

RESOLUTION NO. 92-048

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF JUN 16 1992

FINANCIAL TERMS FOR EXTENSION OF TIME FOR DEVELOPMENT OF THE CAPITOL MALL DEVELOPMENT SITE (LOT A)

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO:

Section 1: The Executive Director is authorized and directed to execute an agreement, and to amend, as necessary, the development documents for the Capitol Mall Development Site ("Lot A") to allow Capitol Mall Partners ("CMP") an extension for close of escrow on Parcel 1 and for commencement and completion of construction of Parcel 1 ("Extension"), without extension for Parcels 2 and 3.

Section 2: CMP may elect one of the following options as consideration for the Extension:

a) Option A: Agency will agree to an Extension period of twenty-five (25) months in consideration of the payment by CMP of \$900,000 payable in four payments of \$225,000 due no later than 10 o'clock a.m. on the date the Extension agreement is executed and 12:00 noon on the following dates: December 1, 1992; June 1, 1993; and December 1, 1993.

b) Option B: Agency will agree to an Extension period of thirty months in consideration of the payment by CMP of \$1,082,535 payable in five payments of \$216,507 due by 10:00 o'clock a.m. on the date the the Extension agreement is executed and 12:00 o'clock noon on the following dates: December 1, 1992; June 1, 1993; December 1, 1993; and June 1, 1994.

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Section 3: The following financial terms shall be included in the agreement for the Extension for either Option A or Option B:

a) CMP shall be required to extend the term of the current \$900,000 letter of credit ("Letter of Credit") given as deposit under the Disposition and Development Agreement, Parcel 1 ("Parcel 1 DDA") to a date thirty days or more after termination of the Extension period. If CMP fails to obtain the extension of the Letter of Credit as required under this subsection, Agency may withdraw the balance of the Letter of Credit and retain it as "Liquidated Damages" under Section 4.3 of the Parcel 1 DDA.

b) CMP shall make payments to the Agency in the form of cash or certified check.

c) Following each payment, CMP may reduce the amount of the letter of credit to an amount not less than the remaining balance payable under the Extension agreement. If the Letter of Credit balance falls below the balance payable as consideration for the Letter of Credit, CMP shall increase the amount of the Letter of Credit or post an additional Letter of Credit such that the total available for draw shall equal the balance payable as consideration.

d) The Parcel 1 DDA, the Option Agreement for Parcels 2 and 3, the Disposition and Development Agreements for Parcels 2 and 3, the related agreements and all rights of CMP, and of anyone claiming an interest in Parcels 1, 2 and 3 by or through CMP, shall terminate if CMP fails to do the following: (a) to close escrow prior to completion of the Extension period, (b) to extend the existing letter of credit for the term of the Extension period, (c) to post an additional letter of credit if necessary to cover the full payment balance (as described in Section 3c), or (d) to make payments within 30 days of the due date. If, in accordance with the agreement for the Extension period, CMP's rights in any or all of the Parcels which comprise Lot A are terminated, the Executive Director of the Redevelopment Agency of the City of Sacramento is requested to take all reasonable actions to terminate CMP's rights and Agency and City's obligations under the various agreements.

Section 4: The Predevelopment Agreement, the Development Agreement and the Disposition and Development Agreements for development of the various parcels within the Lot A project shall be amended to reflect the changes provided in Sections 1 and 2 of this Resolution, and all other provisions of said documents shall remain the same and unchanged.

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Section 5: If CMP does not accept either Option A or Option B on or does not obtain an extension of the Letter of Credit, all on or before 5:00 o'clock p.m. on June 17, 1992, the Executive Director of the Redevelopment Agency of the City of Sacramento is authorized to take all reasonable actions to withdraw the balance of the Letter of Credit and retain it as "Liquidated Damages" under Section 4.3 of the Parcel 1 DDA and terminate CMP's rights and Agency's obligations under the various agreements.

Arne Rudin
CHAIR

ATTEST
Talene A. Burrows
SECRETARY

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