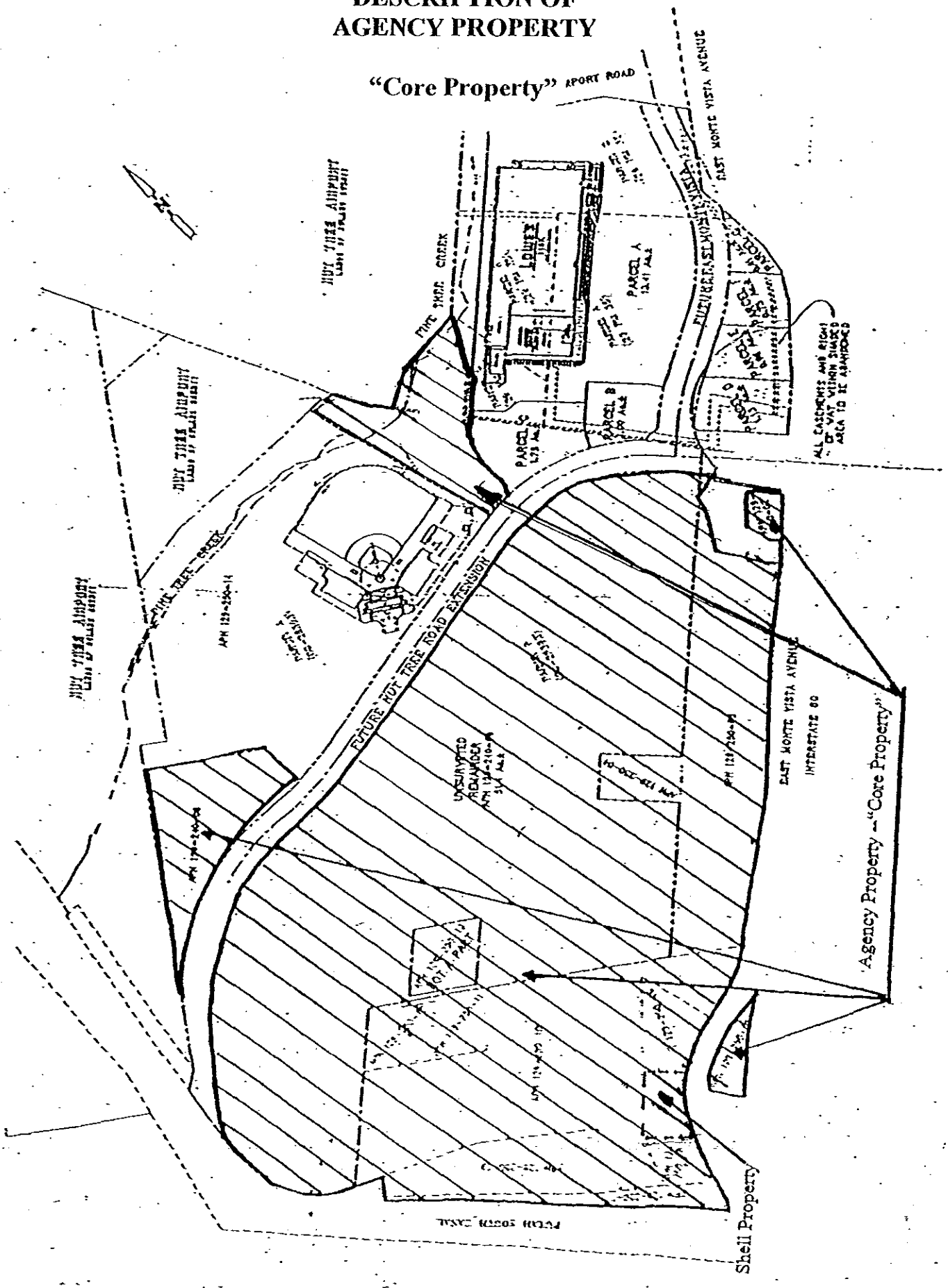
City Property

EXHIBIT A-1

DESCRIPTION OF AGENCY PROPERTY

EXHIBIT "A-1"

DESCRIPTION OF AGENCY PROPERTY



POR. LOT 37, F[illegible]CHO LOS PUTOS
POR. SEC. 15, T.6N., R.1W., M.D.B. & M. EXT.

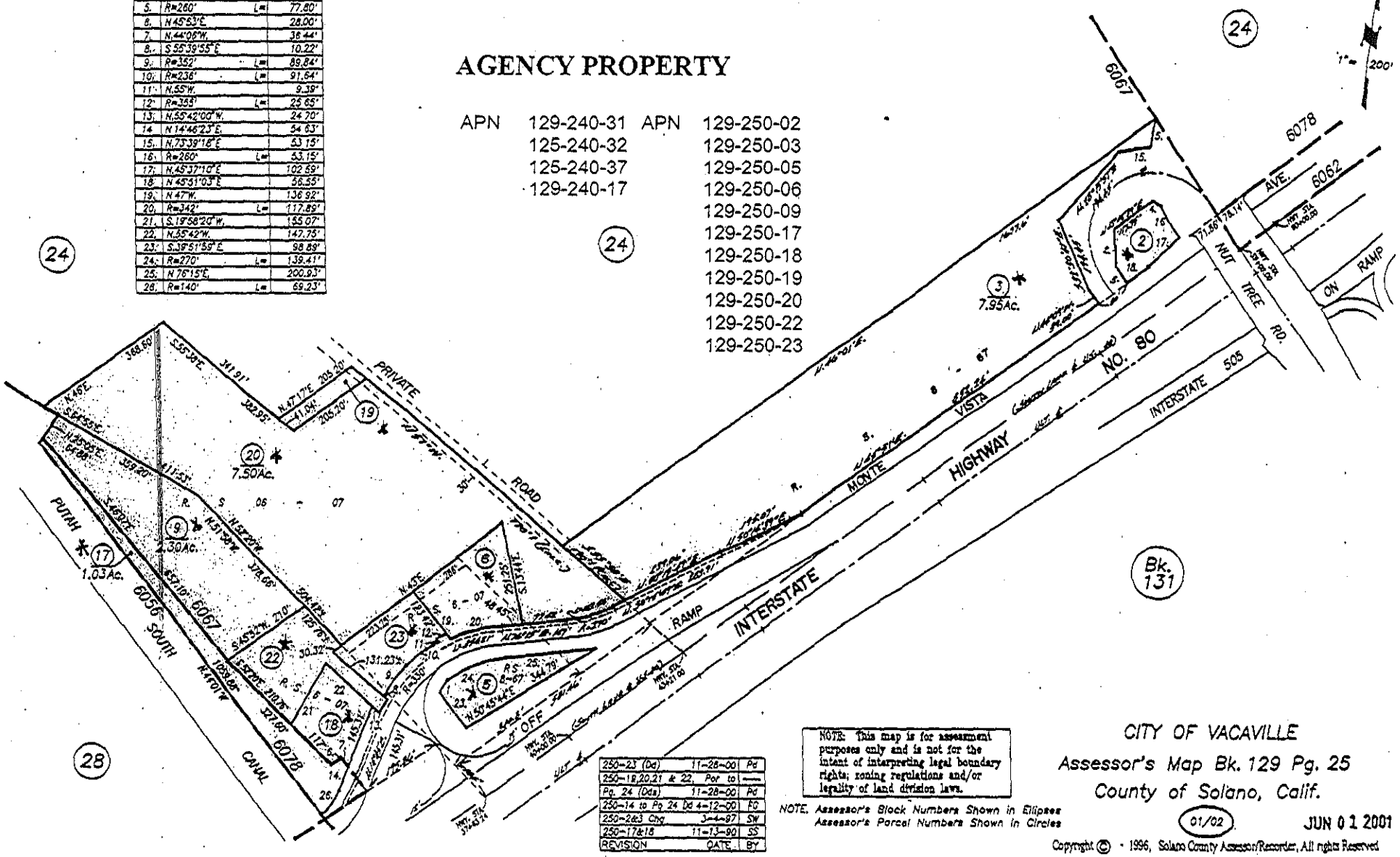
Tax Area Code
6067
6078

29-25

AGENCY PROPERTY

APN	129-240-31	APN	129-250-02
	125-240-32		129-250-03
	125-240-37		129-250-05
	129-240-17		129-250-06
			129-250-09
			129-250-17
			129-250-18
			129-250-19
			129-250-20
			129-250-22
			129-250-23

1.	S.26°22'34"W.		31.88'
2.	S.14°48'21"E.		82.30'
3.	N.44°09'W.		39.00'
4.	S.57°20'53"E.		118.26'
5.	R=260'	L=	77.80'
6.	N.45°53'E.		28.00'
7.	N.44°06'W.		38.44'
8.	S.55°39'55"E.		10.22'
9.	R=352'	L=	89.84'
10.	R=236'	L=	91.64'
11.	N.55°W.		9.39'
12.	R=355'	L=	25.65'
13.	N.55°42'00"W.		24.70'
14.	N.14°46'23"E.		54.63'
15.	N.75°39'16"E.		53.15'
16.	R=260'	L=	53.15'
17.	N.45°37'10"E.		102.59'
18.	N.45°51'03"E.		56.55'
19.	N.47°W.		136.92'
20.	R=342'	L=	117.89'
21.	S.19°58'20"W.		155.07'
22.	N.55°42'W.		147.75'
23.	S.39°51'59"E.		98.89'
24.	R=270'	L=	139.41'
25.	N.76°15'E.		200.93'
26.	R=140'	L=	69.23'



250-23 (Dd)	11-28-00	Pd
250-18,20,21 & 22, Por to		
Pg. 24 (Dds)	11-28-00	Pd
250-14 to Pg. 24 Dd 4-12-00		FG
250-26&3 Chg	3-4-97	SW
250-17&18	11-13-90	SS
REVISION	DATE	BY

NOTE: This map is for assessment purposes only and is not for the intent of interpreting legal boundary rights, zoning regulations and/or legality of land division laws.

NOTE, Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

CITY OF VACAVILLE
Assessor's Map Bk. 129 Pg. 25
County of Solano, Calif.

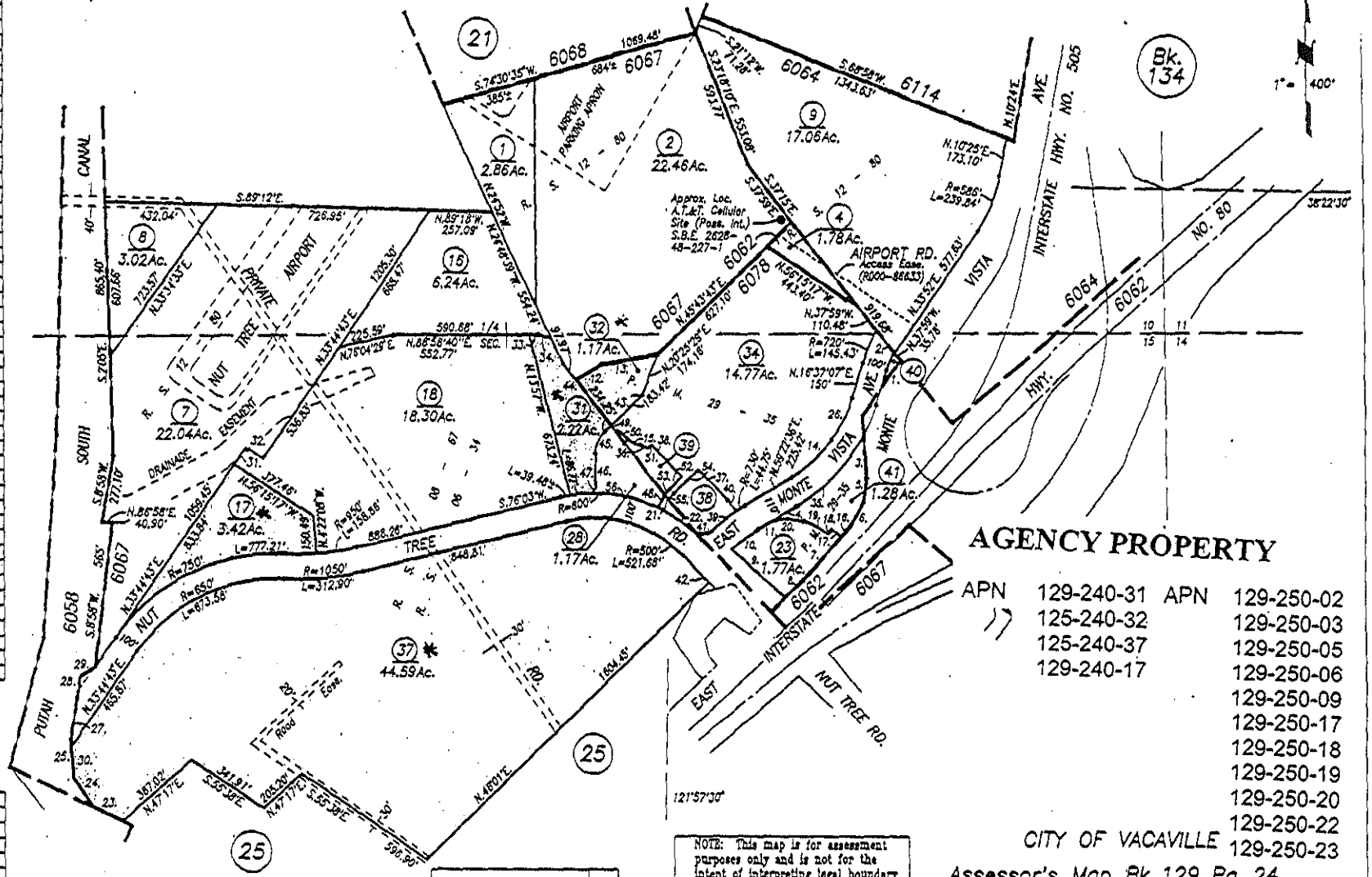
(01/02)

JUN 0 1 2001

FOR. LOT 37, RANCHO LOS PUTOS
POR. SEC'S 10 & 15, T. 6 N., R.1W., M.D.B. & M. EXT.

Tax Area Code
6062 6064
6067 6078

129-24



	S.3°55'19"E.	273.60'	
	12°59'W.	111.09'	
	134°41'W.	171.90'	
5.	N.59°22'36"E.	111.33'	
6.	N.7°08'33"E.	100.45'	
7.	N.29°07'16"E.	105.42'	
8.	N.40°22'44"W.	191.80'	
9.	N.45°54'01"E.	144.54'	
10.	N.48°15'W.	290.28'	
11.	R=620' L=	137.29'	
12.	N.59°22'36"E.	68.67'	
13.	N.58°14'59"E.	121.64'	
14.	N.79°45'23"E.	237.05'	
15.	R=511.87' L=	221.87'	
16.	R=70' L=	43.88'	
17.	N.40°22'44"E.	81.08'	
18.	N.49°37'22"W.	47.94'	
19.	S.40°22'38"W.	25.39'	
20.	R=240' L=	111.36'	
21.	R=280' L=	125.97'	
22.	N.37°59'W.	27.47'	
23.	R=600' L=	181.12'	
24.	S.64°46'04"E.	117.60'	
25.	S.32°53'55"E.	155.04'	
26.	S.04°12'44"E.	156.18'	
27.	R=620' L=	193.94'	
28.	N.09°09'07"E.	193.67'	
29.	S.08°58'W.	58.31'	
30.	N.53°58'00"E.	70.70'	
31.	S.04°12'44"E.	124.64'	
32.	S.33°44'43"W.	80.00'	
33.	S.56°15'17"E.	81.49'	
34.	N.86°58'40"E.	37.91'	
35.	S.73°31'36"E.	53.64'	
36.	R=720' L=	402.85'	
37.	R=70' L=	43.88'	
38.	N.44°04'41"W.	169.54'	
39.	N.44°04'41"W.	177.00'	
40.	R=730' L=	128.51'	
41.	S.34°06'07"E.	55.18'	
42.	N.86°56'57"E.	55.40'	
43.	N.44°10'10"W.	145.94'	
44.	N.45°55'19"E.	221.44'	
45.	N.37°59'W.	322.22'	
46.	R=125' L=	98.83'	
47.	N.0°37'20"E.	140.52'	
48.	N.44°06'41"E.	27.18'	
49.	N.26°45'45"E.	52.55'	

22

49.	N.37°59'W.	32.20'	
50.	N.44°04'41"W.	53.94'	
51.	N.45°55'19"E.	20.11'	
52.	N.45°55'19"E.	70.47'	
53.	R=112.50' L=	37.62'	
54.	N.45°55'19"E.	137.51'	
55.	R=87.50' L=	29.26'	
56.	R=500' L=	287.64'	
57.			
58.			

S.B.E.-P.U. (240-02)	1-16-01	Pd
240-40 & 41 (Dd)	11-28-00	Pd
240-25,34,38,39(Dd)	11-28-00	Pd
240-23 & 24 (Dd)	11-28-00	Pd
REVISION	DATE	BY

LEGAL DESCRIPTION

CITY OF VACAVILLE

PARCEL ONE

BEGINNING AT A POINT ON THE COMMON BOUNDARY BETWEEN A CERTAIN 142.5 ACRE TRACT OF LAND BELONGING TO HESTER A. HARBISON AND DESCRIBED IN A DEED DATED MARCH 1, 1890, FROM GEO. A. MAYLONE TO JOSIAH ALLISON AND RECORDED IN VOLUME 106 OF DEEDS, PAGE 55, SOLANO COUNTY RECORDS, AND A TRACT OF LAND BELONGING TO SARAH J. OLSEN, AS DESCRIBED IN DEED TO HER, RECORDED DECEMBER 13, 1913, RECORDED IN BOOK 204 OF DEEDS, PAGE 240, INSTRUMENT NO. 3714; SAID POINT OF BEGINNING IS ALSO THE MOST WESTERLY CORNER OF PARCEL NO. 1 OF A CERTAIN TRACT OF LAND CONVEYED BY HESTER A. HARBISON TO THE STATE OF CALIFORNIA AND DESCRIBED IN A DEED AUGUST 12, 1945 AND RECORDED IN BOOK 301, PAGE 284, INSTRUMENT NO. 4016, OFFICIAL RECORDS OF SOLANO COUNTY; THENCE PARALLEL TO THE CENTER LINE OF THE DEPARTMENT OF PUBLIC WORKS SURVEY OF THE "HIGHWAY FROM VACAVILLE TO ONE MILE NORTH OF THE POWER STATION X-SOL-7-D", AND ALONG THE NORTHWESTERLY LINE OF SAID PARCEL NO. 1, NORTH 46°01' EAST, 629.5 FEET; THENCE CONTINUING ALONG THE BOUNDARY OF PARCEL NO. 1, SOUTH 88°59' EAST 14.14 FEET TO ITS MOST EASTERLY CORNER; THENCE ALONG THE NORTHWESTERLY LINE OF THE RIGHT-OF-WAY OF THE STATE HIGHWAY NORTH 46°01' EAST 40.00 FEET TO THE SOUTHWEST CORNER OF PARCEL NO. 2 OF THE LANDS SO CONVEYED BY HESTER A. HARBISON TO THE STATE OF CALIFORNIA; THENCE ALONG THE NORTHWESTERLY LINE OF SAID PARCEL NO. 2, NORTH 1 DEGREE 01' EAST 14.14 FEET; THENCE CONTINUING ALONG THE BOUNDARY OF SAID PARCEL NO. 2, NORTH 46°01' EAST 902.9 FEET, MORE OR LESS, TO A POINT ON THE COMMON BOUNDARY BETWEEN THE PROPERTY OF HESTER A. HARBISON AND THE WESTERLY BOUNDARY OF THAT CERTAIN PARCEL OF LAND CONVEYED TO MARION WEIR VAILE BY DEED RECORDED NOVEMBER 6, 1930, IN BOOK 63 OF 'FICIAL RECORDS, PAGE 300; THENCE ALONG THE COMMON BOUNDARY BETWEEN HARIBSON AND AILE, NORTH 37° WEST 264 FEET TO A POINT THENCE PARALLEL TO THE CENTER LINE OF THE DEPARTMENT OF PUBLIC WORKS SURVEY OF THE "HIGHWAY FROM VACAVILLE TO ONE MILE NORTH OF THE POWER STATION X-SOL-7-D", A DISTANCE OF 1677.6 FEET TO A POINT IN THE COMMON BOUNDARY BETWEEN HARBISON AND OLSEN; THENCE ALONG THE COMMON BOUNDARY BETWEEN HARBISON AND OLSEN SOUTH 55°38' EAST 267.4 FEET TO THE POINT OF BEGINNING. (THE BEARINGS USED IN THIS DESCRIPTION ARE 0°09' MORE TO THE NORTHEAST THAN THE BEARINGS OF THE STATE DEPARTMENT OF PUBLIC WORKS IN SURVEY OF X-SOL-7-D);

EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED IN THE DEED FROM THE NUT TREE TO STATE OF CALIFORNIA, DATED MARCH 3, 1953, RECORDED MAY 14, 1953 IN BOOK 668 OF OFFICIAL RECORDS AT PAGE 19, INSTRUMENT NO. 7403.

ALSO EXCEPTING THEREFROM THE PARCELS OF LAND DESCRIBED AS PARCEL NO. 3 AND PARCEL NO. 9 IN THE FINAL ORDER OF CONDEMNATION HAD ON MARCH 13, 1963 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF SOLANO IN THE MATTER ENTITLED "THE PEOPLE OF THE STATE OF CALIFORNIA, PLAINTIFF, VS. FRED ADIEGO, POWER LAND INCORPORATED, ET AL, DEFENDANTS, CASE NO. 35777. A CERTIFIED COPY OF WHICH FINAL ORDER WAS RECORDED MARCH 13, 1963 IN BOOK 1189 OF OFFICIAL RECORDS AT PAGE 560, INSTRUMENT NO. 6633.

FURTHER EXCEPTING THEREFROM: ALL THAT PARCEL OF LAND LYING SOUTHEASTERLY OF THE NORTHWESTERLY BOUNDARY LINE OF THAT PARCEL OF LAND AS DESCRIBED IN DEED DATED JANUARY 23, 1967 FROM POWER LAND INC., A CORPORATION, TO CITY OF VACAVILLE, A MUNICIPAL CORPORATION, RECORDED DECEMBER 29, 1969 IN BOOK 1597 OF OFFICIAL RECORDS, PAGE 110, INSTRUMENT NO. 22226, SOLANO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 0129-250-020 AND 030

PARCEL TWO:

PARCEL TWO

LEGAL DESCRIPTION

PORTION OF RANCHO LOS PUTOS, BEING A PORTION OF LOT 15 AS SHOWN ON THE MAP KNOWN AS WAN'S SURVEY OF THE MC DANIEL TRACT, RECORDED MAY 13, 1857 IN BOOK "K" OF DEEDS AT PAGE 531, DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTHWESTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM MARVIN W. OLSEN, ET UX, TO POWER LAND INCORPORATED, DATED JANUARY 2, 1957, RECORDED JANUARY 10, 1957 IN BOOK 864 OF OFFICIAL RECORDS AT PAGE 299, INSTRUMENT NO. 550, DISTANT THEREON NORTH 43° EAST, 43.66 FEET FROM THE MOST NORTHERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THE LEASE FROM POWER LAND INCORPORATED TO SHELL OIL COMPANY, DATED FEBRUARY 15, 1962, RECORDED APRIL 3, 1962 IN BOOK 1133 OF OFFICIAL RECORDS, AT PAGE 3, INSTRUMENT NO. 8212; THENCE FROM SAID POINT OF BEGINNING NORTH 43° EAST, ALONG SAID NORTHWESTERLY LINE AND THE EXTENSION NORTH 43° EAST THEREOF, 286.00 FEET; THENCE SOUTH 13°44' EAST, 251.25 FEET TO THE NORTHERLY LINE OF THE STRIP OF LAND CONVEYED IN THE DEED FROM POWER LAND COMPANY, INCORPORATED TO CITY OF VACAVILLE, DATED JANUARY 23, 1967, RECORDED DECEMBER 19, 1969 IN BOOK 1596 OF OFFICIAL RECORDS, AT PAGE 146, INSTRUMENT NO. 21885; THENCE ALONG SAID CITY OF VACAVILLE STRIP SOUTH 76°16' WEST, 48.45 FEET AND WESTERLY ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 342 FEET, TANGENT TO THE PRECEDING COURSE, THROUGH A CENTRAL ANGLE OF 19°45'02", AN ARC DISTANCE OF 117.89 FEET TO A POINT THAT BEARS SOUTH 47° EAST FROM THE POINT OF BEGINNING; THENCE NORTH 47° WEST, 136.92 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 0129-250-060

PARCEL THREE

PARCEL B, AS SHOWN ON THAT CERTAIN RECORD OF SURVEY, ENTITLED: "THE BOUNDARIES OF THE HWAY COMMERCIAL ZONE, PARCELS A, B, & C WITHIN THE NUT TREE PROPERTY IN RANCHO LOS PUTOS SOLANO COUNTY, CALIFORNIA AND BEING WITHIN THE CITY LIMITS OF VACAVILLE", FILED IN THE OFFICE OF THE COUNTY RECORDER ON DECEMBER 13, 1963 IN BOOK 8 OF SURVEYS AT PAGE 67, SOLANO COUNTY RECORDS, AS INSTRUMENT NO. 33079.

ASSESSOR'S PARCEL NUMBER: 0129-250-050

PARCEL FOUR

THAT PORTION OF THE LAND DESCRIBED IN DEED FROM L. A. CALVERT, ET UX, TO AMOLD SEGHETTI, ET AL, DATED MAY 9, 1952 AND RECORDED MAY 19, 1952 IN BOOK 622 OF OFFICIAL RECORDS, PAGE 487, AS RECORDER'S INSTRUMENT NO. 7010, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY BOUNDARY OF THE LANDS DESCRIBED IN THE AFOREMENTIONED DEED DISTANT THEREON NORTH NORTH 64°55' WEST 359.2 FEET FROM THE EASTERLY TERMINUS OF THE COURSE DESCRIBED IN SAID DEED AS NORTH 64°51' WEST 1,115.2 FEET SAID POINT ALSO BEING ON THE SOUTHWESTERLY BOUNDARY OF THE LAND DESCRIBED IN LEASE EXECUTED BY AND BETWEEN MARVIN W. OLSEN AND WIFE, AS LESSOR, AND POWER LAND INCORPORATED, AS LESSEE, RECORDED DECEMBER 6, 1955 IN BOOK 803 OF OFFICIAL RECORDS, PAGE 376, AS RECORDER'S INSTRUMENT NO. 23837; THENCE FROM SAID POINT OF BEGINNING SOUTH 25°05' WEST 64.6 FEET; THENCE SOUTH 46°07' EAST, 657.1 FEET TO THE MOST WESTERLY CORNER OF THE LAND DESCRIBED IN DEED FROM DOROTHY LEE CALBERT TO POWER LAND INCORPORATED, RECORDED MARCH 1, 1956 IN BOOK 816 IF OFFICIAL RECORDS, PAGE 388, AS RECORDER'S INSTRUMENT NO. 3819; THENCE ALONG THE NORTHWEST BOUNDARY OF SAID LAST MENTIONED LAND NORTH 45°52' EAST 210 FEET TO THE MOST NORTHERLY CORNER THEREOF, SAID POINT ALSO BEING ON THE EAST BOUNDARY E LAND DESCRIBED IN THE DEED FIRST HEREINBEFORE MENTIONED IN FAVOR OF AMOLD SEGHETTI, ET AL, THENCE ALONG SAID NORTHEASTERLY BOUNDARY NORTH 51°58' WEST 378.66 FEE THENCE NORTH 64°55' WEST, 359.2 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 0129-250-090

LEGAL DESCRIPTION

PARCEL FIVE:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF PUTAH SOUTH CANAL WITH THE WESTERLY LINE OF THE LEFT FRONTAGE ROAD ADJOINING STATE HIGHWAY X-SOL-7D, AS SAID LINES ARE SHOWN ON THAT RECORD OF SURVEY RECORDED AT THE REQUEST OF POWER LAND, INC., IN BOOK 8 OF SURVEYS AT PAGE 67, SOLANO COUNTY OFFICIAL RECORDS; THENCE FROM SAID POINT OF BEGINNING, RUNNING ALONG SAID WESTERLY LINE NORTH 24°46' EAST, 10.62 FEET; THENCE NORTH 14°46' EAST, 130.73 FEET; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 330 FEET AND TANGENT TO SAID LAST MENTIONED COURSE, THROUGH A CENTRAL ANGLE OF 1°30'57", AN ARC DISTANCE OF 8.73 FEET TO A POINT THAT BEARS RADIALLY SOUTH 73°43'03" EAST; THENCE LEAVING SAID WESTERLY LINE, ALONG THE SOUTHERLY LINE OF A 30' WIDE PRIVATE RIGHT-OF-WAY, NORTH 55°42' WEST, 172.45 FEET; THENCE LEAVING SAID SOUTHERLY LINE SOUTH 19°58'20" WEST, 155.07 FEET TO SAID FIRST ABOVE MENTIONED NORTHERLY LINE; THENCE RUNNING ALONG SAID NORTHERLY LINE, SOUTH 52°20' EAST, 177.00 FEET; NORTH 45°53' EAST, 28.01 FEET AND SOUTH 44°08' EAST, 61.17 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION CONVEYED IN THE DEED FROM NUT TREE, A LIMITED PARTNERSHIP, TO THE CITY OF VACAVILLE, A MUNICIPAL CORPORATION, RECORDED NOVEMBER 13, 1990 AS INSTRUMENT NO. 900090371, SOLANO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 0129-250-180

PARCEL SIX

A PORTION OF LOT 7 AS SHOWN ON THE MAP OF THE MC DANIEL TRACT, RECORDED MAY 13, 1857 IN BOOK "K" OF DEEDS AT PAGE 531, BEING A PORTION OF THE 6.07 ACRE PARCEL OF LAND DESCRIBED AS TRACT ONE OF PARCEL SIX (UNIT B-37) IN THE FINAL JUDGEMENT AS TO PARCEL SIX (UNIT B-37) HAD IN THE U. S. DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA, NORTHERN DIVISION, CASE NO. 7448 ON JANUARY 30, 1962 A CERTIFIED COPY OF WHICH WAS RECORDED APRIL 8, 1963 IN BOOK 1193 OF OFFICIAL RECORDS, PAGE 666, INSTRUMENT NO. 8922, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY BOUNDARY OF SAID 6.07 ACRE PARCEL DISTANT THEREON SOUTH 25°05' WEST 64.6 FEET FROM A POINT IN THE NORTHEASTERLY BOUNDARY OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM L. A. CALVERT ET UX, TO AMOLD SEGHETTI, ET AL, DATED MAY 9, 1952 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ON MAY 19, 1952 IN BOOK 622 OF OFFICIAL RECORDS AT PAGE 487, THAT IS DISTANT ALONG LAST SAID NORTHEASTERLY BOUNDARY NORTH 64°55' WEST 359.2 FEET FROM THE BEGINNING OF THE COURSE DESCRIBED AS NORTH 64°51' WEST 1115.2 FEET IN SAID DEED TO AMOLD SEGHETTI, ET AL, THENCE FROM SAID POINT OF BEGINNING ALONG THE NORTHEASTERLY BOUNDARY OF SAID 6.07 ACRE PARCEL AS FOLLOWS: SOUTH 46°07' EAST 657.1 FEET; THENCE SOUTH 52°18' EAST 327.6 FEET; THENCE NORTH 45°53' EAST 28.0 FEET; THENCE SOUTH 44°06' EAST 96.2 FEET TO THE SOUTHERLY BOUNDARY OF SAID 6.07 ACRE PARCEL THENCE ALONG SAID BOUNDARY SOUTH 45°54' WEST 112.3 FEET; THENCE ENTERING SAID 6.07 ACRE PARCEL NORTH 44°10' WEST 1071.4 FEET; THENCE NORTH 25°05' EAST 16.7 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION CONVEYED IN THE DEED FROM NUT TREE, A LIMITED PARTNERSHIP, TO THE CITY OF VACAVILLE, A MUNICIPAL CORPORATION, RECORDED NOVEMBER 13, 1990 AS INSTRUMENT NO. 900090369, SOLANO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 0129-250-170

PARCEL SEVEN

BEGINNING AT A POINT IN THE MIDDLE OF WHAT IS CALLED AND KNOWN AS THE "TELEGRAPH ROAD"

LEGAL DESCRIPTION

)UNTY ROAD NO. 79), WHERE THE LANDS FORMERLY OF J. ALLISON AND E. L. BENNETT JOIN; ;NCE NORTH 52-3/4° WEST FOLLOWING THE DIVIDING FENCE OF SAID LANDS, 12 CHAINS AND 6 LINKS; THENCE NORTH 66-1/2° WEST, 6 CHAINS AND 21 LINKS; THENCE NORTH 46° EAST, 8 CHAINS AND 8 LINKS; THENCE SOUTH 57° EAST, 18 CHAINS AND 56 LINKS TO THE CENTER OF SAID TELEGRAPH ROAD; THENCE SOUTH 45-1/4° WEST ALONG SAID CENTERLINE 8 CHAINS AND 81 LINKS TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM THE 0.089 ACRE PORTION THEREOF NOW INCLUDED IN HIGHWAY AS DESCRIBED IN DEED FROM SARAH JANE OLSEN TO STATE OF CALIFORNIA, DATED MAY 15, 1944, RECORDED JULY 12, 1944 IN BOOK 319 OF OFFICIAL RECORDS, PAGE 594, INSTRUMENT NO. 6109.

ALSO EXCEPTING THEREFROM 2.37 ACRES, MORE OR LESS, IN THE SOUTHWEST CORNER OF SAID TRACT AND DESCRIBED AS FOLLOWS TO-WIT:

BEGINNING AT A POINT IN THE SOUTHWESTERLY LINE OF A CERTAIN 13 ACRE TRACT OF LAND, SET APART BY THE SUPERIOR COURT OF CALIFORNIA AS A PROBATE HOMESTEAD TO SARAH JANE OLSEN AND DESCRIBED IN A DECREE OF SAID SUPERIOR COURT, RECORDED IN BOOK 176, PAGE 41, INSTRUMENT NO. 2434 OF OFFICIAL RECORDS OF SOLANO COUNTY; SAID POINT OF BEGINNING IS THE MOST WESTERLY CORNER OF A CERTAIN TRACT OF LAND CONVEYED BY SARAH OLSEN TO THE STATE OF CALIFORNIA BY A DEED RECORDED DECEMBER 7, 1944 IN BOOK 319, PAGE 594, INSTRUMENT NO. 6109 OF OFFICIAL RECORDS OF SOLANO COUNTY; SAID POINT OF BEGINNING BEARS NORTH 52°20' WEST, 104.07 FEET DISTANT FROM STATION 37+632 OF THE DEPARTMENT OF PUBLIC WORKS CENTERLINE SURVEY OF HIGHWAY FROM VACAVILLE TO ONE MILE NORTH OF THE POWER STATION X-SOL-7-D; THENCE ALONG THE NORTHWESTERLY LINE OF THE LAND CONVEYED TO THE STATE OF CALIFORNIA, NORTH 45°20' EAST, 350.8 FEET; THENCE NORTH 55°42' WEST, 324.8 FEET; THENCE SOUTH 42°52' WEST, 319.5 FEET TO A POINT IN TH SOUTHWESTERLY LINE OF THE ;-MENTIONED SARAH JANE OLSEN PROPERTY; THENCE ALONG THE SOUTHWESTERLY LINE OF THE OLSEN TRACT, SOUTH 52°20' EAST, 304.9 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN THE DEED FROM MARVIN W. OLSEN, ET UX, TO THE STATE OF CALIFORNIA, DATED DECEMBER 20, 1950 AND RECORDED FEBRUARY 2, 1951 IN BOOK 569 OF OFFICIAL RECORDS, PAGE 410, INSTRUMENT NO. 1479.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN THE DEED FROM MARVIN W. OLSEN, ET UX, TO POWER LAND INCORPORATED, A CALIFORNIA CORPORATION, DATED NOVEMBER 15, 1955, AND RECORDED NOVEMBER 18, 1955 IN BOOK 800 OF OFFICIAL RECORDS, PAGE 315 AS INSTRUMENT NO. 22632.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN THE DEED FROM MARVIN W. OLSEN, ET UX, TO POWER LAND INCORPORATED, A CALIFORNIA CORPORATION, DATED JANUARY 2, 1957 AND RECORDED JANUARY 10, 1957 IN BOOK 864 OF OFFICIAL RECORDS, PAGE 299, AS INSTRUMENT NO. 550.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN THE DEED FROM MARVIN W. OLSEN, ET UX, TO THE STATE OF CALIFORNIA, DATED JANUARY 24, 1961 AND RECORDED JUNE 9, 1961 IN BOOK 1084 OF OFFICIAL RECORDS, PAGE 558, AS INSTRUMENT NO. 12433.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONVEYED TO THE CITY OF VACAVILLE BY DEED FROM ROSE C. OLSEN DATED DECEMBER 11, 1969 AND RECORDED JANUARY 16, 1970 IN BOOK 1599 OF OFFICIAL RECORDS, PAGE 435, AS INSTRUMENT NO. 861.

ON OF ASSESSOR'S PARCEL NUMBER: 0129-250-100

LEGAL DESCRIPTION

PARCEL EIGHT

BEING PARCEL C, AS SAID PARCEL IS SHOWN ON THE THAT CERTAIN RECORD OF SURVEY, ENTITLED: " THE BOUNDARIES OF THE HIGHWAY COMMERCIAL ZONE, PARCELS A, B, & C WITHIN THE NUT TREE PROPERTY IN RANCHO LOS PUTOS, SOLANO COUNTY, CALIFORNIA AND BEING WITHIN THE CITY LIMITS OF VACAVILLE", FILED IN THE OFFICE OF THE COUNTY RECORDER IN BOOK 8 OF SURVEYS AT PAGE 67, SOLANO COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION OF SAID PARCEL C GRANTED TO THE CITY OF VACAVILLE IN THE DOCUMENT RECORDED AS SERIES NO. 1995-78077 SOLANO COUNTY RECORDS.

PARCEL NINE

ALL THAT PORTION OF PARCEL "B", AS SAID PARCEL IS DESCRIBED IN THE LOT LINE ADJUSTMENT RECORDED AS SERIES NO. 00-28393, SOLANO COUNTY RECORDS, BOUNDED AS FOLLOWS:

ON THE NORTHWEST BY THE LANDS OF THE COUNTY OF SOLANO NUT TREE AIRPORT, AS SAID LANDS ARE SHOWN ON THE RECORD OF SURVEY FILED IN BOOK 12 OF SURVEYS, AT PAGE 80, SOLANO COUNTY RECORDS; ON THE NORTHEAST AND EAST BY PARCEL "A", AS SAID PARCEL IS DESCRIBED IN SAID LOT LINE ADJUSTMENT; AND ON THE SOUTH AND SOUTHEAST BY THE CITY OF VACAVILLE RIGHT OF WAY AS DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NO. 00-28421, SOLANO COUNTY RECORDS.

PARCEL TEN

BEING A PORTION OF PARCEL B AS SAID PARCEL IS DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NUMBER 00-28393, ALL OF THE PARCELS OF LAND DESCRIBED AS PARCELS 3, 11 AND 12 IN THE DOCUMENT RECORDED AS SERIES NUMBER 1996-59083, AND ALL OF PARCEL 1 AS SAID PARCEL IS DESCRIBED IN THE DOCUMENT RECORDED IN BOOK 800 OF OFFICIAL RECORDS, AT PAGE 315, ALL OF SOLANO COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE COMMON BOUNDARY BETWEEN THE WESTERLY LINE OF LANDS OF HESTER A. HARBISON, ORIGINALLY CONTAINING 143.50 ACRES AS DESCRIBED IN DEED RECORDED IN BOOK 106 OF DEEDS, PAGE 55, AND THE EASTERLY LINE OF LANDS OF SARAH J. OLSEN, AS DESCRIBED IN THE DEED RECORDED IN BOOK 204 OF DEEDS, PAGE 240, INSTRUMENT NO. 3714, SAID POINT OF BEGINNING LYING NORTH 55° 38' WEST, 267.4 FEET ALONG SAID LINE FROM THE NORTHWEST BOUNDARY OF NEW STATE HIGHWAY, AND BEING THE NORTHWEST CORNER OF THE 9.60 ACRE PARCEL OF LAND DESCRIBED IN DEED TO EDWIN I. POWER AND WIFE, RECORDED MARCH 25, 1946, RECORDER'S INSTRUMENT NO.4419; THENCE ALONG THE NORTHWESTERLY LINE OF SAID LAND SO CONVEYED TO SAID EDWIN I. POWER ET UX, NORTH 46°01' EAST, 1604.50 FEET TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE 100 FOOT WIDE RIGHT OF WAY DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NUMBER 00-96447; THENCE FOLLOWING ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE NORTH 44°10'10" WEST,145.94 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 59°46'50" FOR AN ARC LENGTH OF 521.68 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF THE 100 FOOT WIDE RIGHT OF WAY DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NUMBER 00-23421, SOLANO COUNTY RECORDS; THENCE FOLLOWING ALONG SAID RIGHT OF WAY SOUTH 76°63'00" WEST, 848.81 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1050.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°34'52" FOR AN ARC DISTANCE OF 158.86 FEET TO THE BEGINNING OF A REVERSE CURVE HAVING A RADIUS OF 650.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 59°22'28" FOR AN ARC DISTANCE OF 673.58 FEET; THENCE CONTINUING SOUTH 33°44'43" WEST, 465.87 FEET TO A POINT IN THE EASTERLY LINE OF THE PUTAH SOUTH CANAL AS DESCRIBED IN THE DOCUMENT RECORDED IN BOOK 1096 OF OFFICIAL RECORDS, AT PAGE 618, SOLANO COUNTY RECORDS; THENCE SOUTHERLY FOLLOWING THE WESTERLY LINE OF SAID PUTAH SOUTH CANAL SOUTH 04°12'44" EAST, 124.64 FEET; THENCE SOUTH 32°53'55" EAST, 155.04 FEET; THENCE SOUTH 64°46'04" EAST, 117.60 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF SAID PARCEL B; THENCE NORTH 47°17'00" EAST, 367.02 FEET TO THE WESTERLY MOST CORNER OF PARCEL 1 AS DESCRIBED IN THE DEED RECORDED IN BOOK 800 OF OFFICIAL RECORDS, AT PAGE 315, SOLANO COUNTY RECORDS; ; THENCE ALONG THE PERIMETER OF SAID PARCEL 1, SOUTH 55°38'00" EAST, 341.91 FEET; THENCE NORTH 47°17'00" EAST, 205.20 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF SAID PARCEL B; THENCE SOUTH 55°38'00" EAST, 596.90 FEET TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION

PARCEL ELEVEN

BEING ALL OF PARCEL "C-1"; AS SAID PARCEL IS DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NUMBER 00--86629, A PORTION OF PARCEL B AS SAID PARCEL IS DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NUMBER 00-28393, AND A PORTION OF THE 100 FOOT WIDE RIGHT OF WAY DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NUMBER 00-28421, ALL OF SOLANO COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID PARCEL "C-1"; THENCE ALONG THE EASTERLY LINE OF SAID PARCEL B NORTH 37°59'00" WEST, 87.97 FEET; THENCE NORTH 24°48'39" WEST, 111.10 FEET TO THE MOST SOUTHEASTERLY CORNER OF THE LANDS OF SOLANO COUNTY AS DESCRIBED IN THE GRANT DEED RECORDED AS SERIES NUMBER 00-30090 OF OFFICIAL RECORDS IN THE OFFICE OF THE SOLANO COUNTY RECORDER; THENCE ALONG THE SOUTHERLY LINE THEREOF NORTH 73°31'38" WEST, 53.64 FEET; THENCE SOUTH 88°58'40" WEST, 37.91 FEET TO THE MOST NORTHEASTERLY CORNER OF PARCEL "A" AS DESCRIBED IN SAID DOCUMENT RECORDED AS SERIES NUMBER 00-28393; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID PARCEL "A" AND THE SOUTHERLY PROLONGATION THEREOF SOUTH 13°57'00" EAST, 673.24 FEET TO A POINT IN THE NORTHEASTERLY RIGHT OF WAY LINE OF THE 100 FOOD WIDE RIGHT OF WAY DESCRIBED IN THE DOCUMENT RECORDED AS SERIES NUMBER 00-96447, SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTH, THE RADIUS POINT OF WHICH BEARS SOUTH 10°10'47" EAST, 600.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°16'52" FOR AN ARC DISTANCE OF 86.72 FEET; THENCE LEAVING THE CURVE OF SAID NORTHEASTERLY RIGHT OF WAY LINE AND RUNNING NORTH 44°06'41" EAST, 27.18 FEET; THENCE NORTH 00°37'20" EAST, 140.52 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 125.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 45°17'59" FOR AN ARC DISTANCE OF 98.83 FEET; THENCE NORTH 45°55'19" EAST, 221.44 FEET TO A SOUTHEASTERLY CORNER OF SAID PARCEL "C-1"; THENCE NORTH [illegible]5'29" EAST, 174.16 FEET TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL "C-1"; THENCE SOUTH 79°45'23" WEST, 237.05 FEET; THENCE SOUTH 58°14'59" WEST, 121.64 FEET TO THE POINT OF BEGINNING.

PARCEL TWELVE

BEING ALL OF PARCEL 3 AS SAID PARCEL IS DESCRIBED IN THE FINAL ORDER OF CONDEMNATION HAD ON MARCH 13, 1963 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF SOLANO IN THE MATTER ENTITLED "THE PEOPLE OF THE STATE OF CALIFORNIA, PLAINTIFF VS. FRED ADIEGO, POWER LAND INCORPORATED, ET AL, DEFENDANTS, CASE NO. 35777. A CERTIFIED COPY OF WHICH FINAL ORDER WAS RECORDED MARCH 13, 1963 IN BOOK 1189 OF OFFICIAL RECORDS, AT PAGE 560, INSTRUMENT NUMBER 6633, SAID PARCEL 3 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF THAT CERTAIN 0.052 OF AN ACRE PARCEL OF LAND ACQUIRED BY THE STATE OF CALIFORNIA BY DEED RECORDED APRIL 24, 1945 IN BOOK 301 OF OFFICIAL RECORDS, PAGE 285, SOLANO COUNTY RECORDS, SAID POINT BEING IN THE NORTHWESTERLY LINE OF STATE HIGHWAY, ROAD X-SOL-7-D AS SAID HIGHWAY EXISTED JANUARY 1 1960; THENCE ALONG LAST SAID LINE S 45°51'W, 71.86 FEET; THENCE N 57°20'53"W, 118.26 FEET; THENCE S 43°42'39"W 117.75 FEET; THENCE S 14°48'21"E, 82.30 FEET; THENCE S 44°09' E 39.0 FEET TO THE AFORESAID NORTHWESTERLY LINE OF SAID STATE HIGHWAY; THENCE ALONG LAST SAID LINE S 45°51' W, 80.00 FEET; THENCE N 44° 09 W, 39.0 FEET; THENCE N 32°30'47" W, 164.79 FEET; THENCE N 28°15'57"E, 194.45 FEET; THENCE N 73°38'59"E, 148.80 FEET; THENCE S 75°33'47"E, 15.86 FEET TO THE SOUTHWESTERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY FRED ADIEGO BY DEED RECORDED NOVEMBER 8, 1950 IN BOOK 557 OF OFFICIAL RECORDS, PAGE 218, SOLANO COUNTY RECORDS; THENCE ALONG LAST SAID LINE S 37°09' E, 177.54 FEET TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION

PARCEL THIRTEEN

MMENCING AT THE MOST NORTHERLY CORNER OF THAT CERTAIN 0.131 ACRE PARCEL OF LAND DESCRIBED IN DEED FROM R.S. ROBERTSON ET UX TO THE STATE OF CALIFORNIA DATED DECEMBER 20, 1950 AND RECORDED FEBRUARY 2, 1951, IN BOOK 569 PAGE 434, OFFICIAL RECORDS, INSTRUMENT NO. 1480; THENCE NORTH 52° 20' WEST ALONG THE NORTHEASTERLY LINE OF THAT CERTAIN 47.48 ACRE PARCEL OF LAND AS DESCRIBED IN DEED FROM LEO S. LUCERO ET UX TO R.S. ROBERTSON ET UX DATED FEBRUARY 18, 1943, AND RECORDED FEBRUARY 19, 1943, IN BOOK 277, OFFICIAL RECORDS, PAGE 22, A DISTANCE OF 425 FEET; THENCE SOUTH 45° 52' WEST 210 FEET; THENCE SOUTH 52° 20' EAST BEING PARALLEL WITH THE NORTHEASTERLY LINE OF SAID ROBERTSON 47.48 ACRE PARCEL TO THE NORTHWESTERLY LINE OF THAT CERTAIN PARCEL OF LAND AS DESCRIBED IN DEED FROM CHARLES O. SCHERUBEL TO THE STATE OF CALIFORNIA, DATED JANUARY 20, 1949 AND RECORDED MAY 6, 1949, IN BOOK 476, OFFICIAL RECORDS, PAGE 416, INSTRUMENT NO. 4744; THENCE NORTH 45° 43' 55" EAST ALONG SAID NORTHWESTERLY LINE TO THE MOST NORTHERLY CORNER THEREOF; THENCE SOUTH 44° 09' EAST ALONG THE NORTHEASTERLY LINE THEREOF, 96.23 FEET, MORE OR LESS TO THE NORTHWESTERLY LINE OF THE ABOVE-REFERRED TO 0.131 ACRE PARCEL; THENCE NORTH 45° 52' EAST ALONG SAID NORTHWESTERLY LINE 195.86 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE SOUTHERLY 112' FEET

ALSO EXCEPTING THEREFROM ALL THAT PARCEL OF LAND LYING WITHIN PARCEL ONE AS DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF PUTAH SOUTH CANAL WITH THE WESTERLY LINE OF THE LEFT FRONTAGE ROAD ADJOINING STATE HIGHWAY X-SOL-7D, AS SAID LINES ARE SHOWN ON THAT RECORD OF SURVEY RECORDED AT THE REQUEST OF POWER LAND, INC., IN BOOK ' SURVEYS AT PAGE 67, SOLANO COUNTY OFFICIAL RECORDS; THENCE FROM SAID POINT OF BEGINNING, RUNNING ALONG SAID WESTERLY LINE NORTH 24°46' EAST, 10.62 FEET; THENCE NORTH 14°46' EAST, 130.73 FEET; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 330 FEET AND TANGENT TO SAID LAST MENTIONED COURSE, THROUGH A CENTRAL ANGLE OF 1°30'57", AN ARC DISTANCE OF 8.73 FEET TO A POINT THAT BEARS RADIALLY SOUTH 73°43'03" EAST; THENCE LEAVING SAID WESTERLY LINE, ALONG THE SOUTHERLY LINE OF A 30' WIDE PRIVATE RIGHT-OF-WAY, NORTH 55°42' WEST, 172.45 FEET; THENCE LEAVING SAID SOUTHERLY LINE SOUTH 19°58'20" WEST, 155.07 FEET TO SAID FIRST ABOVE MENTIONED NORTHERLY LINE; THENCE RUNNING ALONG SAID NORTHERLY LINE, SOUTH 52°20' EAST, 117.00 FEET; NORTH 45°53' EAST, 28.01 FEET AND SOUTH 44°08' EAST, 61.17 FEET TO THE POINT OF BEGINNING.

FURTHER EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THAT CERTAIN 0.176 ACRE PARCEL OF LAND DESCRIBED IN DEED RECORDED IN BOOK 864 OF OFFICIAL RECORDS AT PAGE 299, RECORDS OF SOLANO COUNTY; THENCE NORTH 43° 00' EAST 192.93 FEET; THENCE SOUTH 47° 00' EAST 123.42 FEET TO A POINT ON A CURVE THE CENTER OF WHICH CURVE BEARS SOUTH 34° 14' 07" EAST, 355 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 4° 0 23" FOR AN ARC DISTANCE OF 25.65 FEET; THENCE SOUTH 55° 42" EAST 13.76 FEET TO A POINT ON A CURVE, THE CENTER OF WHICH CURVE BEARS SOUTH 37° 42' 22" EAST, 342 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30° 09' 33" FOR AN ARC DISTANCES OF 180.02 FEET; THENCE NORTH 55° 42' WEST 151.93 FEET; THENCE NORTH 43° 00'

LEGAL DESCRIPTION

EAST 30.32 FEET TO THE POINT OF BEGINNING.

FURTHERMORE, EXCEPTING THEREFROM ALL THOSE LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A NORTHEASTERLY LINE OF PUTAH SOUTH CANAL WITH THE NORTHWESTERLY LINE OF THE LEFT FRONTAGE, ROAD ADJOINING STATE HIGHWAY -SOLE-7YD, AS SAID LINES ARE SHOWN ON THAT RECORD OF SURVEY, RECORDED AT THE REQUEST OF POWER LAND, INC., IN BOOK 8 OF SURVEYS, AT PAGE 67, SOLANO COUNTY OFFICIAL RECORDS, SAID POINT BEING THE SOUTHERLY CORNER OF THE PREMISES OF THE GRANTOR HEREIN; THENCE FROM SAID POINT OF BEGINNING, RUNNING ALONG SAID NORTHWESTERLY LINE 24° 45' 12" EAST 10.62 FEET; THENCE, NORTH 14° 44' 27" EAST 130.73 FEET; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 330 FEET AND TANGENT TO SAID LAST MENTIONED COURSE, TO SAID COURSE BEARING N 76° 15' E WITH ARC DISTANCE OF 354.21 FEET AND THE TERMINATION OF THIS DESCRIPTION.

ALSO, FURTHER, EXCEPTING THEREFROM ALL THAT PORTION CONVEYED IN THE DEED FROM NUT TREE, A LIMITED PARTNERSHIP TO THE CITY OF VACAVILLE A MUNICIPAL CORPORATION, RECORDED NOVEMBER 13, 1990, INSTRUMENT NO.. 900090371, SOLANO COUNTY RECORDS.

ALSO, FURTHERMORE, EXCEPTING THEREFROM THEREFROM ALL THAT PORTION LYING SOUTHERLY OF THE NORTHERLY LINE OF THE FOLLOWING DESCRIBED PARCEL OF LAND;

BEGINNING AT THE MOST SOUTHERLY CORNER OF THAT CERTAIN 0.176 ACRE PARCEL OF LAND DESCRIBED IN DEED RECORDED IN BOOK 864 OF OFFICIAL RECORDS AT PAGE 299, RECORDS OF SOLANO COUNTY; THENCE NORTH 43° 00' EAST, 192.93 FEET; THENCE SOUTH 47° 00' EAST, 123.42 FEET TO A POINT ON A CURVE, THE CENTER OF WHICH CURVE BEARS SOUTH 34° 14' 07" EAST, 355 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 4° 08'23" FOR AN ARC DISTANCE OF 25.65 FEET; THENCE SOUTH 55°EAST, 13.76 FEET TO A POINT ON A CURVE, THE CENTER5 OF WHICH CURVE BEARS SOUTH 37° 42' 22" EAST, 342 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30° 09° 33" FOR AN ARC DISTANCE OF 180.02 FEET; THENCE NORTH 55° 42'WEST, 151.93 FEET, THENCE NORTH 43° 00' EAST, 30.32 TO THE POINT OF BEGINNING.

PORTION OF ASSESSOR'S PARCEL NUMBER: 129-250-10

PARCEL FOURTEEN

BEING ALL OF PARCEL TWO AS SAID PARCEL IS DESCRIBED IN THE DOCUMENT RECORDED IN BOOK 800 OF OFFICIAL RECORDS, AT PAGAE 315, SOLANO COUNTY RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A FORTY FOOT STRIP OF LAND LYING ADJACENT TO THE SOUTHEASTERLY LINE OF PARCEL ONE AS SAID PARCEL ONE IS DESCRIBED IN THE DOCUMENT RECORDED IN BOOK 800 OF OFFICIAL RECORDS, AT PAGE 315, SOLANO COUNTY RECORDS AND MORE PARTICULRY DESCRIBED AS FOLLOWS:
BEGINNING AT THE MOST EASTERLY CORNER OF SAID PARCEL ONE AND PROCEEDING THENCE ALONG THE BOUNDARY LINE COMMON TO THE OLSEN AND POWER PROPERTIES, AS REFERRED TO IN PARCEL ONE, SOUTH 55° 38' EAST 41.04 FEET; THENCE SOUTH 47° 17' WEST 205.20 FEET; THENCE NORTH 55° 38' WEST 41.04 FEET; THENCE NORTH 47° 17' EAST 205.20 FEET TO THE POINT OF BEGINNING.

EXHIBIT A

PARCEL FIFTEEN LEGAL DESCRIPTION

ALL THAT REAL PROPERTY IN THE CITY OF VACAVILLE, COUNTY OF SOLANO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF LAND DESCRIBED IN DEED FROM DOROTHY LEE CALBERT TO POWER LAND INCORPORATED, RECORDED MARCH 1, 1956 IN BOOK 816 OF OFFICIAL RECORDS, AT PAGE 388, AS INSTRUMENT NUMBER 3819, AND A PORTION OF THE 13 ACRE TRACT OF LAND, SET APART BY THE SUPERIOR COURT OF CALIFORNIA AS A PROBATE HOMESTEAD TO SARAH JANE OLSEN AND DESCRIBED IN THE IN A DECREE OF SAID SUPERIOR COURT, RECORDED IN BOOK 176 OF OFFICIAL RECORDS, AT PAGE 41, AS INSTRUMENT NUMBER 2434, ALL OF SOLANO COUNTY RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THAT CERTAIN 0.176 ACRE PARCEL OF LAND DESCRIBED IN DEED RECORDED IN BOOK 864 OF OFFICIAL RECORDS AT PAGE 299, RECORDS OF SOLANO COUNTY; THENCE NORTH 43°00' EAST, 192.93 FEET; THENCE SOUTH 47°00' EAST, 123.42 FEET TO A POINT ON A CURVE, THE CENTER OF WHICH CURVE BEARS SOUTH 34°14'07" EAST, 355 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 4°08'23" FOR AN ARC DISTANCE OF 25.65 FEET; THENCE SOUTH 55° EAST, 13.76 FEET TO A POINT ON A CURVE, THE CENTER OF WHICH CURVE BEARS SOUTH 37°42'22" EAST, 342 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 30°09'33" FOR AN ARC DISTANCE OF 180.02 FEET; THENCE NORTH 55°42' WEST, 151.93 FEET, THENCE NORTH 43°00' EAST, 30.32 FEET TO THE **POINT OF BEGINNING.**

EXCEPTING THEREFROM ALL THAT PORTION CONVEYED IN THE DEED FROM NUT TREE, A LIMITED PARTNERSHIP TO THE CITY OF VACAVILLE, RECORDED DECEMBER 12, 1989 AS INSTRUMENT NO. 89030, SOLANO COUNTY RECORDS.

CONTAINING 26,427 SQUARE FEET, MORE OR LESS.

APN 129-250-230

EXHIBIT A-2

PLAN OF CITY PROPERTY

EXHIBIT "A-2"

PLAT MAP OF CITY PROPERTY