

## RESOLUTION NO. 2012-018

Adopted by

Oversight Board for  
Redevelopment Agency Successor Agency

July 16, 2012

### AUTHORIZING RASA TO EXECUTE THE GRANT DEED AND REGULATORY AGREEMENTS FOR THE BROADWAY TRIANGLE PROJECT

#### BACKGROUND:

- A. On January 31, 2012, by Resolution No. 2012-018, the City of Sacramento (City) elected to serve as the Redevelopment Agency Successor Agency (RASA) to the prior Redevelopment Agency of the City of Sacramento (Agency). AB1x26 (Blumenfield), which was enacted on June 28, 2011 as Chapter 5 of Statutes of 2011, was upheld by the ruling of the California Supreme Court in the case *California Redevelopment Association et al., v. Matosantos et al.*, issued on December 29, 2011. Section 34172(a)(1) was added to the Health and Safety Code under AB1X26<sup>1</sup> and it provides that the Agency was dissolved as a legal entity, and the effective date of such dissolution was set as February 1, 2012, per the ruling in the *Matosantos* case.
- B. The City, in its capacity as RASA, was granted certain rights and assigned certain duties under AB1x26. Section 34173(b) of the Health and Safety Code provides that: "... all authority, rights, powers, duties, and obligations previously vested with the former redevelopment agencies, under the Community Redevelopment Law, are hereby vested in the successor agencies."
- C. With regard to implementing outstanding Agency agreements, Section 34177(c) of the Health and Safety Code requires RASA to: "Perform obligations required pursuant to any enforceable obligations." Under Section 34171(d)(E) of the Health and Safety Code provides that an "enforceable obligation" includes: "Any legal binding and enforceable agreement or contract ..." Further, under AB 1484 enacted on June 27, 2012 as Chapter 26 Statutes of 2012, Section 34179.5(b)(2) of the Health and Safety Code further defined enforceable obligations as "contracts detailing specific work to be performed that were entered into by the former redevelopment agency prior to June 28, 2011, with a third party that is other than the city, county, or city and county that created the former redevelopment agency..."

- D. In its meeting of June 21, 2011 the City Council, acting as the Redevelopment Agency Board, approved Resolution No. 2011-033, providing for approval of agreements for the conveyance of property owned by the Agency located on Broadway Avenue to Vrillakas Family Trust, owner of adjacent parcels of land, for the development of mixed-use commercial and residential buildings and for-sale single-family housing known as the "Broadway Triangles" project (the "Project"). Vrillakas Family Trust subsequently created an affiliated successor entity, The Broadway Triangle, LLC (the "Developer").
- E. On June 22, 2011, the Agency and the Developer entered into the following project agreements: (1) Disposition and Development Agreement (the "DDA") committing transfer of the Agency's property, (2) Predevelopment Loan Agreement, (3) Conditional Grant Agreement, (4) Construction and Permanent Loan Agreement (Mixed-Use), and (5) Construction and Permanent Loan Agreement (For-Sale Residential).
- F. The DDA included the form of the required grant deed to transfer the Agency's properties and regulatory agreements required to be recorded once title to the Agency's property was transferred to the Developer. The Developer has obtained the permits and approvals as required under the DDA to proceed with construction of the Project, and is now entitled to obtain conveyance of the Agency's property.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE OVERSIGHT BOARD FOR REDEVELOPMENT AGENCY SUCCESSOR AGENCY RESOLVES AS FOLLOWS:**

Section 1: The Oversight Board hereby ratifies the actions taken by the Redevelopment Agency of the City of Sacramento in approving the Disposition and Development Agreement and related loan documents for the Broadway Triangle project, and finds that such Agency agreements are "enforceable obligations" under the law.

Section 2: The Oversight Board authorizes RASA to execute the Grant Deed and Regulatory Agreements with Vrillakas Family Trust included herein as Exhibit 1 and to execute escrow agreements and other documents as may be required to close escrow and transfer title of the Agency property for the Broadway Triangle project.

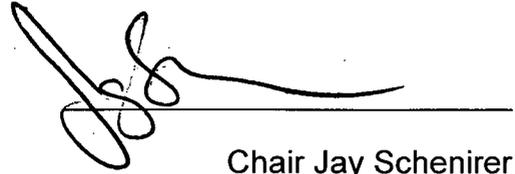
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Exhibit 1 - Grant Deed and Regulatory Agreements

Adopted by the Oversight Board for Redevelopment Agency Successor Agency on July 16, 2012 by the following vote:

Yes: Jay Schenirer, LaShelle Dozier, Dave Tamayo, and Troy Givans. Richard Rich, Tammy Sanchez and John Sharpe

Noes: None.



Chair Jay Schenirer

Attest:



Shirley Concolino, Redevelopment Agency Successor Agency Clerk

NO FEE DOCUMENT:

Entitled to free recording  
per Government Code 27383.  
Recording Requested by the  
City Attorney's Office  
New City Hall  
915 I Street  
Sacramento, California 95814  
Attention: Sheryl Patterson

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## **GRANT DEED**

(WITH REVESTMENT PROVISIONS, COVENANTS, RESTRICTIONS AND RESERVATIONS)

For valuable consideration, receipt of which is hereby acknowledged,

City of Sacramento as Redevelopment Agency Successor Agency for the prior Redevelopment Agency of the City of Sacramento ("Grantor"), acting to carry out the Redevelopment Plan ("Redevelopment Plan") for the Redevelopment Project Area known as the Oak Park Project Area ("Project Area") under the Community Redevelopment Law of California, hereby grants to The Broadway Triangle, LLC, a California Limited Liability Company ("Grantee") the real property ("Property") described in Exhibit I which is attached to and incorporated in this Deed by this reference, subject to the covenants, restrictions and reservations set forth below which covenants, restrictions and reservations shall inure to the benefit of, and bind, each and every successor, assign or successor in interest of the parties, including any heirs, executors, administrators, transferees or any other person or entity claiming through the parties.

The Property is conveyed in accordance with, and subject to, (i) the Oak Park Redevelopment Plan which was adopted by the City Council of the City and duly recorded in the Office of the County Recorder of Sacramento County, California; and (ii) the Disposition and Development Agreement (the "Disposition and Development Agreement") entered into by and between Grantor and Grantee on June 17, 2011.

1. The Grantee covenants and agrees that the Property shall be devoted only to the uses specified in the applicable provisions of the Redevelopment Plan for the Project (including all Redevelopment Plan amendments, except amendments from which Grantee may be exempt by the doctrine of vested rights), this Deed and any and all instruments recorded pursuant to the Disposition and Development Agreement, including such Agreement, duly recorded by Grantor and affecting the Property. The Property is conveyed to Grantee at a purchase price (the "Purchase Price") determined in accordance with the uses permitted. Therefore, Grantee hereby covenants and agrees that the Grantee, such successors and such assigns shall develop, use, and maintain the Property as follows: construction of four new mixed-use buildings (approximately 6,300 square foot retail first floor space with ten apartments above); twelve new for-sale residential units and twelve new ancillary structures (garages), surface parking and common areas; and rehabilitation of one existing historic commercial building.

2. Grantee acknowledges and agrees that the Property shall be subject to the Regulatory Agreements between Grantor and Grantee, recorded on the Property promptly following recordation of this Grant Deed.

2.1. As provided in the Disposition and Development Agreement, Grantee shall promptly commence and complete development of the Property in accordance with plans and specifications approved by Grantor. Construction of improvements and development of the Property (the "Improvements") required by the Disposition and Development Agreement shall commence and be prosecuted diligently to completion at the time specified in, and subject to the terms of, the Disposition and Development Agreement.

2.2. Grantee shall maintain the Improvements and any other improvements on the Property in good condition and order, shall keep the Property free from accumulation of debris and waste materials and shall permit no action or inaction on the Property such that the Property detracts from the surrounding neighborhood in any substantial manner.

2.3. All obligations imposed upon Grantee herein shall bind any and all successors of Grantee; provided, however, that upon sale or conveyance of the Project, the party selling or conveying shall be relieved of any such obligation to the extent that such obligation arises after the date of sale or conveyance.

3. Grantee covenants and agrees that prior to recordation of any Certificate of Completion for the Property:

3.1. The Grantor shall have the additional right, at its option, to re-enter and take possession of the Property and all improvements on the Property and to terminate and revest the Property in the Grantor if the Grantee or its successors in interest shall, in accordance with and subject to the terms of the Disposition and Development Agreement:

3.1.1. Fail to commence or complete the construction of the Improvements when required by the Disposition and Development Agreement and after sixty days written notice from the Grantor of Grantee's failure to timely commence or complete construction, provided that the Grantee shall not have obtained an extension or postponement to which Grantee may be entitled or that Grantee or Grantee's lender for the project have commenced and are diligently proceeding to cure such default; or

3.1.2. Abandon or substantially suspend construction of the Improvements for more than sixty days after written notice from the Grantor to continue such construction, provided that Grantor shall not have obtained an extension or postponement to which Grantee may be entitled or that Grantee or Grantee's lender for the project have commenced and are diligently proceeding to cure such default; or

3.1.3. Transfer, or suffer any involuntary transfer, of all or any part of, or interest in, the Property, in violation of the Disposition and Development Agreement or this Grant Deed.

3.2. The right to re-enter, repossess, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

3.2.1. Any mortgage or deed of trust permitted by the Disposition and Development Agreement or this Deed and duly approved by the Grantor; or

3.2.2. Any rights or interests provided for the protection of the holders of such mortgages or deed of trust.

3.3. The right to re-enter, repossess, terminate and revest with respect to the Property shall terminate when the Certificate of Completion has been recorded by the Grantor.

3.4. In the event title to all or any part of the Property is revested in the Grantor as provided in this Section 3, the Grantor shall, pursuant to its responsibilities under California Law, use its best efforts to resell the Property or part as soon and in such manner as the Grantor shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified and responsible party or parties (as determined by the Grantor) who will assume the obligation of making or completing the Improvements or such other improvements in their stead as shall be satisfactory to the Grantor and in accordance with the uses specified for such Property or part in the Redevelopment Plan. Upon such resale of the Property the proceeds thereof shall be applied as follows:

3.4.1. First, the Grantor shall be reimbursed, on its own behalf or on behalf of the City of Sacramento, California for all costs and expenses incurred by the Grantor, including but not limited to salaries of personnel incurred in connection with the recapture, management and resale of the Property or part (but less any income derived by the Grantor from the Property in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property or part (or, in the event the Property is exempt from taxation, assessment or such charges during the period of Grantor's ownership thereof, an amount equal to such taxes, assessments or charges as determined by the assessing official as would have been payable if the Property were not exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part at the time of revesting of title in the Grantor or to discharge or prevent such encumbrances or liens from attaching or being made by any subsequent successors or transferees; any expenditures made or obligations Oversight Board for Redevelopment Agency Successor Agency Resolution 2012-018

incurred with respect to the completion of the Improvements; and any amounts otherwise owed to the Grantor by the Grantee and its successors or transferee; and

3.4.2. Second, to the extent possible, the Grantee shall be reimbursed in an amount not to exceed the sum of (1) the Purchase Price paid to the Grantor by the Grantee for the Property (or allocable to the part thereof); (2) the costs incurred for the development of the Property and for the improvements existing on the Property at the time of the reentry and repossession, (3) less any gains or income withdrawn or made by the Grantee from the Property or the Improvements; and

3.4.3. Third, any balance remaining after such reimbursements shall be retained by the Grantor.

3.4.4. To the extent that this right of reverter involves a forfeiture, it must be strictly interpreted against the Grantor, the party for whose benefit it is created. This right of reverter shall, however, be interpreted in light of the fact that the Grantor is by this deed conveying the Property to the Grantee for development and not for speculation in undeveloped land and that such development is a material element of the consideration received by Grantor for the Property.

4. The Grantee covenants and agrees that:

4.1. There shall be no discrimination against or segregation of any person on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the sale, lease, or rental or in the use or occupancy of the Property hereby conveyed or any part thereof. Grantee covenants by and for its, its heirs, executors, administrators, and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

All advertising (including signs) for sale and/or rental of the whole or any part of the Property shall include the legend "Equal Opportunity Houser" in type or lettering of easily legible size and design. The word "Project" or "Development" may be substituted for the word "Houser" where circumstances require such substitution.

5. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust made in good faith and for value; provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

6. All covenants contained in this Deed shall be covenants running with the land and equitable servitudes thereon. The covenants contained in Section 3 of this Deed shall terminate upon issuance of a Certificate of Completion for the Property. Every covenant contained in this Deed not previously terminated shall terminate fifty-five (55) years from the date of recordation in the official records of Sacramento County, except that the covenants against discrimination contained in Section 4 of this Grant Deed shall remain in perpetuity.

7. All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor, its successors and assigns, the City of Sacramento, California, any successor in interest to the Property, the owner of any other land (or of any interest in such land) in Project which is subject to the land use requirements and restrictions of the Redevelopment Plan, and the covenants against discrimination contained in Section 4 shall be binding for the benefit of the Grantor, the City of Sacramento and the United States of America and such covenants shall run in favor of the Grantor, the City of Sacramento and the United States of America, for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor and the City of Sacramento, is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenant, and the City of Sacramento (and the United States of America, in the event of any such breach of the covenants in Section 4), shall have the right to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach against Grantee, its successors to and assigns of the Property or any part or interest in the Property, any subcontracting party or parties or other transferees under the Disposition and Development Agreement, and any party in possession or occupancy of all or any part of the Property.

8. Both before and after issuance of a Certificate of Completion, the Grantor and Grantee and their successors and assigns only shall have the right to mutually consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, easements, or other restrictions contained in this Deed or to subject the Property to additional covenants, easements, or other restrictions, and Grantor and Grantee may do so without the consent of any tenant, lessee, easement holder, licensee, or any other such person or entity having any interest less than a fee in the Property. Amendments to the Redevelopment Plan applying to other property in the Project shall not require the consent of Grantee by virtue of this Deed.

9. The covenants contained in this Deed shall not be construed as conditions which might result in forfeiture of title, except for the covenants and conditions contained in Section 3 of this Grant Deed.

10. Promptly after the issuance of a Certificate of Occupancy from the City of Sacramento Building Department and completion of the Improvements in accordance with the provisions of the construction plans approved pursuant to the Disposition and Development Agreement and fulfillment of the related obligations of the Grantee under the Disposition and Development Agreement, the Grantor shall furnish the Grantee with an appropriate instrument (the "Certificate of Completion") certifying such completion and stating that the Certificate of Completion shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Disposition and Development Agreement and in this Deed obligating the Grantee with respect to the construction of the Improvements and the dates for beginning and completion thereof.

With respect to such individual parts or parcels of the Property which, if so provided in the Disposition and Development Agreement, the Grantee may convey or lease as the Improvements thereon are completed, the Grantor shall also, upon proper completion of the Improvements relating to any such part or parcel and prior to such conveyance or lease, issue a Certificate of Completion with regard to such part of parcel. Such certification shall mean and provide (1) that any party purchasing or leasing such individual part or parcel with required authorization shall not (because of such purchase or lease) incur any obligation with respect to the construction of the Improvements relating to such part or parcel or to any other part or parcel of the Property; and (2) that neither the Grantor nor any other party shall thereafter have or be entitled to exercise with respect to any such individual part or parcel so sold (or, in the case of lease, with respect to the leasehold interest) any rights or remedies or controls that it may otherwise have or be entitled to exercise with respect to the Property as a result of a default in or breach of any provisions of the Disposition and Development Agreement or of this Deed by the Grantee or any successor in interest or assign, unless (i) such default or breach be by the purchaser or lessee, or any successor in interest to or assign of such individual part or parcel with any other of the covenants contained and referred to in this Deed and the Declaration of Restrictions and (ii) the right, remedy or control relates to such default or breach.

The Certificate of Completion shall be in a form acceptable for recordation in the proper office for the recordation of deeds and other instruments pertaining to the Property. If the Grantor shall refuse or fail to provide the Certificate of Completion, the Grantor shall, within thirty (30) days after written request by the Grantee provide the Grantee with a written statement, indicating in what respects the Grantee has failed to duly complete said Improvements and what measures or acts will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

11. The Grantor certifies that Grantor has complied with all conditions precedent to the valid execution and delivery of this Deed required on its part and that all things necessary to constitute this Deed and its valid, binding and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Deed on its part have been and are in all respects authorized in accordance with law. The Grantee similarly certifies with reference to its execution and delivery of this Deed.

IN WITNESS WHEREOF, the Grantor and the Grantee have caused this instrument to be executed on their behalf by their respective and duly authorized officers, on the following dates, effective as of \_\_\_\_\_, 2012.

**City of Sacramento as Redevelopment Agency Successor Agency  
for the prior Redevelopment Agency of the City of Sacramento**

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John F. Shirey  
City Manager

Date: \_\_\_\_\_

Approved as to Form: \_\_\_\_\_

NO FEE DOCUMENT:  
 Entitled to free recording  
 per Government Code 27383.  
 Recording Requested by the  
 City Attorney's Office  
 New City Hall  
 915 I Street  
 Sacramento, California 95814  
 Attention: Sheryl Patterson

**REGULATORY AGREEMENT  
 CONTAINING COVENANTS AFFECTING REAL PROPERTY**

**BROADWAY TRIANGLES  
 MIXED USE DEVELOPMENT AND HISTORIC BUILDING REHABILITATION PROJECT**

<b>PROJECT NAME:</b>	Broadway Triangles Mixed Use Development and Historic Building Rehabilitation Project
<b>PROJECT ADDRESS:</b>	3409 Broadway, 3413 Broadway, 3425 Broadway, 3434 2nd Avenue, 3436 2nd Ave, 2739 35 <sup>th</sup> St., 2741 35 <sup>th</sup> St., 2751 35 <sup>th</sup> St.

**FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, AGENCY AND OWNER HAVE ENTERED THIS REGULATORY AGREEMENT AS OF THE EFFECTIVE DATE.**

1. **GENERAL.** This Regulatory Agreement, includes the Exhibits listed below which are attached to and incorporated in this Regulatory Agreement by this reference.

2. **DEFINITIONS.** The capitalized terms in this Regulatory Agreement shall have the meanings assigned in the following table and in the body of the Regulatory Agreement as the context indicates. (Terms being defined are indicated by quotation marks.)

“Effective Date”	This Regulatory Agreement shall be effective as of the following date:		
“Agency”	City of Sacramento as Redevelopment Agency Successor Agency for the prior Redevelopment Agency of the City of Sacramento		
“Owner”	The Broadway Triangle, LLC		
“Agency Address”	City Attorney’s Office, New City Hall, 915 I Street, Sacramento, California 95814		
“Owner Address”	Owner’s business address is as follows:	1221 18 <sup>th</sup> Street, Sacramento, CA 95811	
“Jurisdiction”	City of Sacramento		
“Property”	That certain real property which is subject to this Regulatory Agreement as further described in the legal description, attached as <b>Exhibit 1 – Legal Description</b> and incorporated in this Regulatory Agreement by this reference		
“Funding Agreements”	The Funding Agreements between Agency and Owner as follows:	Titled:	Construction and Permanent Loan Agreement
		Dated:	June 22, 2011
		Titled:	Conditional Grant Agreement
		Dated:	June 22, 2011

“Agency Funding”	The Agency Funding made by Agency to Owner under the Funding Agreements for development of the Property	
“Agency Funding Amount”	The amount of the Agency Funding, as follows:	\$4,489,000.00
“Funding Requirements”	The legal restrictions on the use of the funds that Agency has used to provide the Agency Funding, as applicable to and restricting the Property. The Funding Requirements are set out in <b>Exhibit 2 – Funding Requirements.</b>	
“Approved Use”	Ground floor Agency-approved commercial or retail use consistent with the Special Land Use Regulations of the Broadway/Stockton Special Planning District (Sacramento City Code Section 17.94.030). Second floor residential units available for rent or purchase by the general public and containing not less than the following number of units: ten (10). Rehabilitation of historic commercial building.	
“Disapproved Use”	<b>Owner shall assure that the property is not used, in whole or in part, for any of the following Disapproved Uses:</b>	
	Establishments deriving more than 5% of net income from adult-oriented material, whether for sale, rent or on-site use or viewing; check cashing or payday loan business; social services (as defined by Sacramento City Code); gun shop; marijuana related business; arcade exclusively for video games; used appliance stores; facility for repair of any appliances, vehicles or other products, except as insubstantial and incidental to permitted activities; service station for the sale of gas, oil and related products; facility using, storing or treating hazardous materials; facility for rent or storage spaces or for warehousing; facility for the housing of passive components such as digital switching units; and establishments creating nuisances or other activities that unreasonably intrude upon the peaceful enjoyment of nearby tenants and property owners, including without limitation bad odors, loud noises, bright lights, substantial numbers of loiterers, trash and garbage and unhealthful or dangerous situations	

**MANAGEMENT AGREEMENT.** Subject to prior approval by Agency, Borrower shall obtain and maintain a property management agreement with a duly accredited real estate property management company for the management of the Property. Owner shall not change management company without the prior written approval of the Agency. If Agency has approved an initial property manager for the Project, the company shall be listed immediately below.

Approved Management Company
To be determined

**3. SPECIAL PROVISIONS.** Owner shall also comply with the following special provisions.

Provision	Term
1. Developer shall obtain ground-floor retail and commercial tenants for uses that meet the reasonable approval of the Agency’s Executive Director prior to Owner’s execution of a lease. Agency’s intent in obtaining the covenant is to assure that the Project contains on the ground floor such uses that the Agency reasonably considers to have redevelopment and economic benefits for the Project Area.	10 years
2. For a period of 10 years, all ground floor uses shall be subject to the Executive Director’s reasonable approval, with the same requirements as the original approval in subsection 1 of these Special Provisions.	

**4. REPRESENTATIONS.** Agency has provided Agency Funding to Owner to develop the Property, subject to the terms of the Funding Agreements. This Regulatory Agreement is a substantial part of the consideration to Agency for making the Agency Funding. [For purposes of this Regulatory Agreement, "Property" shall mean Property or Restricted Unit as the context may indicate.] The funds used by Agency under the Funding Agreement are funds from public funding sources administered by Agency and their use is subject to certain requirements some of which are embodied in this Regulatory Agreement. Further, Agency has made the Agency Funding in accordance with the laws, rules and regulations to which Agency is subject. Therefore, Agency has made the Agency Funding conditioned upon Owner's agreement, for itself and its successors and assigns, to comply with all provisions of this Regulatory Agreement, including without limitation, the Funding Agreement. Owner has had full opportunity to make itself independently familiar with such limitations and restrictions, and Owner accepts them and agrees to comply fully with them.

**5. COVENANTS.** Owner makes the following covenants. Unless Owner has received the prior written consent or Agency approval otherwise, Owner shall fully comply with each and every covenant. Except as otherwise stated in this Regulatory Agreement, the following covenants shall have a term that is the same as the longest term specified in the Funding Requirements.

a. Owner shall use and permit others to use the Property only for the Approved Use.

b. Owner shall not use and shall not permit others to use the Property for any of the Disapproved Uses.

c. Owner shall ensure full compliance with the Special Provisions.

d. Owner shall assure full compliance with the Funding Requirements.

e. Owner shall not transfer or encumber any of the Property or permit the conveyance, transfer, or encumbrance of the Property unless such assignee, transferee or encumbrancer has agreed, in writing and in a form suitable for recordation, to be bound by the terms of this Regulatory Agreement.

f. Owner shall not cause and shall not permit expansion, reconstruction, or demolition of any part of improvements on the Property, except as provided by the Funding Agreement.

g. Owner shall maintain the Property and the building improvements, grounds and equipment of the Property in good repair and condition and in compliance with all applicable housing quality standards and local code requirements. Owner shall maintain the Property in good condition and shall keep the Property reasonably free from graffiti and unrepaired vandalism and from accumulation of abandoned property, inoperable vehicles, unenclosed storage, debris, and waste materials. In the event of a casualty loss, Owner shall cause the restoration or replacement of the Property, in a timely manner and provided that such restoration or replacement is then economically feasible.

h. Owner shall not cause and shall not permit discrimination on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the sale, lease, or rental or in the use or occupancy of the Property. Owner covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. This covenant against discrimination shall continue in perpetuity.

i. Owner shall assure compliance with the obligations imposed by the federal Personal Responsibility and Work Opportunity Act (Public Law 104-193, commonly known as the Welfare Reform Act) as amended by California Welfare and Institutions Code Section 17851, which restrict the Agency funding of federal, state or local benefits to persons who are not citizens or qualified aliens as defined in such act.

**6. NATURE OF COVENANTS.** The provisions contained in this Regulatory Agreement are covenants which subject and burden the Property, as covenants running with the land. It is intended and agreed that the agreements and covenants provided in the Agreement shall be covenants running with the land and equitable servitudes on the land and that they shall, in any event, and without regard to technical classifications or designation, be binding, to the

fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, the Agency's successors and assigns, any other governmental entity acting within its authority and any successor in interest to Agency's interest under this Regulatory Agreement against the Owner, its successors and assigns and every successor in interest to all or any part of the Property.

**7. TERM.** The term of this Regulatory Agreement shall commence on the Effective Date and continue until the terms of all of the covenants, including without limitation, the terms stated in the Funding Requirements, have expired or otherwise been terminated. Notwithstanding the term in the Funding Requirements, the term of this Regulatory Agreement shall be fifty-five (55) years from the Effective Date.

**8. REVIVAL OF COVENANTS AFTER FORECLOSURE.** The affordability restrictions shall be revived after foreclosure, or deed in lieu of foreclosure according to the original terms if, during the original term of this Regulatory Agreement, if the Owner, who was owner of record before the termination event, or a party related to the Owner obtains an ownership interest in the Property or Restricted Unit, as the case may be. For purposes of this provision, a related party is anyone with whom the Owner has or had family or business ties; provided that such interest would not be considered a "remote interest" in the usual and customary use of the term.

**9. MULTIPLE FUNDING REQUIREMENTS.** If more than one form of Funding Requirements is attached, each Restricted Unit shall be subject to the Funding Requirements for every Funding Source applied to the respective Restricted Unit. If the terms of the Funding Requirements shall conflict as to any Restricted Unit, the Funding Requirements shall be construed so as to meet all applicable requirements for the respective Restricted Unit, including without limitation the use of the most restrictive requirements and the use of the "Recapture" formula that results in the greatest repayment to the Agency.

**10. RECORDKEEPING AND REPORTING.** Upon request of Agency, Owner shall promptly provide any additional information or documentation requested in writing by the Agency to verify Owner's compliance with the provisions of this Regulatory Agreement. At the written request of the Agency, Owner shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and condition of the property and the status of the Deeds of Trust.

**11. AUDIT AND INSPECTION.** The Property and all related equipment, buildings, plans, offices, books, contracts, records, documents and other related papers shall at all times be maintained in reasonable condition for audit and shall be subject to examination by the Agency or its agents. The books and accounts of the operations of the Property and of the Property shall be kept in accordance with generally accepted accounting principles. Owner shall provide Agency access to the Property and its tenants during reasonable hours for the purpose of reviewing Owner's compliance with this Regulatory Agreement.

**12. INDEMNITY FOR OWNER'S FAILURE TO MEET LEGAL REQUIREMENTS.** Owner shall indemnify and hold Agency, its officers, directors, and employees harmless from any and all liability arising from Owner's failure to comply with the covenants, conditions and restrictions contained in this Regulatory Agreement or to comply with all other laws, rules, regulations and restrictions related to the use of Agency Funding. Without limitation, such indemnity shall include repayment to the appropriate parties of rents or sales proceeds in excess of amounts authorized to be charged and repayment to the Agency of the costs of funds and the value of lost opportunities resulting from the required repayment by Agency to the funding source of funds improperly used.

**13. CHANGES WITHOUT CONSENT OF TENANTS, LESSEES, OR OTHERS.** Only Agency and its successors and assigns, and Owner (subject to the reasonable approval of Owner's lender in accordance with its rights under its loan terms) shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in this Agreement without the consent of any easement holder, licensee, other mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Site.

**14. DEFAULT.** Upon a breach of any of the provisions of this Regulatory Agreement by Owner, the Agency may give written notice of such breach to Owner by registered or certified mail. If such violation is not corrected to the satisfaction of Agency within sixty (60) days after the date such notice is mailed or within such further time as the Agency may reasonably determine is necessary to correct the breach, and without further notice to Owner, the Agency may declare a default under the Agreement, effective on the date of such declaration of default, and upon

such default the Agency may: (a) take any action then available under the Funding Agreement for a default under the Funding Agreement and (b) apply to any court for specific performance of this Regulatory Agreement, for an injunction against any violation of the Agreement, for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Regulatory Agreement, for money damages or for such other relief as may be appropriate, since the injury to the Agency arising from a default under any of the terms in this Regulatory Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

**15. BINDING SUCCESSORS IN INTEREST.** This Regulatory Agreement shall bind and the benefits shall inure to the Owner, its successors in interest and assigns, and to the Agency and its successors for the term of this Agreement.

**16. CONTRADICTIONARY AGREEMENTS.** Owner warrants that he has not, and will not, execute any other agreement with provisions contradictory of or in opposition to, the provisions of this Regulatory Agreement, and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict with this Regulatory Agreement.

**17. ATTORNEYS' FEES.** If the services of any attorney are required by any party to secure the performance of this Regulatory Agreement or otherwise upon the breach of default of another party, or if any judicial remedy or mediation is necessary to enforce or interpret any provision of this Regulatory Agreement or the rights and duties of any person in relation to this Regulatory Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of this Regulatory Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law. The prevailing party shall mean the party receiving an award in arbitration or a judgment in its favor, unless the award or judgment is less favorable than the best settlement offered in writing in a reasonable manner by the other party, in which case the prevailing party is the other party.

**18. SEVERABILITY.** The invalidity of any clause, part or provision of this Regulatory Agreement shall not affect the validity of the remaining portions.

**19. ELECTION OF REMEDIES.** To the extent applicable, in the event of any breach of the covenants, conditions and restrictions contained in this Regulatory Agreement, the Agency shall reasonably endeavor to remedy such breach by conference and conciliation. If, in the opinion of Agency, the Agency and Owner are unable mutually to agree upon a suitable remedy or the circumstances so warrant, such breach may be enjoined or abated by appropriate proceedings brought by the Agency.

Agency may institute or prosecute in its own name, any suit Agency may consider advisable in order to compel performance of any obligation of any owner to develop and maintain the subject property in conformity with this Regulatory Agreement and to remedy any default of this Regulatory Agreement. Agency may also seek a decree requiring removal of any improvements constructed on the Property which improvements are designed for uses not permitted under this Regulatory Agreement and which improvements are unsuitable only for uses not permitted under this Regulatory Agreement. The remedies of the Agency under this Regulatory Agreement are cumulative, and the exercise of one or more of such remedies, including, without limitation, remedies under the Funding Agreement shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.

**20. NO WAIVER.** No waiver by the Agency of any breach of or default under this Regulatory Agreement shall be deemed to be a waiver of any other or subsequent breach or default.

**21. NOTICES.** Written notices and other written communications by and between the parties shall be addressed to the Owner at the Owner Address and to the Agency at the Agency Address or such other address as each respective party has designated by written notice to the other party.

THE PARTIES HAVE EXECUTED THIS REGULATORY AGREEMENT in Sacramento, California as of the Effective Date

**THE BROADWAY TRIANGLE, LLC, A  
CALIFORNIA LIMITED LIABILITY COMPANY**

**CITY OF SACRAMENTO AS REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY FOR THE PRIOR REDEVELOPMENT  
AGENCY OF THE CITY OF SACRAMENTO**

By: \_\_\_\_\_

Ronald Vrilakas  
Member

Approved as to form:

\_\_\_\_\_

Borrower Counsel

By: \_\_\_\_\_

John F. Shirey  
City Manager

Approved as to form:

\_\_\_\_\_

Agency Counsel

\_\_\_\_\_

NO FEE DOCUMENT:  
 Entitled to free recording  
 per Government Code 27383.  
 Recording Requested by the  
 City Attorney's Office  
 New City Hall  
 915 I Street  
 Sacramento, California 95814  
 Attention: Sheryl Patterson

**REGULATORY AGREEMENT  
 BROADWAY TRIANGLES FOR SALE RESIDENTIAL DEVELOPMENT PROJECT  
 INCLUDING COVENANTS, CONDITIONS AND RESTRICTIONS RUNNING WITH THE LAND**

<b>PROJECT NAME:</b>	Broadway Triangles For Sale Residential Development Project
<b>PROJECT ADDRESS:</b>	3409 Broadway, 3413 Broadway, 3425 Broadway, 3434 2nd Avenue, 3436 2nd Ave, 2739 35 <sup>th</sup> St., 2741 35 <sup>th</sup> St., 2751 35 <sup>th</sup> St.
<b>APN:</b>	010-0375-001, 010-0375-002, 010-0375-003, 010-0375-004, 010-0375-008, 010-0381-017 & 18, 010-0381-015 & 16

**NOTICE: THIS REGULATORY AGREEMENT IMPOSES COVENANTS, CONDITIONS AND RESTRICTION ON THE PROPERTY WHICH STAY WITH THE PROPERTY FOR MANY YEARS, INCLUDING RESTRICTIONS ON THE USE AND MAINTENANCE OF THE PROPERTY.**

**FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, AGENCY AND OWNER HAVE ENTERED THIS REGULATORY AGREEMENT AS OF THE EFFECTIVE DATE.**

22. **GENERAL.** This Regulatory Agreement includes the Exhibits listed below, which are attached to and incorporated in this Regulatory Agreement by this reference.

23. **DEFINITIONS.** The capitalized terms in this Regulatory Agreement shall have the meanings assigned in the following definitions table and in the body of the Regulatory Agreement. (Terms being defined are indicated by quotation marks.)

TERM	DEFINITION
"Effective Date"	This Regulatory Agreement shall be effective as of the following date:
"Agency"	City of Sacramento as Redevelopment Agency Successor Agency for the prior Redevelopment Agency of the City of Sacramento
"Owner" and "Developer"	The Broadway Triangle, LLC
"Agency Address"	City Attorney's Office, New City Hall, 915 I Street , Sacramento, California 95814
"Owner Address"	Owner's business address is as follows: 1221 18th Street, Sacramento, CA 95811

“Jurisdiction”	City of Sacramento		
“Property”	That certain real property which is subject to this Regulatory Agreement as further described in the legal description, attached as <b><u>Exhibit 1 – Legal Description</u></b> .		
“Funding Agreement”	Agency is conveying fee title to the Property to Developer, subject to the terms of the Disposition and Development Agreement. The Funding Agreement includes, the Construction Loan Agreement between Agency and Owner, dated as follows:		Dated:
			June 22, 2011
“Agency Funding”	The Agency Funding made by Agency to Owner under the Funding Agreement for development of the Property		
“Agency Funding Amount “	The amount of the Agency Funding, as follows:	Amount of Funding	\$2,149,000.00
		Source of Funding	Project Area Tax Increment
“Funding Requirements”	The legal restrictions on the use of the funds that Agency has used to make the Agency Funding, as applicable to and restricting the Property. The Tax Increment Funding Requirements are set out in <b><u>Exhibit 2 – Funding Requirements</u></b> .		
“Term”	The Term of each of the respective covenants, conditions and restrictions contained in this Regulatory Agreement is the term stated in the Funding Agreement, this Regulatory Agreement and in the absence of such provision, the term of the Redevelopment Plan.		
“PROJECT”	The Project is the Project to be developed on the Property with the Loan funds, and described as:	The Project is the sale of Agency land described in Exhibit 1 and contribution of Developer-owned land for construction of twelve (12) residential units, garages and additional secured parking spaces. The Agency land will be transferred subject to redevelopment and use restrictions that reduce the fair reuses value to nominal. In order to assure sufficient financing to construct the Project, the Agency will make the Loan from Project Area redevelopment funds.	
“Special Provisions”	This Regulatory Agreement shall be recorded against the Property and a Release of this Regulatory Agreement in the form required by the Loan Agreement will be executed by the Agency for each individual unit constructed on the Property upon the sale of that unit. Agency shall release the Regulatory Agreement recorded against the common area adjacent to individual units upon the sale of all such units.		
“Approved Use”	Owner shall assure that the property is used only for the following Approved Uses:		
	Residential, including live/work uses		
“Disapproved Uses”	Owner shall assure that the property is not used, in whole or in part, for any of the following Disapproved Uses:		

	<p>Non-residential uses other than live/work uses, provided however, that the following uses shall be prohibited: Establishments deriving more than 5% of net income from adult-oriented material, whether for sale, rent or on-site use or viewing; check cashing or payday loan business; social services (as defined by Sacramento City Code); gun shop; marijuana related business; arcade exclusively for video games; used appliance stores; facility for repair of any appliances, vehicles or other products, except as insubstantial and incidental to permitted activities; service station for the sale of gas, oil and related products; facility using, storing or treating hazardous materials; facility for rent or storage spaces or for warehousing; facility for the housing of passive components such as digital switching units; and establishments creating nuisances or other activities that unreasonably intrude upon the peaceful enjoyment of nearby tenants and property owners, including without limitation bad odors, loud noises, bright lights, substantial numbers of loiterers, trash and garbage and unhealthful or dangerous situations.</p>
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24. **REPRESENTATIONS.** Agency has provided good and valuable consideration. The funds used by Agency for the Project are funds from public funding sources administered by Agency and their use is subject to certain requirements some of which are embodied in this Regulatory Agreement. This Regulatory Agreement represents a portion of a larger transaction; and is an inextricable part of the larger transaction. Therefore, Agency has undertaken its obligations conditioned upon Owner's agreement, for itself and its successors and assigns, to comply with all provisions of this Regulatory Agreement. Owner has had full opportunity to make itself independently familiar with such limitations and restrictions, and Owner accepts them and agrees to comply fully with them.

25. **COVENANTS.** Owner makes the following covenants. Unless Owner has received the prior written consent of Agency otherwise, Owner shall fully comply with each and every covenant. Except as otherwise stated in this Regulatory Agreement, the following covenants shall have a term that is the same as the longest term specified in the Funding Requirements.

a. Owner shall use and shall permit others to use the Property only for the Approved Uses, and with the Redevelopment Plan for the Project Area.

b. Owner shall not use and shall not permit others to use the Property for any of the Disapproved Uses.

c. Owner shall assure full compliance with the Special Provisions, if any.

d. Owner shall maintain the Property and the building improvements, grounds and equipment of the Property in good repair and condition and in compliance with all applicable standards and local code requirements. Owner shall maintain the Property in good condition and shall keep the Property reasonably free from graffiti and unrepaired vandalism and from accumulation of abandoned property, inoperable vehicles, unenclosed storage, debris, and waste materials. In the event of a casualty loss, Owner shall cause the restoration or replacement of the Property, in a timely manner and provided that such restoration or replacement is then economically feasible.

e. Owner shall not cause and shall not permit discrimination on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the sale, lease, or rental or in the use or occupancy of the Property. Owner covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. This covenant against discrimination shall continue in perpetuity.

f. Owner shall assure compliance with the federal Personal Responsibility and Work Opportunity Act (Public Law 104-193, commonly known as the Welfare Reform Act) prohibiting the Agency funding of federal, state or local benefits to persons who are not citizens or qualified aliens as defined in the act.

26. **RESTRICTION ON SALES AND LEASES.** Developer is prohibited from selling or leasing the Property unless and until the buyer or lessee has executed and the parties have recorded an acknowledgment and acceptance of this Regulatory Agreement. In any event, any and all successors in interest to the Property are subject to this Regulatory Agreement. However, Section 1 of the Special Provisions regarding sale of individual units shall take precedence over this Section.

**27. NATURE OF COVENANTS.** The provisions contained in this Regulatory Agreement are covenants which subject and burden the Property, as covenants running with the land. It is intended and agreed that the agreements and covenants provided in the Agreement shall be covenants running with the land and equitable servitudes on the land and that they shall, in any event, and without regard to technical classifications or designation, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, the Agency's successors and assigns, any other governmental entity acting within its authority and any successor in interest to Agency's interest under this Regulatory Agreement against the Owner, its successors and assigns and every successor in interest to all or any part of the Property.

**28. TERM.** Subject to the Special Provisions, the term of this Regulatory Agreement shall commence on the Effective Date and continue until the terms of all of the covenants, including without limitation, the terms stated in the Funding Requirements, have expired or otherwise been terminated. In the absence of a term in the Funding Requirements, the term shall be thirty (30) years from the Effective Date.

**29. RECORDKEEPING AND REPORTING.** Upon written request of Agency, Owner shall promptly provide any additional information or documentation to verify Owner's compliance with the provisions of this Regulatory Agreement. At the written request of the Agency, Owner shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions regarding the income, assets, liabilities, contracts, operations, and condition of the property and their compliance with the Funding Agreement and this Regulatory Agreement.

**30. AUDIT AND INSPECTION.** The Property and all related equipment, buildings, plans, offices, books, contracts, records, documents and other related items shall at all times be maintained in reasonable condition for audit and shall be subject to examination by the Agency or its agents during reasonable hours solely for the purpose of reviewing Owner's compliance with this Regulatory Agreement. The books and accounts of the operations of the Property and of the Property shall be kept in accordance with generally accepted accounting principles.

**31. INDEMNITY FOR OWNER'S FAILURE TO MEET LEGAL REQUIREMENTS.** Owner shall indemnify and hold Agency, its officers, directors, and employees harmless from any and all liability arising from Owner's failure to comply with the covenants, conditions and restrictions contained in this Regulatory Agreement and its failure to comply with all other laws, rules, regulations and restrictions related to the use of any Agency funds. Without limitation, such indemnity shall include repayment to the Agency of the costs of funds and the value of lost opportunities resulting from the required repayment by Agency to the funding source of funds improperly used.

**32. CHANGES WITHOUT CONSENT OF TENANTS, LESSEES, OR OTHERS.** Only Agency and its successors and assigns, and Owner and its successors and assigns (subject to the reasonable approval of Owner's lender) shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in this Agreement. Such changes or termination shall not require the consent of any easement holder, licensee, other mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property.

**33. DEFAULT.** Upon a breach of any of the provisions of this Regulatory Agreement by Owner, the Agency may give written notice of such breach to Owner by registered or certified mail. To the extent reasonable under the circumstance, in the event of any breach, the Agency and Owner shall reasonably endeavor to identify a remedy for such breach by conference and conciliation. If such violation is not corrected to the satisfaction of Agency within thirty (30) days after the date such notice is mailed or within such further time as the Agency may reasonably determine is necessary to correct the breach, and without further notice to Owner, the Agency may declare a default under the Agreement, effective on the date of such declaration of default, and upon such default the Agency may: (a) take any action then available under the Funding Agreement for a default under the Funding Agreement and (b) apply to any court for specific performance of this Regulatory Agreement, for an injunction against any violation of the Agreement, for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Regulatory Agreement, for money damages or for such other relief as may be appropriate. The injury to the Agency arising from a default under any of the terms in this Regulatory Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

a. Agency may institute or prosecute in its own name, any suit Agency may consider advisable in order to compel performance of any obligation of any owner to develop and maintain the subject property in conformity with this Regulatory Agreement and to remedy any default of this Regulatory Agreement. Agency may also seek a  
Oversight Board for Redevelopment Agency Successor Agency Resolution 2012-018

decree requiring removal of any improvements constructed on the Property which improvements are designed for uses not permitted under this Regulatory Agreement and which improvements are suitable only for uses not permitted under this Regulatory Agreement.

b. The remedies of the Agency under this Regulatory Agreement are cumulative. The exercise of one or more of such remedies, including, without limitation, remedies under the Funding Agreement shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.

34. **BINDING SUCCESSORS IN INTEREST.** This Regulatory Agreement shall bind and the benefits shall inure to the Owner, its successors in interest and assigns, and to the Agency and its successors for the term of this Regulatory Agreement.

35. **CONTRADICTORY AGREEMENTS.** Owner warrants that it has not, and will not, execute any other agreement with provisions in contradiction or opposition to the provisions of this Regulatory Agreement, and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations stated and supersede any other requirements in conflict with this Regulatory Agreement.

36. **ATTORNEYS' FEES.** If the services of any attorney are required by any party to secure the performance of this Regulatory Agreement or otherwise upon the breach or default of another party, or if any judicial remedy or mediation is necessary to enforce or interpret any provision of this Regulatory Agreement or the rights and duties of any person in relation to this Regulatory Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of this Regulatory Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law. The prevailing party shall mean the party receiving an award in arbitration or a judgment in its favor, unless the award or judgment is less favorable than the best settlement offered in writing in a reasonable manner by the other party, in which case the prevailing party is the party making such settlement offer.

37. **SEVERABILITY.** If any term or provision of this Regulatory Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Regulatory Agreement shall not be affected; provided that the intent of the Regulatory Agreement may then be reasonably fulfilled. In any event, the term or provisions shall be deemed to be invalid only as to the entity and circumstance for which it was held to be invalid.

38. **NO WAIVER.** No waiver by the Agency of any breach of or default under this Regulatory Agreement shall be deemed to be a waiver of any other or subsequent breach or default.

39. **NOTICES.** Written notices and other written communications by and between the parties shall be addressed to the Owner at the Owner Address and to the Agency at the Agency Address or such other address as each respective party has designated by written notice to the other party.

**THE PARTIES HAVE EXECUTED THIS REGULATORY AGREEMENT** in Sacramento, California as of the date first written above.

**OWNER:**

**THE BROADWAY TRIANGLE, LLC, A CALIFORNIA  
LIMITED LIABILITY COMPANY**

**AGENCY:**

**CITY OF SACRAMENTO AS REDEVELOPMENT  
AGENCY SUCCESSOR AGENCY FOR THE PRIOR  
REDEVELOPMENT AGENCY OF THE CITY OF  
SACRAMENTO**

By: \_\_\_\_\_

Ronald Vrilakas  
Member

Approved as to form:

\_\_\_\_\_

Developer Counsel

By: \_\_\_\_\_

John F. Shirey  
City Manager

Approved as to form:

\_\_\_\_\_

Agency Counsel