ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY
SURPLUS PROPERTY AUTHORITY

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AGENDA___ August 30, 2011

August 16, 2011

Surplus Property Authority Commission
County Administration Building
1221 Oak Street, Room 536
Oakland, CA 94612

Dear Commissioners:

SUBJECT: Purchase and Sale Agreement with Caruso Acquisition Co. II, LLC. for the Purchase of 14.32 Acres of Surplus Santa Rita Property for a Retail Center

Recommendation:

That your Board, sitting as the Commission of the Surplus Property Authority of Alameda County, adopt a resolution, by a minimum 4/5th vote, authorizing the President of the Commission to execute a Purchase and Sale Agreement with Caruso Acquisition Co. II, LLC, a California limited liability company (Rick J. Caruso, Los Angeles, California, Principal) for the purchase of 14.32 acres, (APN 986-0033-007) for $13,102,000, located at the southwest corner of Hacienda Drive and Dublin Boulevard, Dublin, for the development of a retail "lifestyle" shopping center.

Discussion/Summary:

Caruso Acquisition Co. II, LLC. has offered to purchase a 14.32 acre parcel of land in Dublin, located at the southwest corner of Hacienda Drive and Dublin Boulevard, commonly referred to as "Site 16A". The parcel is currently designated for campus office uses, but the City of Dublin has indicated the desire for the property to be developed with retail uses and is proposing to amend the Eastern Dublin Specific Plan to accommodate both office and retail uses. Caruso, a well known developer and owner of high-end retail centers in southern California, plans to construct and own a 165,000 plus square foot "lifestyle retail" shopping center anchored by a high-end grocery store as well as a mix of retail and restaurant uses that would provide a valuable amenity to the surrounding existing and planned residential and office development on Surplus Property lands.

The purchase price for the parcel is $13,102,000, which represents $21 per square foot for the 14.32 acre site. The purchase price includes the right to use existing Surplus Property Authority-owned Traffic Impact Fee Credits, at no cost to Caruso. A first deposit of $100,000 will be made upon execution of the Purchase and Sale Agreement. Caruso will then have 90 days to inspect the property, at which time the first deposit will become non-refundable, and an additional deposit of $200,000 will be required. Caruso will then have up to 270 days to complete the entitlement process with Dublin, at which time the second deposit will become non-refundable and a third deposit of $250,000 will be required. Caruso will then have 180 days to close, unless they chose to extend the close for up to 180 days with payment of $300,000 in non-applicable extension fees.

Under the terms of the Purchase and Sale Agreement, Caruso is responsible for the costs of entitling the retail project, including any General Plan/Specific Plan amendment or any "off-site" improvements required by the City.

Per the Rules of the Surplus Property Authority, any sale that is the result of direct negotiations and not the result of a competitive RFP process requires a 4/5th approval and findings that the sale is in the economic best interests of the County and that, but for the direct negotiations, the sale could not be accomplished. Those findings have been made and are recited in the Resolution.

Financial Impact:

Sale of this property will result in a net of approximately $13,100,000 to the County's Emerald Fund.

Very truly yours,

Chris Bazar
Community Development Director
Surplus Property Authority Manager

cc: Susan Muranishi, CAO
Patrick O'Connell, Auditor-Controller
U.B. Singh, CDA
Stuart Cook, Surplus Property

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS

Between

SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY,
a public corporation
("Seller")

and

CARUSO ACQUISITION CO. II,
a California limited liability company,
("Buyer")

__________, 2011

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS ("**Agreement**") is made and entered into as of ________, 2011, ("**Effective Date**") by and between the SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, a public corporation ("**Seller**"), CARUSO ACQUISITION CO. II, LLC a California limited liability company ("**Buyer**"), and CHICAGO TITLE COMPANY ("**Escrow Holder**").

RECITALS

A. Seller is the owner of that certain unimproved real property located in the City of Dublin ("**City**"), County of Alameda ("**County**"), State of California described in **Exhibit A** (the "**Land**") consisting of approximately fourteen and thirty-two one-hundredths (14.32) acres.

B. Seller desires to sell the Property (defined in **Section 1.1)** to Buyer, and Buyer desires to purchase the Property from Seller, in accordance with the terms and conditions contained in this Agreement.

C. If Buyer purchases the Property as provided in this Agreement, Buyer intends to develop and construct on the Property a lifestyle shopping center in one or more phases consisting of approximately one hundred sixty-five thousand (165,000) to one hundred eighty thousand (180,000) leasable square feet (such shopping center referred to as the "**Project**").

AGREEMENT

1. PURCHASE AND SALE.

1.1 Agreement to Buy and Sell. Subject to the provisions of this Agreement, Seller agrees to sell and convey to Buyer, and Buyer hereby agrees to acquire and purchase from Seller, the Property. As used in this Agreement, "**Property**" includes Seller's fee interest in the Land, and all of Seller's right, title, and interest in and to all privileges, rights, easements, mineral rights, oil and gas rights, water and water rights, and appurtenant rights related to the Property, if any.

1.2 Purchase Price. The purchase price of the Property is Thirteen Million One Hundred Two Thousand Dollars ($13,102,000) (the "**Purchase Price**"). The Purchase Price is payable on Close of Escrow as provided in **Section 2.3**.

1.3 Deposits.

(a) First Deposit. Within five (5) days following the Effective Date, Buyer shall deposit with Escrow Holder the sum of One Hundred Thousand Dollars ($100,000) (the "**First Deposit**").

(b) Additional Deposits. In addition to the First Deposit, and provided that (i) Buyer has not elected to terminate this Agreement on or before expiration of the Feasibility and Due Diligence Period pursuant to **Section 3.5**; and (ii) there is no Seller Event of Default (defined in **Section 7.1**), Buyer shall make additional deposit payments to Escrow Holder in the amounts and on the following dates:

(i) Two Hundred Thousand Dollars ($200,000) on the business day following the date on which the Entitlements Period (defined in **Section 3.5**) commences (the "**Second Deposit**"); and

(ii) Two Hundred Fifty Thousand Dollars ($250,000) no later than the first business day following the expiration date of the Entitlements Period if Buyer does not elect to terminate this Agreement as provided in **Section 3.5** (the "**Third Deposit**").

Each additional deposit made under this **Section 1.3(b)** is sometimes referred to singularly as an "**Additional Deposit**," and are sometimes referred to collectively as "**Additional Deposits**."

Provided that there is no Seller Event of Default, Buyer's failure to pay an Additional Deposit by the applicable date as provided in this Section shall constitute a Buyer's Event of Default (defined in **Section 7.2**) if the Additional Deposit is not paid by Buyer no later than the fifth (5^{th}) day following Buyer's receipt of written notice from Seller demanding payment of the delinquent Additional Deposit, in which event Seller shall have the election at any time after such default to terminate this Agreement and enforce Seller's remedies pursuant to **Section 7.2** (provided the thirty (30) day cure period in **Section 7.2** shall not be applicable).

(c) Provisions Applicable to Deposits. The First Deposit and Additional Deposits (including interest earned thereon) shall be referred to collectively as the "**Deposits**," unless specifically provided otherwise. The parties shall instruct Escrow Holder to invest the Deposits in an interest bearing account(s) reasonably approved by the parties.

(d) Refundability of the Deposits.

(i) Prior to Expiration of the Feasibility and Due Diligence Period. If Buyer elects to terminate this Agreement on or before expiration of the Feasibility and Due Diligence Period pursuant to **Section 3.3,** the First Deposit shall be returned to Buyer, subject to **Section 7.2.** Upon commencement of the Entitlement Period, the First Deposit shall become nonrefundable and subject to the provisions of **Section 1.3(d)(iv)** (unless there is a Seller Event of Default, in which case the First Deposit shall be fully refundable and returned to Buyer in accordance with **Section 7.1**).

(ii) Prior to Expiration of the Entitlement Period. If Buyer elects to terminate this Agreement on or before expiration of the Entitlement Period pursuant to **Section 3.5**, the Second Deposit shall be returned to Buyer, subject to **Section 7.2.**

(iii) After Expiration of the Entitlement Period.

(A) Second Deposit. After Expiration of the Entitlement Period, and provided this Agreement remains in effect, the Second Deposit shall be nonrefundable and subject to the provisions of **Section 1.3(d)(iv)** (unless there is a Seller Event of Default, in which case the Second Deposit shall be fully refundable and returned to Buyer in accordance with **Section 7.1**).

(B) Third Deposit. After Expiration of the Entitlement Period to the Initial Closing Date as provided in **Section 2.3(a)** the Third Deposit shall be returned to Buyer (subject to **Section 7.2**) if Buyer elects to terminate this Agreement pursuant to **Section 2.3(a)**. If, however, Buyer elects to extend the Initial Closing Date pursuant to **Section 2.3(b)(i)**, the Third Deposit shall become nonrefundable and subject to the provisions of **Section 1.3(d)(iv)** (unless there is a Seller Event of Default, in which event the Third Deposit shall become fully refundable and returned to Buyer in accordance with **Section 7.1**).

(iv) Nonrefundable Deposits. When the Deposits become nonrefundable as provided in this **Section 1.3(d)**, Escrow Holder shall continue to hold the Deposits, in which event: Upon Close of Escrow the Deposits shall be applied against the Purchase Price and delivered to Seller; or, if Close of Escrow does not occur and this Agreement terminates, Escrow Holder shall pay the Deposits to Seller (unless there is a Seller Event of Default, in which case the Deposits shall be fully refundable and returned to Buyer in accordance with **Section 7.1**).

1.4 Use of Credits.

(a) Traffic Impact Fee Credits. Seller has obtained certain "Category 1" and "Category 2" traffic impact fee credits from the City as a result of improvements previously constructed by Seller that may be used to offset a portion of the City's "Category 1" and "Category 2" traffic impact fees due at the time City issues a building permit to Buyer for the Project. Following Close of Escrow, upon written request by Buyer, Seller shall transfer to Buyer Category 1 and Category 2 traffic impact fee credits for Buyer's Project in the manner established by the City's TIF Administrative Rules. The amount of Category 1 and Category 2 traffic impact fee credits transferred to Buyer shall be as specified and limited as provided in **Exhibit B-1** ("**Traffic Impact Fee Credits**"). Buyer shall be responsible for paying the City's administrative fee for such transfers.

(b) Park Fee Credits. Seller and Buyer acknowledge and agree that the amount of the Purchase Price has been calculated without taking into account Seller's community park land credits ("**Park Fee Credits**"), received from the City as a result of park land previously dedicated by Seller, which Park Fee Credits Buyer may be eligible to use to offset a portion of the City's Public Facility Fee otherwise payable by Buyer in connection with the Project. Therefore, in addition to the Purchase Price, Buyer agrees to make additional payments to Seller as set forth in the following paragraph.

Buyer will, to the maximum extent allowed by the City, satisfy its obligation to pay Public Facility Fees for the Project with the available Park Fee Credits. Prior to paying any Public Facility Fees to the City, Buyer will provide written notice to Seller specifying the total Park Fee Credits Buyer will require, and Seller shall transfer such Park Fee Credits to Buyer in the manner established by the City's Administrative Rules, with Seller responsible for paying the City's administrative fee for such transfer. Buyer shall, to the extent Public Facility Fees are satisfied by Buyer's use of Seller's Park Fee Credits, pay to Seller the amount of the Public

Facilities Fees otherwise payable by Buyer that are avoided by use of Seller's Park Fee Credits, but only to the extent such Park Fee Credits are used by Buyer. Buyer shall make such payments no later than thirty (30) days after the date the Buyer uses Seller's Park Fee Credits. Any sums not paid within such thirty (30) day period shall accrue interest from the date Seller's Park Fee Credits were used at the rate of one percent (1%) per month, compounded monthly, until such sums are paid in full.

The provisions of this **Section 1.4(b)** apply to Buyer's successors and assigns as developer of the Project, and Buyer shall include in any sale and purchase agreement, or other type of agreement affecting the Property, a provision similar to this **Section 1.4(b)** requiring any such successors and assigns to use Seller's available Park Fee Credits as provided in this **Section 1.4(b)** and to pay any amounts due to Seller for the use of such Park Fee Credits, but only to the extent such Park Fee Credits are actually used by Buyer; provided, however, Buyer shall remain liable under this **Section 1.4(b)** for the payment of any amounts payable hereunder if any such successors and assigns fail to pay any amounts payable to Seller under this **Section 1.4(b)**. Solely for the purpose of notifying third parties of the provisions of this **Section 1.4(b)**, immediately prior to Close of Escrow the parties shall execute that certain instrument titled "**Buyer's Covenant**" in the form and content of **Exhibit B-1**, and Buyer's Covenant shall be recorded in the Official Records (defined in **Section 2.1**) on Close of Escrow pursuant to **Section 2.5**.

2. ESCROW AND CLOSING.

2.1 Opening of Escrow. An escrow (the "**Escrow**") has been previously opened with Escrow Holder at its office located at One Kaiser Plaza, Suite 745, Oakland, California 94612. When this Agreement is executed by Seller and Buyer the parties shall deposit with Escrow Holder a copy of the fully executed Agreement, or executed counterparts of this Agreement. As used in this Agreement, the phrases "**Closing Date**" and "**Close of Escrow**" are synonymous and shall mean the date a Grant Deed in the form of **Exhibit C** ("**Grant Deed**") is recorded in the Office of the Recorder of Alameda County (the "**Official Records**").

2.2 Escrow Fees and Other Charges. In connection with Close of Escrow, Buyer shall pay: (a) the premium cost of Buyer's Title Policy (as defined in **Section 3.2**); (b) one-half (1/2) of recording fees in recording the Grant Deed; and (c) one half (1/2) of Escrow Holder's fees, if any. In connection with Close of Escrow, Seller shall pay: (a) the cost of all endorsements to Buyer's Title Policy issued to ameliorate or cure title objections as provided in **Section 3.1**; (b) all County and City transfer taxes; (c) one-half (1/2) of recording fees in recording the Grant Deed; and (d) one half (1/2) of Escrow Holder's fees, if any. All other costs related to this transaction shall be paid by the parties in the manner consistent with common practice in commercial land transactions in Alameda County.

2.3 Close of Escrow; Extension of Closing Date; Definition of Approved and Approvals.

(a) Close of Escrow. Subject to the satisfaction or waiver of the conditions set forth in this Agreement, and subject to **Section 2.3(b),** Close of Escrow shall occur not later than one hundred eighty (180) days (plus any extensions due to Targeted Litigation in accordance with Section 2.3(b)(iii)) after the date Buyer has obtained from the City and any other applicable Authorities (defined in **Section 2.3(d)**) the Approval (defined in **Section 2.3(d)**) of Buyer's Entitlements pursuant to **Section 3.5** (as may be further extended pursuant to the terms of this Agreement, the "**Initial Closing Date**"), provided Buyer shall have the election to terminate this Agreement prior to the Initial Closing Date, in which event the parties shall be relieved of further rights and obligations hereunder except for Surviving Obligations (defined in **Section 9.1**).

(b) Extensions of Closing Date.

(i) First Extension of Closing Date. The provisions of **Section 2.3(a)** to the contrary notwithstanding, Buyer shall have the election to extend the Initial Closing Date stated in **Section 2.3(a)** for a period of ninety (90) days ("**First Extension of Closing Date**"), provided Buyer notifies Seller of Buyer's election to extend the Initial Closing Date no later than fifteen (15) days prior to the Initial Closing Date stated in **Section 2.3(a)** ("**Buyer's First Extension Notice**") and deposits with Escrow Holder at the time Buyer delivers Buyer's First Extension Notice to Seller the sum of One Hundred Fifty Thousand Dollars ($150,000) as consideration of Seller granting Buyer the right to extend the Initial Closing Date as provided in this Section (such sum referred to as the "**First Extension Consideration**"). Buyer's failure to deliver Buyer's First Extension Notice to Seller by the time required by this Section, and/or failure to deposit the First Extension Consideration with Escrow Holder when Buyer delivers Buyer's First Extension Notice to Seller, shall result in the termination of Buyer's right to extend the Initial Closing Date as provided in this **Section 2.3(b)(i)**.

Seller shall instruct Escrow Holder how to hold and invest the First Extension Consideration. References in this Agreement to the First Extension Consideration shall be deemed to include all interest earned thereon. The First Extension Consideration shall be nonrefundable and shall not be applied against the Purchase Price (unless there is a Seller Event of Default, in which case the First Extension Consideration shall be returned to Buyer in accordance with **Section 7.1**). Escrow Holder shall pay to Seller the First Extension Consideration upon receipt of Notice from Seller (unless there is a Seller Event of Default, in which case the First Extension Consideration shall be returned to Buyer in accordance with **Section 7.1**).

(ii) Second Extension of Closing Date. The provisions of **Section 2.3(b)(i)** to the contrary notwithstanding, Buyer shall have the election to further extend the Initial Closing Date, as extended in **Section 2.3(b)(i)**, for an additional other period of ninety (90) days, provided Buyer notifies Seller of Buyer's election to further extend the Initial Closing Date no later than fifteen (15) days prior to the expiration of the First Extension of the Initial Closing Date pursuant to **Section 2.3(b)(i) ("Buyer's Second Extension Notice")** and deposits with Escrow Holder at the time Buyer delivers Buyer's Second Extension Notice to Seller the additional sum of One Hundred Fifty Thousand Dollars ($150,000) as consideration of Seller granting Buyer the further right to extend the Initial Closing Date (such sum referred to as the "**Second Extension Consideration**"). Buyer's failure to deliver Buyer's Second Extension Notice to Seller by the time required by this Section, and/or failure to deposit the Second Extension Consideration with Escrow Holder when Buyer delivers Buyer's Second Extension

Notice to Seller, shall result in the termination of Buyer's right to further extend the Initial Closing Date as provided in this **Section 2.3(b)(ii)**.

Seller shall instruct Escrow Holder how to hold and invest the Second Extension Consideration. References in this Agreement to the Second Extension Consideration shall be deemed to include all interest earned thereon. The Second Extension Consideration shall be nonrefundable and shall not be applied against the Purchase Price (unless there is a Seller Event of Default, in which case the Second Extension Consideration shall be returned to Buyer in accordance with **Section 7.1)**. Escrow Holder shall pay to Seller the Second Extension Consideration upon receipt of Notice from Seller (unless there is a Seller Event of Default, in which case the Second Extension Consideration shall be returned to Buyer in accordance with **Section 7.1**).

(iii) Extension of Closing Date Due to Litigation. If at any time on or before a scheduled Closing Date a legal or regulatory proceeding is filed against Buyer or Seller or any of their respective affiliates, as applicable, that would prevent or delay Buyer's development of the Project or cause modifications to the Project ("**Targeted Litigation**"), the scheduled Closing Date shall be automatically extended for a period of time equal to the period of time that the Targeted Litigation is pending, and the scheduled Closing Date shall be the date that is thirty (30) days following the date upon which the Targeted Litigation is resolved in favor of Buyer (and is finally adjudicated and non-appealable) (subject to Buyer's right to extend the Initial Closing Date pursuant to **Section 2.3(b)(i)** and **(ii)**, if then applicable). At any time while the Targeted Litigation is pending, Buyer shall have the right to terminate this Agreement, in which event the parties shall be relieved of further obligations hereunder except for Surviving Obligations, and the Deposits and any Extension Consideration shall be returned to Buyer, subject to **Section 7.2**. In addition, if the Targeted Litigation is pending for more than one year following the scheduled Closing Date, Seller shall have the right, at any time thereafter while the Targeted Litigation is pending, to terminate this Agreement, in which event the parties shall be relieved of further obligations hereunder except for the Surviving Obligations, and the Deposits and any Extension Consideration shall be returned to Buyer, subject to **Section 7.2**. Unless and until this Agreement is terminated under this **Section 2.3(b)(iii)** and there is no Seller Event of Default, Buyer will, at its cost and expense, diligently defend and oppose the Targeted Litigation.

(c) Failure of Close of Escrow. In the event Close of Escrow has not occurred by the Initial Closing Date (as possibly extended pursuant to **Sections 2.3(b)(i), (ii),** and **(iii)**), either party may terminate this Agreement, in which event the parties shall be relieved of further rights and obligations under this Agreement except for Surviving Obligations; provided, however, that no party may terminate this Agreement if such party is in default of this Agreement.

(d) Definition of Approved and Approvals. For purposes of this Agreement, the terms "**Approved**" or "**Approval**" shall mean that the City, County, State of California, Federal government, and any other applicable government authority having jurisdiction over the Property and/or the Project (collectively, the "**Authorities**"), voted or otherwise acted to approve such item or matter, and all administrative and judicial appeal periods for such Approval, if applicable, have expired without the filing of an administrative appeal or judicial proceeding, or if an administrative appeal or judicial proceeding is filed, that the administrative appeal or judicial proceeding is resolved on terms satisfactory to Buyer (in Buyer's sole and absolute discretion).

2.4 Closing Documents. The parties shall deposit the documents and matters with Escrow Holder prior to Close of Escrow as provided in this Section.

(a) Buyer's Deliveries. Buyer shall deposit:

(i) The Purchase Price;

(ii) Buyer's share of closing costs and prorations as provided in this Agreement;

(iii) One (1) copy of Buyer's Covenant; and

(iv) Two (2) copies of the Repurchase Agreement executed by Buyer in the form and content of **Exhibit D**, and one (1) copy of the Memorandum of Repurchase Agreement executed by Buyer in the form and content of **Exhibit D.**

(b) Seller's Deliveries. Seller shall deposit the Grant Deed conveying fee title to the Property, subject only to Permitted Exceptions (as defined in **Section 3.1(d)**). Seller shall execute the Repurchase Agreement and Memorandum of Repurchase Agreement prior to Close of Escrow.

(c) Additional Instruments. Seller and Buyer shall each deposit such other escrow instructions, documents, and/or instruments as are reasonably required by Escrow Holder or otherwise required to proceed to Close of Escrow and consummate the sale and purchase of the Property in accordance with the terms of this Agreement.

2.5 Closing.

(a) Actions by Escrow Holder. On the Initial Closing Date, provided all of the conditions to the parties' obligations have been satisfied or waived as provided in this Agreement, Escrow Holder shall undertake and perform the following acts in the following order:

(i) Record the Grant Deed in the Official Records (with any documentary transfer tax information to be affixed after recording) and obtain conformed copies thereof for delivery to the parties;

(ii) Record Buyer's Covenant in the Official Records and obtain conformed copies thereof for delivery to the parties;

(iii) Record the Memorandum of Repurchase Agreement in the Official Records and obtain conformed copies thereof for delivery to the parties;

(iv) Pay any transfer taxes;

(v) Instruct the County Recorder to return the original Grant Deed to Buyer and the original Memorandum of Repurchase Agreement to Seller;

(vi) Distribute to Seller, or as Seller may instruct, the Purchase Price less Seller's share of closing costs and prorations as provided in this Agreement;

(vii) Deliver Buyer's Title Policy to Buyer; and

(viii) Deliver to each party two (2) executed copies of the Repurchase Agreement.

(b) Prorations. If applicable, real property taxes and assessments for the Property shall be prorated as of Close of Escrow on the basis of the most recent tax information. Prorations shall be based on a thirty (30) day month. Seller's portion of such taxes and assessments may be paid by using a portion of the Purchase Price at Close of Escrow at Seller's election.

(c) Possession. Upon Close of Escrow, exclusive possession of the Property shall be delivered to Buyer, and title to the Property shall be conveyed to Buyer, subject only to Permitted Exceptions.

2.6 Failure to Close; Cancellation of Charges. In the event Close of Escrow fails to occur due to an Event of Default of one of the parties pursuant to **Section 7**, the defaulting party shall bear the sole and full liability for paying any escrow and title cancellation fees and charges. Otherwise, each party shall pay fifty percent (50%) of such fees and charges.

3. ACTIONS PENDING CLOSING.

3.1 State of Title; Permitted Exceptions.

(a) State of Title. Seller shall convey marketable and insurable title to the Property to Buyer, and deliver possession of the Property to Buyer, on Close of Escrow subject only to Permitted Exceptions (defined in **Section 3.1(b)**).

(b) Preliminary Report. Prior to the Effective Date, Seller has previously caused Escrow Holder to furnish Buyer with a current Preliminary Report covering the Property attached hereto as **Exhibit E**, together with legible copies of all instruments and documents referenced therein as exceptions to title (collectively, the "**Preliminary Report**").

(c) Title Notices. Buyer shall have thirty (30) days after the Effective Date to deliver to Seller and Escrow Holder written notice of Buyer's approval, conditional approval, and/or disapproval of the title matters disclosed in the Preliminary Report ("**Buyer's Preliminary Title Notice**"); except, Buyer shall not have the right to disapprove any Permitted Exceptions as defined in **Section 3.1(d)** (items (ii) through (iv)). All matters not timely disapproved by Buyer within the thirty (30) day period will be conclusively deemed approved. All exceptions disapproved by Buyer are referred to as "**Disapproved Exceptions**." Within ten (10) days following receipt of Buyer's Preliminary Title Notice, Seller shall give Buyer written notice of those Disapproved Exceptions that Seller shall or shall not reasonably attempt to remove from title, or attempt to cause Escrow Holder to endorse over (subject to Buyer's reasonable approval), all within thirty (30) days following receipt of Buyer's Preliminary Title Notice, which notice from Seller shall be referred to as "**Seller's Attempt to Cure Notice**."

If Seller's Attempt to Cure Notice is not acceptable to Buyer, in Buyer's sole discretion, Buyer shall have the election, on or before thirty (30) days after Buyer's receipt of Seller's Attempt to Cure Notice, to terminate this Agreement in which event the Deposits shall be returned to Buyer, and the parties shall be relieved of further rights and obligations under this Agreement except for Surviving Obligations, subject to **Section 7.2**. If Buyer fails to terminate this Agreement as provided in the preceding sentence, Seller shall only be obligated to attempt to remove those Disapproved Exceptions that Seller agrees to attempt to remove as stated in Seller's Attempt to Cure Notice. Seller shall have thirty (30) days after receipt of Buyer's Preliminary Title Notice to attempt to remove those Disapproved Exceptions that Seller agrees to attempt to remove as stated in Seller's Attempt to Cure Notice, or to cause Escrow Holder to endorse over such Disapproved Exceptions (subject to Buyer's reasonable approval), all as of or before expiration of the thirty (30) day period. At the end of the thirty (30) day period, Seller shall notify Buyer of any Disapproved Exceptions that Seller will be unable to remove, or unable to have endorsed over (such notice referred to as "**Seller's Final Title Notice**").

Buyer shall have the election, on or before ten (10) days after Buyer's receipt of Seller's Final Title Notice, to deliver written notice to Seller either: (i) disapproving Seller's Final Title Notice, which can only be disapproved if Seller has been unable to either remove a Disapproved Exception, or cause Escrow Holder to endorse over a Disapproved Exception in a manner reasonably acceptable to Buyer, in which case this Agreement shall terminate; or (ii) approving Seller's Final Title Notice (Buyer's approval shall be conclusively deemed made if Seller has removed all Disapproved Exceptions, or has caused Escrow Holder to endorse over all or part of them in a manner reasonably acceptable to Buyer). If Buyer terminates this Agreement as provided in this paragraph, the Deposits shall be returned to Buyer, and the parties shall be relieved of further rights and obligations under this Agreement except for the Surviving Obligations, subject to **Section 7.2.**

If Buyer fails to deliver written notice disapproving Seller's Title Notice pursuant to clause (i) of the preceding paragraph, Buyer shall be deemed to have elected to approve Seller's Final Title Notice.

Anything contained in this **Section 3.1(c)** to the contrary notwithstanding, any monetary encumbrances affecting title to the Property (other than a lien for current real property taxes and assessments not then delinquent, or any monetary encumbrances created by Buyer or its Authorized Representatives (defined in **Section 9.1**)), shall be discharged by Seller on or before Close of Escrow and need not be formally disapproved by Buyer and shall not be considered a Permitted Exception.

(d) Permitted Exceptions. "**Permitted Exceptions**" shall mean the exceptions to title approved, or deemed approved, by Buyer pursuant to **Section 3.1(c)** ; (ii) general and special real property taxes and assessments, a lien not yet delinquent (subject to the proration provisions of **Section 2.5(b)**); (iii) any matters of record consented to by Buyer, and/or caused by the acts or omissions of Buyer and its Authorized Representatives including, without limitation, the Memorandum of Repurchase Agreement and Buyer's Covenant; and (iv) all standard printed exceptions which appear on the Preliminary Report and the Title Policy.

In the event there is any matter of record that is not a Permitted Exception but that Escrow Holder will endorse over (and endorsing over is reasonably acceptable to Buyer), Seller shall pay the premium cost for any such endorsement(s).

3.2 **Title Policy**. At Close of Escrow, Escrow Holder shall issue to Buyer an ALTA 2006 Policy of Title Insurance ("**Buyer's Title Policy**") insuring fee title to the Property vested in Buyer with liability equal to the Purchase Price, subject only to the Permitted Exceptions. At least three (3) business days prior to the date of Close of Escrow, Escrow Holder shall furnish both Seller and Buyer with a pro forma of Buyer's Title Policy substantially as Escrow Holder is prepared to bind itself to issue as Buyer's Title Policy (subject to events occurring after the date of time of such pro forma and prior to Close of Escrow).

3.3 **Feasibility and Due Diligence Period**. Buyer shall have to and including the end of the ninetieth (90^{th}) day following the Effective Date (the "**Feasibility and Due Diligence Period**") to:

(a) review, in Buyer's sole and absolute discretion, the Documents and Materials delivered by Seller pursuant to **Section 3.4**, and any other contracts, documents, books and records and agreements affecting the Property, the suitability of the Property for Buyer's use and development of the Project, including, without limitation, Permitted Exceptions, any governmental land regulations, zoning ordinances, architectural and design requirements, development costs (including, without limitation, governmental development impact fees, school fees, traffic impact fees, drainage or impervious surface fees, and other permit costs), financial and market feasibility studies, the status of the entitlements of the Property, availability of utility services, the presence of Hazardous Substances (as defined in **Section 4.3(a)**), existing or potential assessments imposed on the Property, and the physical condition of the Property, including compaction, stability and load bearing capacity of the soils, and the seismic integrity of the Property (collectively, the "**Due Diligence Matters**");

(b) approve or disapprove of the Due Diligence Matters in Buyer's sole and absolute discretion; or

(c) deliver to Seller written notice of Buyer's approval or disapproval of the Due Diligence Matters or any of them as provided in this Section.

Failure by Buyer to timely give notice of its approval or disapproval of the Due Diligence Matters by the end of the Feasibility and Due Diligence Period shall be deemed disapproval thereof. If Buyer disapproves or is deemed to have disapproved of the Due Diligence Matters or any of them by the end of the Feasibility and Due Diligence Period, then this Agreement shall terminate, the parties shall be relieved of further rights and obligations under this Agreement except for Surviving Obligations, and the Deposits shall be returned to Buyer, subject to **Section 7.2**.

The provisions of this **Section 3.3** to the contrary notwithstanding, at any time during the Feasibility and Due Diligence Period, Buyer shall have the election to terminate this Agreement, in which event the parties shall be relieved of further obligations under this Agreement except for Surviving Obligations, and the Deposits shall be returned to Buyer, subject to **Section 7.2.**

3.4 Access to Property and Delivery of Documents and Materials. From and after the Effective Date through Close of Escrow, Seller grants to Buyer and Buyer's designated Authorized Representatives the right to enter upon the Property, subject to the terms and conditions of this **Section 3.4**, for the sole purpose of conducting studies and investigations of the Property. Such entry shall be made only during regular business hours and upon not less than two (2) business days' advance telephonic, written facsimile, or other electronic notice to Seller's Designated Representative (referred to in **Section 5.1**).

Prior to exercise of the right of entry granted in this **Section 3.4**, Buyer shall provide Seller with satisfactory evidence, in the form of a certificate of insurance, that Buyer is insured under commercial general liability and automobile liability insurance policies (**"CGL Policy"**) terminable only after ten (10) days advance written notice to Seller, in an amount of not less than Two Million Dollars ($2,000,000) combined single limit per occurrence for bodily injury and property damage. Additionally, each Authorized Representative of Buyer (except Buyer's employees) that enters upon the Property as provided in this Section shall provide Seller with satisfactory evidence, in the form of a certificate of insurance, that such Authorized Representative has a CGL Policy terminable only after ten (10) days advance written notice to Seller, in an amount of not less than Two Million Dollars ($2,000,000) combined single limit per occurrence for bodily injury and property damage. Each insurance policy required by this paragraph shall name Seller as an additional insured.

Buyer shall protect, indemnify, defend (with counsel reasonably acceptable to Seller), and hold harmless Seller, the County of Alameda, and their respective board members, and Authorized Representatives (collectively the **"Indemnified Parties"**), from and against any and all costs, expenses (including, without limitation, reasonable attorneys' fees), damages, claims, liabilities, liens (including, without limitation, mechanics' liens) encumbrances, and charges arising out of any entry by Buyer or Buyer's designated Authorized Representatives upon the Property, unless such matters arise from the acts, negligence or willful misconduct of the Indemnified Parties, or from the discovery of any Hazardous Substances (defined in **Section 4.3(a)**) or other adverse conditions on or about the Property that are not caused by the acts or omissions of Buyer and its Authorized Representatives. The foregoing obligations of Buyer shall survive Close of Escrow or termination of this Agreement.

The provisions of this **Section 3.4** to the contrary notwithstanding, Buyer shall not conduct any biological investigations or studies, and/or any other invasive investigations, inspections, or tests on the Property without prior written notice to Seller of the proposed biological investigations and studies, invasive investigations, inspections, or tests (including, with respect to any Hazardous Substances invasive testing, a written plan for such testing), and Seller's approval thereof which will not be unreasonably withheld, conditioned or delayed. Additionally, Buyer shall provide to Seller copies of penultimate drafts of any reports prepared in connection with any such activities prior to them becoming final and submitted to third parties (including governmental agencies) for Seller's review and approval (which approval will not be unreasonably withheld, conditioned, or delayed).

No later than three (3) business days after the Effective Date, Seller shall, to the extent Seller has not previously done so, provide Buyer with copies of all non-confidential reports, studies, surveys, contracts, agreements and analyses relating to the physical and/or environmental condition of the Property in Seller's possession or control, excluding the Environmental Reports pursuant to **Section 5.1(c)** (collectively, "**Documents and Materials**"); provided, Seller shall not be deemed to make any representation to Buyer regarding the accuracy, completeness, methodology or current status of third party reports, nor shall Seller assume any liability with respect to any matter or information referred to or contained in such reports, nor shall Buyer have any claim against Seller or any consultant or contractor of Seller arising out of the contents of such reports. At the time Seller delivers Documents and Materials to Buyer, Seller shall be deemed to represent to Buyer that the Documents and Materials delivered to Buyer are the only Documents and Materials Seller has in its possession or control relative to the physical and environmental condition of the Property. Seller shall make the Environmental Reports available to Buyer for inspection at Seller's offices at Alameda County General Services Agency, Environmental Services Division, 1401 Lakeside Drive, Oakland, California.

Buyer shall provide Seller with copies of all reports and studies relating to the environmental condition of the Property prepared by Buyer's consultants, but excluding confidential or proprietary information or communications with Buyer's legal counsel; provided, that Buyer shall not be deemed to make any representation to Seller regarding the accuracy, completeness, methodology or current status of such third party reports, nor shall Buyer assume any liability with respect to any matter or information referred to or contained in such reports, nor shall Seller have any claim against Buyer or any consultant of Buyer arising out of the contents of such reports.

3.5 Entitlement Period.

(a) Entitlement Period. The phrase "**Entitlement Period**" is that period of time that commences on the date that is the earlier of the expiration date of the Feasibility and Due Diligence Period or the date Buyer approves the Due Diligence matters pursuant to **Section 3.3**, and which period expires on the date that is the earlier of two hundred seventy (270) days following the commencement date of the Entitlement Period or the date Buyer obtains Approval of Buyer's Entitlements pursuant to **Section 3.5(b)**.

(b) Buyer's Entitlements. During the Entitlement Period, Buyer, at Buyer's sole cost and expense, shall exercise commercially reasonable efforts to obtain Approval of Buyer's Entitlements (as defined in the following paragraph). Buyer may commence such efforts prior to the commencement of the Entitlement Period, but is not required to do so.

"**Buyer's Entitlements**" is the Approval by the City and any other government authority of all permits (except building permits which is not included in the definitions of Buyer's Entitlements), entitlements, plans and all other Approvals and authorizations necessary for the planning, development, construction, and operation of the Project, and all related onsite and offsite improvements, including, without limitation, a site design review and PUD site development plan for the Property, if required, which Buyer's Entitlements shall be subject to terms and conditions acceptable to Buyer in its sole discretion. Subject to **Section 1.4**, Buyer shall pay for all costs, expenses, and fees in connection with Buyer's Entitlements and building permits.

Seller shall have the right to approve any Buyer's Entitlements that involve Potential Adverse Impacts (defined in the following paragraph), which approval will not be unreasonably withheld, delayed, or conditioned. Seller shall either approve or disapprove of any such proposed Buyer's Entitlements that involve Potential Adverse Impacts by written notice to Buyer within twenty (20) days following the date that Seller receives from Buyer any such proposed Buyer's Entitlements that involve Potential Adverse Impacts. Seller's failure to respond within such twenty (20) day period shall conclusively be deemed approval by Seller of Buyer's Entitlements in question. If Seller disapproves of any such Buyer's Entitlements, it shall state in writing with specificity its reason(s) for its disapproval. If Buyer does not modify any such Buyer's Entitlements to resolve any or all of Seller's disapprovals, Buyer shall notify Seller that Buyer shall not so modify Buyer's Entitlements, and Seller shall have the election to terminate this Agreement within ten (10) days following receipt of Buyer's notice, in which event the parties shall be relieved of further rights and obligations under this Agreement except for Surviving Obligations, and the Deposits shall be returned to Buyer, subject to **Section 7.2**. This Agreement shall remain in effect if Seller does not elect to terminate this Agreement within the ten (10)-day period, and in such event Seller shall conclusively be deemed to have waived its objection(s) that gave rise to Seller's election to terminate this Agreement.

The phrase "**Potential Adverse Impacts**" refers only to the following that materially adversely affect real property (other than the Project as contemplated herein) owned by Seller as of the Effective Date and located in the City: (i) any amendment to the City's General Plan and/or the Eastern Dublin Specific Plan; (ii) PUD site development plan for the Property (excluding architectural and landscape design requirements and criteria); (iii) any changes and/or modifications to existing streets including, without limitation, changes in traffic signals, median strips, turning lanes, and in ingress and egress locations; and (iv) material changes in the capacity of current streets; and (v) the Project-specific development agreement, if applicable.

Buyer shall promptly notify Seller at least five (5) days in advance where reasonably possible of any meetings and hearings in connection with Buyer's Entitlements that may involve Potential Adverse Impacts. Seller shall be entitled to attend and participate in any such meetings and hearings.

Subject to the preceding paragraph, Seller shall reasonably cooperate with Buyer, as requested by Buyer, in Buyer's processing of Buyer's Entitlements, including, without limitation, having Seller's Authorized Representatives appear at and participate in meetings and hearings, provided Seller shall not incur any out-of-pocket costs and expenses in cooperating with Buyer.

Buyer shall promptly notify Seller when Buyer has obtained all of Buyer's Entitlements. If Buyer has not obtained Buyer's Entitlements by the end of the Entitlement Period, or if at any time during the Entitlement Period any government authority shall deny an application for Buyer's Entitlements, and all administrative, judicial challenge and other appeal periods have expired without Buyer's Entitlements being Approved, Buyer shall have the election (but not the obligation) to terminate this Agreement by notice to Seller prior to the expiration of the Entitlement Period, in which event the parties shall be relieved of further rights and obligations hereunder except for Surviving Obligations, and the First Deposit shall be paid to Seller (subject to **Section 8.1**), and the Second Deposit shall be returned to Buyer, subject to **Section 8.2**.

3.6 Occupancy Requirements. As a condition to Close of Escrow pursuant to **Section 2.3(a)(ii)**, Buyer shall deliver to Seller effective as of Close of Escrow the materials designated as Occupancy Requirements as defined in the following paragraph. This condition is for the sole benefit of Seller and can only be waived by Seller.

The phrase "**Occupancy Requirements**" refers to copies of bona fide executed leases, subleases, and/or binding letters of intent with unrelated third parties to occupy space in the Project for retail and commercial purposes covering an aggregate of not less than one half (1/2) of the gross leasable square feet of the Project that is approved by the City.

4. "AS IS" PHYSICAL CONDITION OF THE PROPERTY.

4.1 "As Is" Condition. Subject to (a) title to the Property being subject only to Permitted Exceptions, and (b) the representations of Seller pursuant to **Section 5.1**, Buyer acknowledges and agrees that the Property is to be sold and conveyed to and accepted by Buyer in an "as is" condition with all faults. Except as specifically set forth in **Section 5.1**, Seller does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property or any of such related matters. Buyer acknowledges that it shall purchase the Property on the basis of Buyer's own investigation of the physical and environmental conditions of the Property, including all subsurface conditions, and Buyer assumes the risk that adverse physical, environmental or other conditions may not have been revealed by its investigation. The provisions of this Section shall survive Close of Escrow.

4.2 [Intentionally deleted.]

4.3 Hazardous Substances; Environmental Laws.

(a) Hazardous Substances. "**Hazardous Substances**" shall mean any toxic or hazardous wastes, asbestos, PCBs, petroleum products and byproducts, substances defined or listed as "hazardous substances" or "toxic substances" or similarly identified in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq.; hazardous materials identified in or pursuant to the Hazardous Materials Transportation Act, 49 U. S.C. §1802 et seq.; hazardous wastes identified in or pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; any chemical, substance or mixture regulated under the Toxic Substance Control Act of 1976, 15 U.S.C. §2601 et seq.; any "toxic pollutant" under the Clean Water Act, 33 U.S.C. §466 et seq.; any hazardous air pollutant under the Clean Air Act, 42 U.S.C. §7401 et seq., each as hereafter amended from time to time; and any other substance or pollutant which is present at, on or under the Property in a form and quantity which is regulated under any applicable present or future Environmental Laws (as defined in **Section 4.3(b)**).

(b) Environmental Laws. "**Environmental Laws**" means any and all present and future federal, state and local laws, ordinances, regulations, policies and any other requirements of governmental agencies relating to health, safety, the environment or to any Hazardous Substances, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("**CERCLA**"), the Resource Conservation Recovery Act ("**RCRA**"), the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Endangered Species Act, the Clean Water Act, the Occupational Safety and Health Act, the California Environmental Quality Act and the applicable provisions of the California Health and Safety Code, California Labor Code and the California Water Code, each as hereafter amended from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS.

5.1 Seller's Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants to Buyer as follows, all of which shall survive Close of Escrow and any investigation or knowledge of Buyer prior to Close of Escrow:

(a) Seller owns the Property in fee simple and has the right, capacity, power, and authority to enter into and carry out the terms of this Agreement. The entering into and performance by Seller of the transactions contemplated by this Agreement will not violate or breach any agreement, covenant, or obligation binding on Seller. This Agreement has been duly authorized and executed by Seller and the parties signing on behalf of Seller. No consent of any third person including any beneficiary, creditor, judicial or administrative body, governmental authority or other party is required in connection with Seller entering into this Agreement.

(b) There are no mechanics' or materialmen's liens or similar claims or liens now asserted against the Property for work performed on behalf of Seller and that was commenced prior to the Effective Date, and Seller shall, prior to the Initial Closing Date, discharge all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property at the request or on behalf of Seller, and its Authorized Representatives prior to the Initial Closing Date.

(c) To the best of Seller's knowledge, neither Seller nor, except as disclosed in the reports as identified in **Exhibit F** (the "**Environmental Reports**"), any third party has used, generated, manufactured, stored or disposed any Hazardous Substances in, at, on, under or about the Property or transported any Hazardous Substances to or from the Property. To the best of Seller's knowledge, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under or about the Property, including, without limitation, soil and groundwater conditions. To the best of Seller's knowledge, except as disclosed in the Environmental Reports, the Property has not been subject to, and is not within two thousand (2,000) feet of, a deposit of any Hazardous Substances. To the best of Seller's knowledge, except as disclosed in the Environmental Reports, there has been no discharge, migration or release of any Hazardous Substances from, into, on, under or about the Property, and there is not now, nor has there ever been on or in the Property underground storage tanks or surface or below grade impoundments of Hazardous Substances, any asbestos containing materials, or any polychlorinated biphenyls used in hydraulic oils, electrical transformers, or other equipment.

(d) There are no suits, administrative proceedings, or governmental actions or investigations pending against the Property in which Seller has been served; and to the best of Seller's knowledge, there are no suits, administrative proceeds or governmental actions or investigations otherwise pending or threatened against Seller that would prevent Seller from meeting any of its obligations under this Agreement.

(e) Seller has not granted to any party other than Buyer any option, contract or other agreement with respect to a purchase or sale of the Property or any portion thereof or any interest therein.

(f) There are no pending or, to the best of Seller's knowledge, any threatened condemnation proceedings affecting the Property, and, to the best of Seller's knowledge, no such proceeding is contemplated by any governmental authority. To the best of Seller's knowledge, Seller has received no notice of any such proceedings.

(g) There are no pending or, to the best of Seller's knowledge, any threatened moratoria proceedings affecting the Property, and, to the best of Seller's knowledge, no such proceeding is contemplated by any governmental authority. To the best of Seller's knowledge, Seller has received no notice of any such proceedings.

(h) Seller has not entered into any unrecorded leases or options, and to the best of Seller's knowledge, there are no unrecorded leases, options or other agreements allowing any third party rights to the Property.

(i) To the best of Seller's knowledge, there is not now, and at Close of Escrow, any violation of any law, ordinance, rule, regulation or administrative or judicial order affecting the Property, except any violations of law, ordinance, rule, regulation or judicial order affecting the Property resulting from the acts or omissions of Buyer and its Authorized Representatives is not covered by this warranty and representation. Seller has received no notices from governmental authorities pertaining to violations of law or governmental regulations with respect to the Property with which Seller has not fully complied or corrected. To the best of Seller's knowledge, Seller is not in default (and no default has been threatened) with respect to any of its obligations pertaining to the Property, nor to the best of Seller's knowledge are there any facts, circumstances, conditions or events that, but for notice or lapse of time or both, would constitute or result in any such default.

Each of the representations and warranties made by Seller in this Agreement shall be true and correct in all material respects on the Effective Date, and shall be deemed to be made again as of Close of Escrow, and shall then be true and correct in all material respects; except for the warranties and representations in items (c), (d), (f), (g), and (i) as relates to events and occurrences between the Effective Date and Close of Escrow that are beyond the control of Seller. Seller makes no representation or warranty other than those specifically and expressly stated in this **Section 5.1**. Seller makes no representation, express or implied, that the Property or its condition is suitable for the Buyer's intended use. The phrase "to the best of Seller's knowledge" as used in this Agreement, refers only to the actual knowledge of Stuart Cook or Chris Bazar ("**Seller's Designated Representative**"), without having conducted any independent investigation or study.

In the event a warranty and representation in items (c), (d), (f), (g), and (i) is untrue as of the Initial Closing Date solely because of events and occurrences after the Effective Date that are beyond the control of Seller, and as a result of the untrue warranty Buyer shall be prevented from constructing the Project, Buyer shall have the election to terminate this Agreement as of Close of Escrow in which event the parties shall be relieved of further rights and obligations under this Agreement except for Surviving Obligations, and the Deposits and any Extension Consideration shall be returned to Buyer, subject to **Section 7.2**.

5.2 Buyer's Representations, Warranties and Covenants. Buyer hereby represents and warrants to Seller as follows, all of which shall survive Close of Escrow and any investigation or knowledge of Seller prior to Close of Escrow:

(a) Buyer is a limited liability company duly organized, validly existing and in good standing in the State of California, and has the capacity and full power and authority to enter into and carry out the agreements contained in, and the transactions contemplated by, this Agreement, and this Agreement has been duly authorized and executed by Buyer.

(b) To the best of Buyer's knowledge, there is no pending or threatened suit, action or arbitration, or legal, or administrative proceeding, against Buyer which adversely affect Buyer's ability to perform its obligations under this Agreement.

(c) Buyer and any persons and/or entities that owns or controls Buyer are not bankrupt or insolvent under any applicable Federal or state statute, have not filed for protection or relief under any applicable bankruptcy or creditor protection statute and have not been threatened by creditors with an involuntary application or any applicable bankruptcy or creditor protection statute.

Each of the representations and warranties made by Buyer in this **Section 5.2**, shall be true and correct in all material respects on the Effective Date, and shall be deemed to be made again as of the Close of Escrow, and shall then be true and correct in all material respects, except for the warranties and representations in items (b) and (c) as relates to events and occurrences between the Effective Date and the Initial Closing Date that are beyond the reasonable control of Buyer.

6. CONDEMNATION. If, prior to Close of Escrow, any portion of the Property is taken by any entity by condemnation or with the power of eminent domain, or if access to the Property is prevented (or is the subject of a pending taking which has not yet been consummated), Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the right, in Buyer's sole discretion, to terminate this Agreement upon written notice to Seller not later than ten (10) days after receipt of Seller's notice. If this Agreement is terminated, the parties shall be relieved of further rights and obligations under this Agreement except for Surviving Obligations, and the Deposits and Extension Consideration (if applicable) shall be returned to Buyer, subject to

Section 7.2. Alternatively, Buyer may proceed to consummate this transaction, at Buyer's sole election, in which event Seller shall assign and turn over, and Buyer shall be entitled to receive and keep, any and all awards made or to be made in connection with such condemnation or eminent domain, and the parties shall proceed to Close of Escrow pursuant to the terms hereof, without any reduction in the Purchase Price.

7. PARTIES' DEFAULT; LIQUIDATED DAMAGES; BUYER'S RIGHT TO SPECIFIC PERFORMANCE.

7.1 Seller's Default. BUYER AND SELLER EACH AGREE THAT IN THE EVENT OF A DEFAULT OF THIS AGREEMENT BY SELLER PRIOR TO CLOSE OF ESCROW THE DAMAGES TO BUYER WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, AND THAT THEREFORE, IN THE EVENT OF A DEFAULT BY SELLER, WHICH DEFAULT OR BREACH IS NOT CURED WITHIN THIRTY (30) DAYS AFTER WRITTEN NOTICE IS GIVEN BY BUYER TO SELLER ("**SELLER'S EVENT OF DEFAULT**"), THE DEPOSITS AND EXTENSION CONSIDERATION (IF APPLICABLE) SHALL BE RETURNED TO BUYER, AND SELLER SHALL PAY TO BUYER AN ADDITIONAL AMOUNT EQUAL TO THE FIRST DEPOSIT PAID BY BUYER PURSUANT TO **SECTION 1.3(a)** ("**BUYER'S LIQUIDATED DAMAGES AMOUNT**") AS LIQUIDATED DAMAGES FOR SELLER'S EVENT OF DEFAULT, WHICH AMOUNT IS A REASONABLE ESTIMATE OF THE DAMAGES TO BUYER, INCLUDING COSTS OF NEGOTIATING AND DRAFTING THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, LOST OPPORTUNITY COSTS AND OTHER COSTS INCURRED IN CONNECTION HEREWITH. RETURN BY SELLER OF THE DEPOSITS, THE EXTENSION CONSIDERATION (IF APPLICABLE), AND THE PAYMENT BY SELLER TO BUYER OF BUYER'S LIQUIDATED DAMAGES AMOUNT SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY (OTHER THAN PURSUANT TO SECTION 7.3) FOR DAMAGES AGAINST SELLER IN THE EVENT OF A SELLER'S EVENT OF DEFAULT. THE PAYMENT AND RETENTION OF THE ABOVE AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO BUYER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671,1676 AND 1677. UPON ANY SELLER'S EVENT OF DEFAULT, THIS AGREEMENT SHALL BE TERMINATED, AT BUYER'S ELECTION, AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EACH TO THE OTHER, EXCEPT FOR THE RIGHT OF BUYER TO RECEIVE A RETURN OF THE DEPOSITS, THE EXTENSION

CONSIDERATION (IF APPLICABLE), AND BUYER'S LIQUIDATED DAMAGES AMOUNT AS SPECIFIED ABOVE.

Seller's Initials:________ Buyer's Initials:________

7.2 Buyer's Default. BUYER AND SELLER EACH AGREE THAT IN THE EVENT OF A DEFAULT OF THIS AGREEMENT BY BUYER PRIOR TO CLOSE OF ESCROW, THE DAMAGES TO SELLER WOULD BE EXTREMELY DIFFICULT AND

IMPRACTICABLE TO ASCERTAIN, AND THAT THEREFORE, IN THE EVENT OF A DEFAULT BY BUYER, WHICH DEFAULT IS NOT CURED WITHIN THIRTY (30) DAYS AFTER WRITTEN NOTICE IS GIVEN BY SELLER TO BUYER ("**BUYER'S EVENT OF DEFAULT**"), THE DEPOSITS PAID BY BUYER PRIOR TO SUCH EVENT OF DEFAULT AND THE EXTENSION CONSIDERATION (IF APPLICABLE) SHALL SERVE AS LIQUIDATED DAMAGES FOR BUYER'S EVENT OF DEFAULT, AS A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER, INCLUDING COSTS OF NEGOTIATING AND DRAFTING THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTIONS HEREWITH. DELIVERY TO AND RETENTION OF THE DEPOSITS AND EXTENSION CONSIDERATION (IF APPLICABLE) SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW OR IN EQUITY AGAINST BUYER IN THE EVENT OF A BUYER'S EVENT OF DEFAULT, AND SELLER WAIVES ANY AND ALL RIGHT TO SEEK OTHER RIGHTS OR REMEDIES AGAINST BUYER, INCLUDING, WITHOUT LIMITATION, SPECIFIC PERFORMANCE. THE PAYMENT AND RETENTION OF SUCH AMOUNTS AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671,1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. UPON BUYER'S EVENT OF DEFAULT, THIS AGREEMENT SHALL BE TERMINATED, AT SELLER'S ELECTION, AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EACH TO OTHER, EXCEPT FOR THE RIGHT OF SELLER TO RETAIN SUCH LIQUIDATED DAMAGES.

Seller's Initials: SC   Buyer's Initials: ______

7.3 Buyer's Right to Specific Performance. In the event Buyer has not committed a Buyer's Event of Default, if Seller commits a Seller's Event of Default, Buyer shall have the right to bring an action for specific performance against Seller to compel Seller to perform its obligations that are required hereunder in order for Close of Escrow to occur.

8. BROKERS. Seller represents and warrants that Seller has had no dealings with any real estate broker, agent, or finder in connection with the negotiation or execution of this Agreement. Buyer represents and warrants that Buyer has had no dealings with any real estate broker, agent, or finder in connection with the negotiation or execution of this Agreement. A party (the "**Indemnifying Party**") shall indemnify, protect, defend, and hold harmless the other party (the "**Indemnified Party**") from commissions, other compensation and/or charges claimed by any broker, agent, and/or finder based on the alleged acts of the Indemnifying Party in connection with this Agreement.

The representations, warranties, indemnities and agreements contained in this **Section 8** shall survive Close of Escrow or earlier termination of this Agreement.

9. GENERAL PROVISIONS.

9.1 Definitions. In addition to other defined words and phrases in this Agreement, the following defined phrases have the following meanings:

(a) "Authorized Representatives" refers to the directors, officers, employees, partners, agents or contractors retained or employed by a party.

(b) "Surviving Obligations" refers to those rights and obligations of the parties that are expressly stated to survive the termination of this Agreement.

9.2 Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile or other electronic means to the other parties shall be binding on the signatory thereto.

9.3 Entire Agreement. This Agreement, together with all Exhibits, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement, and supersedes all prior understandings or agreements, including, without limitation, the previous letter of intent between the parties dated July 11, 2011. This Agreement may be modified only by a writing signed by both parties. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement whether or not actually attached.

9.4 Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

9.5 Choice of Law. This Agreement and each and every related document are to be governed by and construed in accordance with the laws of the State of California.

9.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act, under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required, under this Agreement.

9.7 Legal Advice. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to the fair meaning and not for or against any party based upon any attribution of such party as the sole source of the language in question.

9.8 Time of the Essence. Time shall be of the essence as to all dates and times of performance.

9.9 Attorneys' Fees. In the event that any party hereto institutes an action or proceeding (including arbitration) for a declaration of the rights of the parties under this Agreement, for injunctive relief, for an alleged breach or default of, or any other action arising out of this Agreement, or the transactions contemplated hereby, or in the event any party is in default of its obligations under this Agreement, whether or not suit is filed or prosecuted to final judgment, the nondefaulting party or prevailing party shall be entitled to its actual attorneys' fees and to any court costs incurred in addition to any other damages or relief awarded.

9.10 Assignment. Buyer may not assign this Agreement and its rights and obligations hereunder without first obtaining Seller's written approval of such assignment, which approval will not be unreasonably withheld, delayed, or conditioned if the proposed assignee is owned or controlled by Buyer; provided, Seller's approval of a proposed assignment to an Assignee that is owned or controlled by Buyer shall be based upon the proposed assignee's financial capability to successfully carry out the development of the Project to completion.

Subject to the preceding paragraph, this Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assignees of the parties to this Agreement.

9.11 Notices. Each notice, request, demand, instruction or other document required, or permitted to be given hereunder ("**Notice**") shall be in writing and shall be delivered personally (including messenger or courier service with evidence of receipt) or sent by depositing the same with the United States Postal Service, certified mail, return receipt requested, with proper postage prepaid, addressed to each of the parties at the respective addresses set forth in this Section and marked to the designated individual's attention. Each Notice shall be effective upon being so deposited, but the time period in which a response to any such Notice must be given or any action taken with respect thereto shall commence to run from the date of actual receipt of the Notice by the addressee (except with respect to Notices to Buyer, receipt by one addressee shall be deemed to be receipt by the other addressees). In the event of the rejection of the acceptance of a Notice, or the inability of any messenger, courier or the United States Postal Service to deliver a Notice because of a changed address of which no Notice was given, then the date of the Notice shall be deemed the date of actual receipt of the Notice by the addressee. Either party shall have the right from time to time to change the address to which a Notice to it shall be sent to another address in the continental United States (but not a post office box) by giving Notice to the other party of the changed address at least ten (10) days prior to such changes.

Initial addresses of the parties are:

If to Seller:	Surplus Property Authority of Alameda County 224 West Winton Avenue, Room 110 Hayward, California 94544 Attn.: Director of Community Development
With a copy to:	Surplus Property Authority of Alameda County 224 West Winton Avenue, Room 110 Hayward, California 94544 Attn.: Stuart Cook

With an additional copy to: Wendel, Rosen, Black & Dean, LLP
1111 Broadway, Suite 2400
Oakland, California 94607
Attn.: Michael A. Dean

If to Buyer: Caruso Acquisition Co. II, LLC

Attn.: David Silva, General Counsel
David Liston, Chief Financial Officer
Bryce Ross, Vice President
101 The Grove Road
Los Angeles, California 90036

9.12 Agreement Survives Close of Escrow. All obligations referring to or required to be performed at a time or times after Close of Escrow, including, without limitation, indemnification provisions, shall survive Close of Escrow.

9.13 No Partnership or Joint Venture. Seller or Buyer shall not, by virtue of this Agreement, or any action performed pursuant to this Agreement, in any way or for any reason be deemed to be or have become a partner of the other in the conduct of its business or otherwise, or a joint venturer.

9.14 Alameda County Based Contractors. Buyer shall exercise good faith, reasonable efforts to hire and/or retain, and to cause Buyer's general contractor to hire and/or retain, Alameda County based firms, vendors, contractors, and subcontractors covering a minimum of twenty-five percent (25%) of the total development and construction costs (both soft and hard costs) of the Project; provided, however, that, in no event shall Buyer or Buyer's general contractor be obligated to hire or retain any firms, vendors, contractors or subcontractors unless they are fully qualified and competitive and have unconditionally agreed to all of Buyer's and/or Buyer's general contractor's terms and conditions.

To enable Seller to monitor compliance by Buyer with its obligations in the preceding paragraph, Buyer shall from time to time, upon Seller's written request, but in no event more than semi-annually, provide Seller with written reports, in form and content reasonably acceptable to Seller, stating Buyer's efforts and results to date to achieve the goal in the preceding paragraph.

This **Section 9.14** shall survive the Close of Escrow.

EXECUTED as of the Effective Date.

SELLER:	**BUYER:**
SURPLUS PROPERTY AUTHORITY ALAMEDA COUNTY, a public corporation	CARUSO ACQUISITION CO II, LLC, a California limited liability company
By: ______________________	By: ______________________
Name: ____________________	Name: Rick J. Caruso
Title: _____________________	Title: President and CEO

APPROVED AS TO FORM:

By: ______________________
Deputy County Counsel

ATTEST:

____
Clerk Board of Supervisors and Surplus
Property Authority, County of Alameda

ACCEPTANCE BY ESCROW HOLDER

Escrow Holder hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement for Purchase and Sale of Real Property and Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms there of as such terms apply to Escrow Holder.

CHICAGO TITLE COMPANY

Dated: _______________, 2011

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT A

DESCRIPTION OF LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF DUBLIN, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel 3, as shown on Parcel Map 8262, filed June 19, 2007 in Book 298 of Parcel Maps, Pages 69 through 78, Alameda County Records.

APN: 986-0033-007

EXHIBIT B-1

TRAFFIC IMPACT FEE CREDITS

Buyer shall have the right to use the following Seller's Traffic Impact Fee Credits for the Project on the Property:

1. The amount of Category 1 Traffic Impact Fee Credits that Seller shall be obligated to transfer to Buyer shall be calculated as follows:

> ($608 per 1,000 square feet of maximum Project entitlement x 33) x 0.89 = Category 1 Credit. In no event shall the Category 1 credit exceed $2,946,398.40

2. The amount of Category 2 Traffic Impact Fee Credits that Seller shall be obligated to transfer to Buyer shall be calculated as follows:

> ($164 per 1,000 square feet of maximum Project entitlement x 33) x 0.75 = Category 2 Credit. In no event shall the Category 2 credit exceed $669,735.00

Example:

If the maximum Project Entitlement for the Property is 150,000 square feet, the amount of credits to be transferred from Seller to Buyer for Buyer's use shall be:

Category 1 = ((150,000/1000) x $608) x 33) x 0.89 = $2,678,544.00

Category 2 = ((150,000/1000) x $164) x 33) x 0.75 = $608,850.00

EXHIBIT B-2

BUYER'S COVENANT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Wendel, Rosen, Black & Dean LLP
Attn: Michael A. Dean
1111 Broadway, 24th Floor
Oakland, CA 94607

(Space above this line for Recorder's Use Only)

RESTRICTIVE COVENANT – FEE CREDIT REIMBURSEMENT

THIS RESTRICTIVE COVENANT - FEE CREDIT REIMBURSEMENT ("**Restrictive Covenant**") is entered into as of ______________, 20____, between SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, a public corporation ("**County**") and CARUSO ACQUISITION CO. II, LLC, a California limited liability company ("**Caruso**"), who agree as follows:

1. Recitals; Purchase Agreement. County and Caruso have previously entered into that agreement titled "Agreement for Purchase and Sale of Real Property and Escrow Instructions" dated __________, 20____ ("**Purchase Agreement**") pursuant to which Caruso has acquired, and is now the fee owner, of that certain real property located in the City of Dublin, Alameda County, California described in **Exhibit A** (the "**Property**").

Pursuant to Section 1.4 of the Purchase Agreement, subject to the terms and conditions thereof, Caruso and its successors and assigns are obligated to pay to County certain sums in connection with Park Fee Credits, which Section is stated in full in **Section 2** of this Restrictive Covenant.

2. Use of Credits. Section 1.4 of the Purchase Agreement provides as follows:

> **1.4 Use of Credits.**
>
> **(a) Traffic Impact Fee Credits.** Seller has obtained certain "Category 1" and "Category 2" traffic impact fee credits from the City as a result of improvements previously constructed by Seller that may be used to offset a portion of the City's "Category 1" and "Category 2" traffic impact fees due at the time City issues a building permit to Buyer for Project. Following Close of Escrow, upon written request by Buyer, Seller shall transfer to Buyer Category 1 and Category 2 traffic impact fee credits for Buyer's Project in the manner established by the City's

TIF Administrative Rules. The amount of Category 1 and Category 2 traffic impact fee credits transferred to Buyer shall be as specified and limited as provided in **Exhibit B-1** (**"Traffic Impact Fee Credits"**). Buyer shall be responsible for paying the City's administrative fee for such transfers.

(b) Park Fee Credits. Seller and Buyer acknowledge and agree that the amount of the Purchase Price has been calculated without taking into account Seller's community park land credits (**"Park Fee Credits"**), received from the City as a result of park land previously dedicated by Seller, which Park Fee Credits Buyer may be eligible to use to offset a portion of the City's Public Facility Fee otherwise payable by Buyer in connection with the Project. Therefore, in addition to the Purchase Price, Buyer agrees to make additional payments to Seller as set forth in the following paragraph.

Buyer will, to the maximum extent allowed by the City, satisfy its obligation to pay Public Facility Fees for the Project with the available Park Fee Credits. Prior to paying any Public Facility Fees to the City, Buyer will provide written notice to Seller specifying the total Park Fee Credits Buyer will require, and Seller shall transfer such Park Fee Credits to Buyer in the manner established by the City's Administrative Rules, with Seller responsible for paying the City's administrative fee for such transfer. Buyer shall, to the extent Public Facility Fees are satisfied by Buyer's use of Seller's Park Fee Credits, pay to Seller the amount of the Public Facilities Fees otherwise payable by Buyer that are avoided by use of Seller's Park Fee Credits, but only to the extent such Park Fee Credits are actually used by Buyer. Buyer shall make such payments no later than thirty (30) days after the date the Buyer uses Seller's Park Fee Credits. Any sums not paid within such thirty (30) day period shall accrue interest from the date Seller's Park Fee Credits were used at the rate of one percent (1%) per month, compounded monthly, until such sums are paid in full.

The provisions of this **Section 1.4(b)** apply to Buyer's successors and assigns as developer of the Project, and Buyer shall include in any sale and purchase agreement, or other type of agreement affecting the Property, a provision similar to this **Section 1.4(b)** requiring any such successors and assigns to use Seller's available Park Fee Credits as provided in this **Section 1.4(b)** and to pay any amounts due to Seller for the use of such Park Fee Credits, but only to the extent such Park Fee Credits are used by Buyer; provided, however, Buyer shall remain liable under this **Section 1.4(b)** for the payment of any amounts payable hereunder if any such successors and assigns fail to pay any amounts payable to Seller under this **Section 1.4(b)**. Solely for the purpose of notifying third parties of the provisions of this **Section 1.4(b)**, immediately prior to Close of Escrow the parties shall execute that certain instrument titled "**Buyer's Covenant**" in the form and content of **Exhibit B-1**, and Buyer's Covenant shall be recorded in the Official Records (defined in **Section 2.1**) on Close of Escrow pursuant to **Section 2.5**.

3. **Purpose of Restrictive Covenant.** The purpose of this Restrictive Covenant is to put third parties, including the successors and assigns of Caruso, on notice of the obligations and requirements of Section 1.4 of the Purchase Agreement.

4. **Restrictive Covenant Runs With the Land.** Caruso on behalf of itself and its successors and assigns agrees that this Restrictive Covenant is intended by County and Caruso to be a covenant that runs with the land and is binding on Caruso and its successors and assigns. Upon breach of this Restrictive Covenant, County, including its successors and assigns, shall have the right to seek injunctive and other relief, in addition to all other rights and remedies pursuant to applicable California law.

5. **Termination of Restrictive Covenant; Recordation of Quitclaim Deed**. Upon full satisfaction of Caruso's (including its successors and assigns) obligations pursuant to Section 1.4 of the Purchase Agreement, County shall execute a quitclaim deed terminating this Restrictive Covenant and shall record the quitclaim deed in the Official Records of Alameda County, California.

Executed on the date first stated above.

COUNTY:	**CARUSO:**
SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, a public corporation	CARUSO ACQUISITION CO. II, LLC, a California limited liability company
By:____________________	By:____________________
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________

STATE OF CALIFORNIA)
) ss.
COUNTY OF ____________________)

On __________________, 20___ before me, ____________________________________, a Notary Public in and for said State, personally appeared ____________________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF ____________________)

On __________________, 20___ before me, ____________________________________, a Notary Public in and for said State, personally appeared ____________________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

____
Notary Public

EXHIBIT C

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO,
AND MAIL TAX STATEMENTS TO:

(Above Space for Recorder's Use Only)

GRANT DEED

The undersigned grantor declares:

Documentary Transfer Tax not shown pursuant to Section 11932 of the California Revenue and Taxation Code

City of Dublin, County of Alameda, State of California

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, a public corporation, hereby grants to CARUSO ACQUISITION CO. II, LLC, a California limited liability company, the following described real property located in the City of Dublin, County of Alameda, State of California:

See **Exhibit A** attached hereto and incorporated herein by this reference.

DATED:_______________

SURPLUS PROPERTY AUTHORITY OF
ALAMEDA COUNTY, a public corporation

By: ______________________
Name: ______________________
Title: ______________________

EXHIBIT D

REPURCHASE AGREEMENT AND MEMORANDUM OF REPURCHASE AGREEMENT

REPURCHASE AGREEMENT

THIS REPURCHASE AGREEMENT ("**Agreement**") is entered into as of _______, 20__ ("**Effective Date**"), between the SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, a public corporation ("**SPA**") and CARUSO ACQUISITION CO. II, LLC, a California limited liability company ("**Caruso**").

1. **Recitals.** This Agreement is made with reference to the following facts and objectives:

1.1 On ___________, 2011, SPA, as Seller, and Caruso, as Buyer, entered into that certain document titled "Agreement for Purchase and Sale of Real Property and Escrow Instructions" (the "**Purchase Agreement**"). Pursuant to the Purchase Agreement, SPA agreed to sell to Caruso real property in the City of Dublin, County of Alameda, California, described on **Exhibit A** (the "**Property**"). Capitalized terms not otherwise defined in this Agreement have the meanings set forth in the Purchase Agreement.

1.2 On __________, 20___, the City of Dublin approved the proposed shopping center that Caruso intends to develop and construct on the Property as shown and described on **Exhibit B** (the "**Shopping Center**").

1.3 The parties have agreed that under certain circumstances SPA shall have the option to purchase the Property from Caruso on the provisions set forth in this Agreement.

2. **SPA's Option and Right to Purchase the Property**.

2.1 **Prior to Commencement of Construction of Required Improvements**. In the event Caruso has not substantially commenced construction of the Required Improvements (as defined in **Section 2.2**) on the Property within two (2) years following the Effective Date of this Agreement, then for a period of one hundred eighty (180) days thereafter, SPA shall have the option to purchase the Property for the Purchase Price set forth in **Section 3.1**. The exercise of the option shall be in writing and given to Caruso within the one hundred eighty (180) day period referred to in the preceding sentence. The two (2) year period may be extended at the election of Caruso only in the event of Force Majeure (as defined in the following sentence) for a period of time equal to the time period commencing with SPA's receipt from Caruso of a written notice describing the event of Force Majeure until the Force Majeure is no longer occurring. "**Force Majeure**" shall mean only war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, a moratoria on building permits or utilities, or unusually severe weather.

If SPA does not exercise its option to purchase the Property as herein provided, then upon expiration of such one hundred eighty (180) day period, this Agreement shall terminate and the parties shall have no further rights and obligations hereunder. Upon expiration of such one hundred eighty (180) day period, SPA shall immediately execute and deliver to Caruso a quit claim deed in the form and content of **Exhibit C** removing the Memorandum described in **Section 5.8** from record title.

2.2 **Required Improvements**. "**Required Improvements**" are the buildings and improvements that comprise the Shopping Center, and related on and off-site improvements approved by the City of Dublin and shown on **Exhibit B**. Caruso shall be deemed to have commenced construction of the Required Improvements within the meaning of **Section 2.1** when it has completed rough grading the Property and has commenced pouring the foundations of the buildings described in the preceding sentence.

3. **Consummation of Sale and Purchase of the Property**.

3.1 **Purchase Price**. The Purchase Price of the Property ("**Purchase Price**") shall be a sum equal to the Purchase Price pursuant to Section 1.2 of the Purchase Agreement.

3.2 **Payment of Purchase Price.** The Purchase Price for the Property shall be paid to Caruso upon Close of Escrow, as provided in **Section 3.4**.

3.3 **State of Title.** Caruso shall convey the Property by grant deed, and title to the Property shall be free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights of way of record, leases or other occupancy agreements, and other matters of record, except for the following: (a) nondelinquent real property taxes and assessments (which are to be prorated pursuant to **Section 3.7**); (b) Permitted Exceptions as defined in the Purchase Agreement (except item (iii) of Section 3.1(d) of the Purchase Agreement); (c) any liens, encumbrances, and/or other matters of record which are caused or consented to by SPA; (d) any covenants, conditions, restrictions, and easements which are consented to by SPA; (e) any matters which SPA shall approve or be deemed to have approved pursuant to the applicable provisions of the Purchase Agreement; (f) the standard printed exceptions in an ALTA Owner's Policy of Title Insurance; (g) any matters of record resulting from the acts or omissions of SPA; and (h) such other exceptions which are approved in writing by SPA in its sole and absolute discretion. Additionally, Caruso shall execute quitclaim deeds or other instruments necessary to remove from record title to the Property the Memorandum of Repurchase Agreement and Buyer's Covenant.

3.4 **Escrow Holder.** The sale shall be consummated through an escrow with a title insurance company ("**Escrow Holder**") designated by SPA in its notice of election given to Caruso pursuant to **Section 2.1**. The parties shall execute all documents and instructions reasonably required by the Escrow Holder as long as they are consistent with the provisions of this Agreement.

Close of Escrow (i.e., the date the grant deed is recorded with the Alameda County Recorder) shall occur no later than sixty (60) days following the date Caruso receives SPA's notice pursuant to **Section 2.1**, which notice shall designate the scheduled date for Close of Escrow.

3.5 **Title Insurance.** Escrow Holder shall provide to SPA at Close of Escrow an ALTA form Owner's Policy of Title Insurance in the amount of the Purchase Price, insuring SPA's title to the Property, subject only to the exceptions to title described in **Section 3.3**.

3.6 **Delivery.** At Close of Escrow, Escrow Holder shall cause delivery of the following:

(a) An endorsed copy of the recorded grant deed shall be delivered to SPA;

(b) Original copies of Certificate of Non-Foreign Status and California Form 590 Withholding Certificate (or other proper forms as may then be required by law), both executed by Caruso, shall be delivered to SPA;

(c) The ALTA Policy of Title Insurance shall be delivered to SPA; and

(d) The Purchase Price shall be delivered to Caruso pursuant to **Section 3.2.**

3.7 Prorations. Escrow Holder shall prorate nondelinquent real property taxes and assessments. All adjustments and prorations are to be made as of Close of Escrow on the basis of a thirty (30) day month.

If Close of Escrow occurs at such a time that there is no tax bill for the then current tax year, an estimate shall be made for the amount of taxes for the then current tax year based upon the prior year's tax bill and the provisions of California Constitution Article XIIIA (Proposition 13). At such time as the tax bill for the then current tax year becomes available, an equitable adjustment shall be made outside of escrow so that the actual taxes and assessments will be prorated between the parties. If a supplemental assessment is imposed by the taxing authority after Close of Escrow in connection with an event which occurred before Close of Escrow, the supplemental taxes will be prorated as of the date of Close of Escrow, and Caruso shall pay its prorated share of such taxes to SPA no later than fifteen (15) days after receipt of notice thereof or fifteen (15) days prior to the taxing authority's delinquency date, whichever is later. The foregoing provision shall survive Close of Escrow.

3.8 Costs. SPA shall pay all costs of title insurance. The cost of any county transfer tax shall be paid by Caruso. Escrow fees and any city transfer tax shall be shared by and between the parties equally. All other costs and expenses shall be borne by the parties equally.

4. "As-Is" Condition. SPA acknowledges and agrees that the Property is to be sold and conveyed to and accepted by SPA in an "as-is" condition with all faults. Caruso does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property or any of such related matters. SPA acknowledges that its repurchase of the Property pursuant to this Agreement is on the basis of SPA's own investigation of the physical and environmental conditions of the Property, including all subsurface conditions, and SPA has previously owned the Property and therefore is aware of all of its defects, and assumes the risk that adverse physical, environmental or other conditions may not have been revealed by its investigation. SPA, for itself, its successors and assigns, hereby waives, releases, acquits and forever discharges Caruso of and from any claims, actions, causes of action, demands, rights, damages, costs, expenses, penalties, fines or compensation (collectively, "**Claims**") whatsoever, direct or indirect, at any time on account of or in any way arising out of or in connection with the known or unknown physical, environmental or other condition of the Property other than Claims arising from Hazardous Substances present on the Property as a result of Caruso's acts.

SPA expressly waives the provisions of California Civil Code Section 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

The provisions of this Section shall survive Close of Escrow.

5. Notices. Each notice, request, demand, instruction or other document required or permitted to be given hereunder ("**Notice**") shall be in writing and shall be delivered personally (including delivery by reputable messenger or courier service with evidence of receipt) or sent by depositing the same with the United States Postal Service, certified mail, return receipt requested, with adequate postage prepaid, addressed to the parties at their respective addresses set forth below and marked to the designated individual's attention. Each Notice shall be effective upon being so deposited, but the time period in which a response to any such Notice must be given or any action taken with respect thereto shall commence to run from the date of actual receipt of the Notice by the addressee (except with respect to Notices to Caruso, receipt by one addressee shall be deemed receipt by the other addressees). In the event of rejection or other refusal by the addressee to accept or the inability of any messenger, courier or the United States Postal Service to deliver because of a changed address of which no Notice was given shall be deemed receipt of the Notice sent, then the date of the Notice shall be deemed the date of actual receipt of the Notice by the Addressee. Either party shall have the right from time to time to change the address to which Notices to it shall be sent to another address (but not a post office box) by giving Notice to the other party of the changed address at least ten (10) days prior to such change.

To SPA:	Surplus Property Authority of Alameda County 224 West Winton Avenue, Room 110 Hayward, California 94544 Attn.: Director of Community Development
With a copy to:	Surplus Property Authority of Alameda County 224 West Winton Avenue, Room 110 Hayward, California 94544 Attn.: Stuart Cook
With additional copy to:	Wendel, Rosen, Black & Dean, LLP 1111 Broadway, Twenty-Fourth Floor Oakland, California 94607 Attn.: Michael A. Dean, Esq.
If to Caruso:	Caruso Acquisition Co. II, LLC Attn.: David Silva, General Counsel David Liston, Chief Financial Officer Bryce Ross, Vice President 101 The Grove Road Los Angeles, California 90036

6. **General Provisions.**

6.1 **Possession.** Caruso shall deliver possession of the Property to SPA at Close of Escrow. Possession shall be delivered by Caruso to SPA outside of escrow.

6.2 **Attorneys' Fees.** If suit or arbitration proceedings are brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover, as an element of its costs of suit and not as damages, reasonable attorneys' fees to be fixed by the Court or arbitrator(s). The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceedings to final judgment. A party not entitled to recover its costs shall not recover attorneys' fees. No sum or attorneys' fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorneys' fees.

6.3 **Counterparts; Facsimile and Electronic Signatures.** This Agreement may be executed simultaneously in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile or other electronic means to the other party shall be binding on the signatory thereto.

6.4 **Successors and Assigns.** All terms and provisions of this Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

6.5 **Survival.** The rights, duties and obligations of the parties hereunder shall survive Close of Escrow, and shall not merge with the grant deed from Caruso to SPA.

6.6 **Captions.** The captions in this Agreement are for reference and convenience purposes only, and shall have no effect on its construction or interpretation.

6.7 **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

6.8 **Memorandum of Agreement.** Upon Close of Escrow under the Purchase Agreement, the parties shall execute and acknowledge a Memorandum of this Agreement in the form attached as **Exhibit C**. SPA shall cause the Memorandum to be recorded with the Alameda County Recorder. Upon expiration of the term of this Agreement, the parties shall execute a recordable instrument for the purpose of removing the Memorandum from record title.

EXECUTED on the above-stated date.

SELLER:	**CARUSO:**
SURPLUS PROPERTY AUTHORITY ALAMEDA COUNTY, a public corporation	CARUSO ACQUISITION CO. II, LLC, a California limited liability company
By: _______________________________	By: _______________________________
Name: _______________________________	Name: _______________________________
Title: _______________________________	Title: _______________________________

EXHIBIT A

TO REPURCHASE AGREEMENT
DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF DUBLIN, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel 3, as shown on Parcel Map 8262, filed June 19, 2007 in Book 298 of Parcel Maps, Pages 69 through 78, Alameda County Records.

APN: 986-0033-007

EXHIBIT B

TO REPURCHASE AGREEMENT
DESCRIPTION OF SHOPPING CENTER

EXHIBIT C

TO REPURCHASE AGREEMENT
MEMORANDUM OF REPURCHASE AGREEMENT

RECORDING REQUESTED BY
AND RETURN TO:

Michael A. Dean
Wendel, Rosen, Black & Dean LLP
P.O. Box 2047
Oakland, CA 94604

(Space Above for Recorder's Use)

MEMORANDUM OF REPURCHASE AGREEMENT

THIS MEMORANDUM OF REPURCHASE AGREEMENT ("**Memorandum**") is entered into as of __________, 20__ ("**Effective Date**"), between the SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, a public corporation ("**SPA**") and CARUSO ACQUISITION CO. II, LLC, a California limited liability company ("**Caruso**").

1. SPA's Right to Repurchase. Pursuant to the Repurchase Agreement referenced in **Section 3**, Caruso grants to SPA the option to purchase that certain Property described in **Exhibit A**, which Property is located in the City of Dublin, Alameda County, State of California.

2. Period of Time to Exercise. SPA's option to purchase the Property is conditioned upon Caruso having not commenced construction of Required Improvements (as defined in the Repurchase Agreement) within two (2) years following the Effective Date of this Memorandum, which two (2) year period is subject to extension based upon certain defined Force Majeure causes as provided in the Repurchase Agreement. SPA's option to purchase the Property is for a period of one hundred eighty (180) days following expiration of such two (2) year period.

3. Repurchase Agreement. The option that is the subject of this Memorandum is granted in accordance with that certain Repurchase Agreement between the parties to this Memorandum dated __________, 20__ (the "**Repurchase Agreement**"). This Memorandum is prepared for the purpose of recordation only and shall not alter or affect in any way the rights and obligations of the parties under the Repurchase Agreement. In the event of any inconsistency between this Memorandum and the Repurchase Agreement, the terms of the Repurchase Agreement shall control.

4. Termination. This Memorandum, and the rights and obligations of the parties under the Repurchase Agreement shall automatically terminate, if not sooner terminated by the parties, upon commencement of construction of the Required Improvements pursuant to **Sections 2.1** and **2.2** of the Repurchase Agreement.

EXECUTED on the above-stated date.

SELLER:	**CARUSO:**
SURPLUS PROPERTY AUTHORITY ALAMEDA COUNTY, a public corporation	**CARUSO ACQUISITION CO. II, LLC**, a California limited liability company
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

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

WITNESS my hand and official seal.

____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

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

WITNESS my hand and official seal.

____
Notary Public

EXHIBIT E

PRELIMINARY REPORT

EXHIBIT F

ENVIRONMENTAL REPORTS

AKI K. NAKAO, Director

1401 LAKESIDE DRIVE, OAKLAND, CALIFORNIA 94612 510 208 9700 FAX 510 208 9711 www.acgov.org/gsa/

July 11, 2007

TO: Pat Cashman, Project Director, Surplus Property Authority

FROM: Rod Freitag, Environmental Program Manager, GSA-TSD

SUBJECT: UPDATED LISTING OF SANTA RITA REPORTS

Following is a list of the "Environmental Reports" for GSA-TSD projects:

- Gregg & Associates, Inc.; Underground Storage Tank Management Plan; June, 1988.
- Gregg & Associates, Inc.; Underground Tank Removal and Site Remediation Report, Santa Rita Rehabilitation Center at Old Boiler Plant, Tanks 2942-1, 2 & 3; May 1988.
- ESE; Report of Stockpiled Soil Sampling, UST 1, 2 and 3 Site, Santa Rita Correctional Facility, Dublin, California; December 7, 1993.
- ESE; Report of Stockpiled Soil Spreading and Disposal, UST 1, 2, 3 Site, Santa Rita Correctional Facility, Dublin, California; June 20, 1994.
- ESE; Site Assessment Report, Alameda County UST 1, 2, 3 Site, Santa Rita Correctional Facility, Dublin, California; December 21, 1994.
- ESE; Quarterly Monitoring Report, Alameda County UST 1, 2, 3 Site, Santa Rita Correctional Facility, Dublin, California; January 30, 1995.
- ESE; Quarterly Monitoring Report, Alameda County UST 1, 2, 3 Site, Santa Rita Correctional Facility, Dublin, California; March 13, 1995.
- ESE; Quarterly Monitoring Report, Alameda County UST 1, 2, 3 Site, Santa Rita Correctional Facility, Dublin, California; June 19, 1995.
- ESE; Report of Additional Site Assessment, UST 1, 2, 3 Site, Santa Rita Correctional Facility, Dublin, California; February 1996.
- ESE; Closure Report for Underground Storage Tank (UST) numbers 2942-4, 2942-4A and 2942-4B, Santa Rita Jail, Dublin, California; July 20, 1992.
- ESE; Report of Stockpiled Soil Sampling, 4th and Madigan Site, Santa Rita Correctional Facility, Dublin, California; November 22, 1993.
- Versar, Inc.; Contaminant Modeling Using Sesoil for the 4th and Madigan Site, Santa Rita Correctional Facility, Alameda County, California; December 28, 1993.

- ESE; Spreading of Stockpiled Soil, 4th and Madigan Site, Santa Rita Correctional Facility, Dublin, California; June 26, 1995.
- Versar, Inc.; Subsurface Investigation Report, 4th Street and Madigan Avenue on the Santa Rita Property, Alameda County, California; October 23, 1995.
- ESE; Soil Sampling, 4th and Madigan Site, Santa Rita Correctional Facility, Dublin, California; February 7, 1996.
- ESE; Closure Report for Underground Storage Tank (UST) number 2942-5, Santa Rita Jail, Dublin California; July 20, 1992.
- Certified Environmental Consulting, Inc.; Santa Rita Tank Removals - USTs 2942-6, 7, 9 & 10; December 11, 1990.
- Versar, Inc.; Installation of One Monitoring Well and Performance of the First of Four Quarters of Groundwater Monitoring, Santa Rita Property, Former Underground Storage Tank #9 Site; July, 1994.
- Versar, Inc.; Second Quarter Groundwater Monitoring Report for the Former Underground Storage Tank #9, Santa Rita Property, Santa Rita, California; November 29, 1994.
- Versar, Inc.; Third Quarter Groundwater Monitoring Report for the Former Underground Storage Tank #9, Santa Rita Property, Santa Rita, California; February 27, 1995.
- Versar, Inc.; Fourth Quarter Groundwater Monitoring Report for the Former Underground Storage Tank #9, Santa Rita Property, Dublin, California; March 30, 1995.
- Versar, Inc., Groundwater Monitoring Abandonment Report for Former Underground Storage Tank #9 at the Santa Rita Property, Santa Rita, California; June 30, 1995.
- ESE; Closure Report for Underground Storage Tank (UST) Numbers 2942-11, 2942-12 and 2942-12A, Santa Rita Jail, Dublin, California; July 20, 1992.
- ESE; Vehicle Fueling Area, Old Graystone, Santa Rita Correctional Facility, Dublin, California; January 7, 1993.
- Report on Soil and Ground Water Investigation at Old Graystone Fueling Facility, Santa Rita Correctional Facility, Dublin, California; January 15, 1993.
- ESE; Corrective Action Report for Old Graystone Fueling Area, Santa Rita Correctional Facility, Dublin, Alameda County, California; March, 1993.

- ESE; Report of Stockpiled Soil Confirmation Sampling, Old Graystone Fueling Area, Santa Rita Correctional Facility, Dublin, California; August 9, 1993.
- Versar, Inc.; Final Contaminant Modeling using Sesoil for Old Graystone Fueling Area, Santa Rita Correctional Facility, Alameda County, California; January 6, 1994.
- ESE; Site Assessment Report, Old Graystone Fueling Area, Santa Rita Correctional Facility, Dublin, California; February 21, 1994.
- ESE; Quarterly Monitoring Report, First Quarter 1994, Old Graystone Fueling Area, Santa Rita Correctional Facility, Dublin, California; February 25, 1994.
- ESE; Quarterly Monitoring Report, Second Quarter 1994, Old Graystone Fueling Area, Santa Rita Correctional Facility, Dublin, California; July 12, 1994.
- ESE; Quarterly Monitoring Report, Third Quarter 1994, Old Graystone Fueling Area, Santa Rita Correctional Facility, Dublin, California; September 8, 1994.
- ESE; Report of Limited Cleanup at Four Sites, Santa Rita Correctional Facility, Dublin, California; March 3, 1995.
- ESE; Report of Site Activities, Old Graystone Fueling Area, Santa Rita Correctional Facility, Dublin, California; June 15, 1995.
- ESE; Closure Report for Underground Storage Tank (UST) numbers 2942-18 and 2942-19; Santa Rita Jail, Dublin California; July 20, 1992.
- ESE; Additional Clarification Concerning Activities Performed at the UST 18 & 19 Site, Santa Rita Correctional Facility, Dublin, California; June 26, 1995.
- ESE; Report of Stockpiled Soil Sampling, UST 18 & 19 Site, Santa Rita Correctional Facility, Dublin, California; July 11, 1995.
- Versar, Inc.; Disposal of Stockpiled Soil, Santa Rita Correctional Facility Site, Dublin, California; September 12, 1995.
- ESE; Report of Site Activities, UST 18 & 19 Site, Santa Rita Correctional Facility, Dublin, California; December 4, 1995.
- Enviropur West; Non-PCB Containing Transformer Oil Spill Cleanup; November 1994.
- Versar, Inc.; Asbestos Survey and Engineering Cost Estimate for the County of Alameda, Santa Rita Property, Dublin, California; December 10, 1993.

- Versar, Inc.; Phase I Environmental Site Assessment, County of Alameda, Santa Rita Property; January 11, 1994.

- ESE; Report of Limited Excavation and Disposal, Northwest of Former Boiler Room, UST 18 & 19 Site, Santa Rita Correctional Facility, Dublin, California; November 29, 1995.

- Versar, Inc.; Project Oversight for Hazardous Waste Removal Services, County of Alameda, Former Santa Rita Hospital Facility; November 17, 1995.

- Versar, Inc.; Summary of Soil Sampling Procedure and Analytical Results [Santa Rita Greenhouse]; April 29, 1996.

- Versar, Inc.; Summary of Soil Sampling Procedure and Analytical Results [Santa Rita Greenhouse]; May 22, 1996.

- Versar, Inc.; Limited Subsurface Investigation Conducted at the Santa Rita Property [Former Evans Brothers' Site]; June 13, 1997.

- PSI, Inc.; Construction Inspection/Demolition Report, Former Santa Rita Military Hospital; April 24, 1997.

- Versar, Inc.; Subsurface Investigation Report, Santa Rita Property - Parcel 15, Dublin, California; April 30, 1998.

- All Chem; UST Removal & Closure; Santa Rita Property-Parcel 11B; June 4, 1998.

- All Chem; UST Removal & Closure; Santa Rita Property - Hibernia Drive; October 15, 1998.

- All Chem; UST Removal & Closure; Santa Rita Property - Parcel 1; January 7, 1999.

- PSI, Inc.; Asbestos Containing Pipe Removal; Santa Rita Property - Parcels 2, 3, 4A & 4B; December 17, 1998.

- PSI, Inc.; Asbestos Containing Pipe Removal; Santa Rita Property - Parcel 1; January 15, 1999.

- RGA Environmental, Inc.; Phase I ESA for the INS Property (Santa Rita Property - Parcel 3); January 19, 1999.

- PSI, Inc.; Asbestos Cleanup & Pipe Removal; Santa Rita Property - Parcels 10, 11A, 11B & 14; January 22, 1999.

- Versar, Inc.; Investigation of Residual VOCs, Santa Rita Property - Parcel 15, Dublin, California; June 21, 1999.
- J. R. Associates; Magnetic Investigation at Parcel 15, Dublin, California; March 21, 2000.
- Gettler-Ryan, Inc.; Soil Sampling During UST Removal at Parcel 15 - Santa Rita Property, Dublin, California; May 10, 2000.
- Gettler-Ryan, Inc.; Air Pressure Tank Removal at Parcel 15 - Santa Rita Property, Dublin, California; June 2, 2000.
- J. R. Associates; Magnetic Investigation at Parcel 15, Dublin, California; July 21, 2000.
- PSI, Inc.; Removal of Asbestos Insulated Piping; Santa Rita Property – Parcel 15; August 15, 2000.
- J. R. Associates; Magnetic Investigation at the Option Area Parcel (Parcel D), Dublin, California; November 22, 2000.
- Buried Debris Investigation at Parcel D – Santa Rita Property; Gettler-Ryan, Inc.; April 19, 2001.
- Asbestos Abatement Monitoring Report, Underground Pipe Excavation and Removal, Digital Drive and Parcel 16A, Dublin, CA; RGA Environmental, Inc.; November 6, 2001.
- Geotechnical Observations Following Pipeline Removal Activities, Digital Drive and Parcel 16A Sites, Dublin, CA; Subsurface Consultants, Inc.; December 14, 2001.
- Summary of Investigation and Remediation Activities, Suspected Petroleum Hydrocarbon Impacted Sites on Parcels 15A and 16A, Dublin, CA; Subsurface Consultants, Inc.; January 8, 2002.
- Investigation and Remediation, Former Incinerator/Burn Dump, Parcel 16A and Digital Drive, Santa Rita Property; Subsurface Consultants, Inc.; March 25, 2002.
- Characterization of Aggregate Material Imported to County Property in Dublin, California, Parcel A; Versar, Inc.; August 26, 2002.

AKI K. NAKAO, Director

1401 LAKESIDE DRIVE, OAKLAND, CALIFORNIA 94612 510 208 9700 FAX 510 208 9711 www.acgov.org/gsa/

October 16, 2007

TO: Pat Cashman, Project Director, Surplus Property Authority

FROM: Rod Freitag, Environmental Program Manager, GSA-TSD

SUBJECT: SANTA RITA PROPERTY - ENVIRONMENTAL REPORTS FROM GOVERNMENT SOURCES AND INVESTIGATIONS CONDUCTED BY OTHERS

The following is a listing of the Santa Rita Property reports we have on file from government sources and from due diligence investigations conducted by prospective purchasers:

- 47-Acre Surplus Property Parcel at Parks Reserve Forces Training Area, Dublin, California, Preliminary Assessment Screening; Environmental Science Associates, Inc.; September, 1991. [Parcels A, B & C]

- 40-Acre Surplus Parcel Preliminary Assessment Screening, Parks Reserve Forces Training Area, Dublin, California; Woodward-Clyde Federal Services; February 3, 1994. [Parcels D-1, D-2, E-1, E-2 & F]

- Draft Environmental Impact Report, Dublin Transit Center; City of Dublin; July, 2001.

- Preliminary Assessment, Parks Reserve Forces Training Area, Dublin, California; Woodward-Clyde Federal Services; May, 1994. [Transit Center]

- Phase I Environmental Site Assessment, Gleason Drive Property, Dublin, California; Aqua Science Engineers, Inc.; January 8, 1998. [Parcel 1]

- Draft Phase I Environmental Site Assessment, Emerald Glen Park, Dublin, California; Treadwell & Rollo; September 11, 1998. [Parcel 2]

- Phase II Surface Soil Investigation, Emerald Glen Park Site, Dublin, California; Treadwell & Rollo; January 13, 1999. [Parcel 2]

- Phase I Environmental Site Assessment, Proposed Residential Development, Emerald Glen, Dublin, California; Terrasearch, Inc.; September 28, 1998. [Parcel 4]

- Phase I Environmental Site Assessment, 15 Acres, Northwest Side of I-580 and Tassajara Road, Dublin, California; EnecoTech; August 29, 1997. [Parcel 5A]

- Preliminary Laboratory Analytical Results for Buried Debris, ..., Dublin, California; Terrasearch, Inc.; October 5, 1999. [Parcel 5A]

- Phase I Environmental Site Assessment, Koll Dublin Corporate Center Property, Dublin Blvd. and Tassajara Road, Dublin, California; CET Environmental Services, Inc.; April 14, 1998. [Parcel 5B]

- Phase I Environmental Site Assessment, Autonation USA, Dublin Boulevard Property, Dublin, California; Kleinfelder, Inc.; December 12, 1996. [Parcel 6]

- Phase I Environmental Site Assessment and Preliminary Wetlands/Endangered Species Information Review Report, Dublin Boulevard Property, Dublin, California; Kleinfelder, Inc.; December 17, 1996. [Parcel 7]

- Environmental Services Report, Dublin Boulevard Property, Dublin, California; Kleinfelder, Inc.; March 3, 1997. [Parcel 7]

- Phase I Preliminary Environmental Site Assessment, California Creekside Residential Development, Dublin, California; Lowney Associates; October 17, 1995. [Parcel 8]

- Soil and Ground Water Quality Evaluation, California Creekside Residential Development, Dublin, California; Lowney Associates; December, 1995. [Parcel 8]

- Phase I Environmental Site Assessment, 12.3 Acre Property, Dublin Boulevard and Hacienda Boulevard, Dublin, California; Pinnacle Environmental; March 17, 1997. [Parcel 9]

- Phase I Environmental Site Assessment Report, Dublin Elementary School Site, Dublin, California; Kleinfelder, Inc.; January 15, 1996. [Parcel 10]

- Interim Report, Preliminary Environmental Site Survey, East Dublin Elementary School Site, Dublin, California; BSK & Associates; December 16, 1997. [Parcel 10]

- Report of Phase I Environmental Site Assessment, Santa Rita Property, Central Parkway and Hacienda, Dublin, California; Law Engineering and Environmental Services, Inc.; July 25, 1997. [Parcel 11A]

- Report of Phase II Environmental Site Assessment, Santa Rita Property, Central Parkway and Hacienda Drive, Dublin, California; Law Engineering and Environmental Services, Inc.; September 22, 1997. [Parcel 11A]

- Phase I Environmental Site Assessment on 62 Acre Parcel, Proposed Residential Development - Summer Glen, Dublin, California; Terrasearch, Inc.; October 9, 1997. [Parcel 11B]

- Testing of Fill Soil, Hacienda Drive, Dublin, California; Anderson Consulting Group; April 5, 1996. [Parcel 15B]

- Phase I and Phase II Environmental Site Assessment for Parcel 15, Santa Rita Property, Dublin, California; Erler & Kalinowski, Inc.; March 7, 2000. [Parcel 15B]

- Results of Soil and Groundwater Investigations and Screening Human Health Risk Assessment for Properties Located at Hacienda Drive and Dublin Boulevard in Dublin, CA; Erler & Kalinowski, Inc.; June 19, 1998. [Parcels D-1, D-2 & 16]

- Magnetic Investigation on Parcels F, 15A and 16A at the Proposed Cisco Site 9, Dublin, California; J R Associates; November 15, 2000. [Parcels F, 15A and 16A]

- Phase I Environmental Site Assessment and Soil and Ground Water Quality Evaluation, Cisco Systems Site 9, Dublin, California; Lowney Associates; November 30, 2000. [Parcels F, 15A and 16A]

- Phase I Environmental Site Assessment of Parcel B - Undeveloped Lot, Dublin Transit Center, Dublin, California; Environ International Corporation; October 19, 2001. [Parcel B]

- Phase I Environmental Site Assessment of Parcel C - BART Surface Parking, Dublin Transit Center, Dublin, California; Environ International Corporation; October 19, 2001. [Parcel C]

- Preliminary Geotechnical Investigation and Fault Hazard Evaluation, Oracle Dublin Campus, Dublin, California; Harding ESE; January 31, 2001. [Parcel D-2]

- Phase I and II Environmental Site Assessment, Dublin Transit Center Parcel D-2, Dublin, California; Harding ESE; February 21, 2001. [Parcel D-2]

- Phase I Environmental Site Assessment, Parcels E-1 and E-2, Dublin Boulevard, Dublin, California; Environmental and Occupational Risk Management; February, 2001. [Parcels E-1 and E-2]

- Phase II Environmental Site Assessment, Parcels E-1 and E-2, Dublin Boulevard, Dublin, California; Environmental and Occupational Risk Management; February, 2001. [Parcels E-1 and E-2]

- Phase I Environmental Site Assessment, Site A-2 Dublin Transit Center, Dublin, CA; ACC Environmental Consultants, Inc.; December 1, 2003. [Parcel A-2]

- Soil Sampling Report, Dublin Boulevard & DeMarcus Boulevard, Dublin, CA; ACC Environmental Consultants, Inc.; January 30, 2004. [Parcel A-2]

- Report of Findings - Phase I Environmental Site Assessment, Dublin Transit E-1 Site, Iron Horse Parkway and Dublin Boulevard; Tetra Tech EM, Inc.; June 14, 2005. [Parcel E-1]

- Subsurface Investigation Report, Dublin Blvd. at Campbell Lane.; PSI; Sept. 20, 2007. [Parcel A-1]

- Subsurface Investigation Report, Dublin Blvd. at Campbell Lane.; PSI; Sept. 20, 2007. [Parcel A-3]

RDF:rdf:i:\e&em\project\env\spa-sr\Santa Rita PropertyReport List-Buyers' Investigations