

1 XAVIER BECERRA (118517)
Attorney General of California
2 DEBORAH A. SMITH (208960)
Supervising Deputy Attorney General
3 MICHAEL L. CROW (70498)
Deputy Attorney General
4 Office of the Attorney General
1300 I Street
5 Sacramento, CA 94244
Telephone: (916) 210-7826
6 Facsimile: (916) 327-2319
Michael.Crow@doj.ca.gov

7 Attorneys for Plaintiffs
8 STATE OF CALIFORNIA, CALIFORNIA
STATE LANDS COMMISSION,
9 CALIFORNIA DEPARTMENT OF PARKS
AND RECREATION

10 *See next page for additional attorneys*

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12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
13 **COUNTY OF SACRAMENTO**

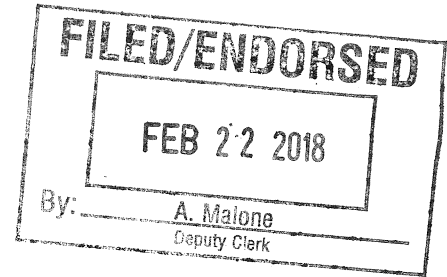
14 STATE OF CALIFORNIA, CALIFORNIA
STATE LANDS COMMISSION,
15 CALIFORNIA DEPARTMENT OF PARKS
AND RECREATION, CITY OF
16 SACRAMENTO, AND DOWNTOWN
RAILYARD VENTURE, LLC, a Delaware
17 Limited Liability Company,

18 Plaintiff,

19 v.

20 ALL PERSONS UNKNOWN, CLAIMING
ANY LEGAL OR EQUITABLE RIGHT,
21 TITLE, ESTATE, LIEN, OR INTEREST IN
THE PROPERTY DESCRIBED IN THE
22 COMPLAINT ADVERSE TO PLAINTIFFS'
TITLE, OR ANY CLOUD UPON
23 PLAINTIFFS' TITLE THERETO; and DOES
1-50, inclusive,

24 Defendants.
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NO. 34-2018-00227678

**VERIFIED COMPLAINT FOR
DECLARATORY RELIEF AND FOR
QUIET TITLE**

BY FAX

1 MATTHEW D. RUYAK (184772)
INTERIM CITY ATTORNEY
2 MICHAEL SPARKS (190026)
SENIOR DEPUTY CITY ATTORNEY
3 Sacramento City Attorney's Office
4 915 I St, Rm 4010
Sacramento, CA 95814
5 Telephone: (916) 808-5346
Facsimile: (916) 808-7455
6 msparks@cityofsacramento.org

7 Attorneys for Plaintiff
8 CITY OF SACRAMENTO

9 JOHN BRISCOE (53223)
RICHARD WALLACE (124286)
10 JOSEPH ROBERT TABOADA (306745)
BRISCOE IVESTER & BAZEL LLP
11 155 Sansome Street, Seventh Floor
12 San Francisco, California 94104
Telephone: (415) 402-2700
13 Facsimile: (415) 398-5630
14 jbriscoe@briscoelaw.net

15 Attorneys for Plaintiff
16 DOWNTOWN RAILYARD VENTURE, LLC,
a Delaware Limited Liability Company

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1 Plaintiffs allege:

2 1. Plaintiff State of California (“State”) is a state of the United States, admitted to the
3 Union on September 9, 1850.

4 2. Plaintiff California State Lands Commission (“State Lands”) is a public agency of the
5 State. The Legislature has, in Public Resources Code section 6301, delegated to the State Lands the
6 exclusive jurisdiction over all ungranted tidelands, submerged lands, and the beds of navigable lakes
7 and rivers, as well as all jurisdiction remaining in the State as to tidelands and submerged lands as to
8 which grants have been made.

9 3. Plaintiff California Department of Parks and Recreation (“State Parks”) is a public
10 agency of the State.

11 4. Plaintiff City of Sacramento (“City”) is a charter city of the State of California.

12 5. Plaintiff Downtown Railyard Venture, LLC (“Railyard”), is a Delaware Limited
13 Liability Company.

14 6. The Defendants named herein as “All persons unknown, claiming any legal or
15 equitable right, title, estate, lien, or interest in the property described in the complaint adverse to
16 Plaintiffs’ title, or any cloud upon Plaintiffs’ title thereto,” are precisely that – unknown persons
17 claiming an interest adverse to Plaintiffs’ titles as alleged herein, or asserting a cloud upon Plaintiffs’
18 title – and are sued herein pursuant to Code of Civil Procedure Section 762.060.

19 7. Plaintiffs are ignorant of the true names and capacities of Defendants sued herein as
20 DOES 1 through 50, and therefore sue those Defendants by such fictitious names. Plaintiffs will
21 amend this Complaint to allege their true names and capacities when ascertained. Plaintiffs are
22 informed and believe that each of the fictitiously named Defendants claim some right, title or interest
23 in the property or matters that are the subject of this Action, or that each of them is legally
24 responsible in some manner for the events, occurrences and obligations alleged in this Complaint.

25 8. Venue in this Court is proper because the real property that is the subject of this
26 action is located in the County of Sacramento, California.

27 9. Jurisdiction is proper pursuant to Chapter 4 of Title 10 of Part 2 of the California
28 Code of Civil Procedure, and in particular Code of Civil Procedure sections 760.020 and 760.040.

1 10. The California State Lands Commission on August 11, 2009, by Minute Item C45,
2 approved the Sacramento Downtown Railyards Title Settlement and Exchange Agreement
3 (“Agreement”), by and between the City of Sacramento; the State of California, acting by and
4 through the California State Lands Commission; the State of California, acting by and through the
5 Department of Parks and Recreation; and IA Sacramento Holdings, L.L.C., a Delaware Limited
6 Liability Company. The Agreement is dated April 6, 2011, was fully-executed on June 15, 2011,
7 and is Exhibit A to this Complaint. The Agreement is incorporated into this Complaint by reference.

8 11. Plaintiff Railyard is successor-in-interest to the rights and obligations of IA
9 Sacramento Holdings, L.L.C. (“IA Holdings”) under the Agreement.

10 12. The Agreement concerns the title to and boundaries of lands located in the City of
11 Sacramento commonly known as the Sacramento Downtown Railyards (“Subject Property”). The
12 Subject Property comprises several parcels of land. Legal descriptions of those parcels are contained
13 in Exhibit A to this Complaint.

14 13. The titles to the Subject Property, and the respective property boundaries, are as
15 complex as land title and boundaries can be. Flooding of the City of Sacramento in the late 1850s
16 and early 1860s led to a series of legislative acts calling for the relocation of the American River to
17 the north, for flood-control and levee works, and for transfer of the jurisdiction over the former bed
18 of the American River, which was owned by the State, in a public trust, from the State to the City. A
19 part of the former bed of the American River is located within the Subject Property. A brief
20 recitation of the historical background is found in the recitals to the Agreement. The result of this
21 complex history is that the titles and boundaries of the Subject Property had been clouded, making
22 investment and redevelopment impossible.

23 14. In such complex circumstances, the legal mechanism best suited to effect a resolution
24 of the title and boundaries is an exchange agreement done under the authority of section 6307 of the
25 Public Resources Code. That is the mechanism the Plaintiffs (Plaintiff Railyard, through its
26 predecessor in title; Plaintiff City of Sacramento; and Plaintiff State of California acting by and
27 through the State Lands Commission and Department of Parks and Recreation) chose to use to
28 resolve the otherwise intractable title and boundary issues of the Subject Property.

1 15. In that Agreement, the parties agreed to an exchange of interests in lands, for the
2 purpose of advancing the purposes of the public trust in lands beneath navigable waters. The
3 Agreement imposed the public trust on lands not previously subject to the trust and cleared title to
4 other lands to be held by Plaintiff Railyard, as successor to IA Holdings, free of the public trust.

5 16. Specifically the Agreement calls for:

- 6 A. The City to quitclaim any interest it holds in the Former American River Parcel,
7 as described in the Agreement, to State Lands.
- 8 B. The City to quitclaim to State Lands the Sand Cove Parcels 1, 2 and 3, again as
9 those parcels are described in the Agreement.
- 10 C. IA Holdings, which has been succeeded to by Plaintiff Railyard, to grant the
11 Central Shops Parcels to State Parks, to be held pursuant to Central Shops
12 Transfer Agreement, all as described in that Agreement.
- 13 D. State Lands to quitclaim to IA Holdings, now succeeded to by Plaintiff Railyard,
14 all right, title and interest in the Former American River Parcel and in the
15 Railyard Parcel, again as described in the Agreement, said title to be held free of
16 the public trust; to the extent the public trust had existed over those two parcels, it
17 is terminated;
- 18 E. State Parks to transfer jurisdiction over the Waterfront Parcel to State Lands, to be
19 held in the public trust.
- 20 F. State Lands in turn to grant to the City a lease for Sand Cove Parcels and a lease
21 for the Waterfront Parcel, each with a term of 49 years, subject to the public trust.

22 17. The Agreement is in all respects legally valid.

23 18. On January 25, 2018, the Agreement, and all the necessary conveyances called for by
24 the Agreement, closed escrow. As a result,

- 25 A. State Lands is the owner of the Waterfront Parcel and the Sand Cove Parcels,
26 subject to the public trust.
- 27 B. The City is the lessee, pursuant to the 49-year leases, of the Waterfront Parcel and
28 the Sand Cove Parcels, subject to the public trust.

1 C. State Parks is the owner of the Central Shops Parcel, subject to and as described
2 in the Central Shops Transfer Agreement.

3 D. Plaintiff Railyard is the owner, free of the public trust, of the Former American
4 River Parcel and of the Railyard Parcel.

5 **FIRST COUNT**

6 **(FOR DECLARATORY RELIEF)**

7 19. The allegations of paragraphs 1 to 18 are incorporated as though set forth here in full.

8 20. An actual controversy has arisen and now exists, as follows: Defendants or some of
9 them deny the validity of the Agreement, or the title of the parties as set forth in paragraph 18.

10 21. Plaintiffs desire a declaration by this court of their rights in the matters alleged.

11 **SECOND COUNT**

12 **(TO QUIET TITLE)**

13 22. The allegations of paragraphs 1 to 18 are incorporated as though set forth in full.

14 23. Defendants, or some of them, claim some right, title or interest adverse to the rights
15 of Plaintiffs as described in paragraph 18; some of those claims are based on alleged invalidity of the
16 Agreement on various theories.

17 24. The adverse claims of those Defendants are without any basis in right, and are
18 invalid.

19 25. Plaintiffs wish a judgment quieting their titles within the Subject Property, as alleged
20 in paragraph 18, as of the date of the filing of this Complaint.

21 **PRAAYER**

22 WHEREFORE, Plaintiffs pray:

23 1. For a declaratory judgment that the Agreement is in all respects legally valid and
24 enforceable.

25 2. For judgment quieting the title of Plaintiffs as alleged in paragraph 18.

26 3. For judgment that the Defendants have no right, title or interest in the Subject
27 Property adverse to the titles of Plaintiffs.

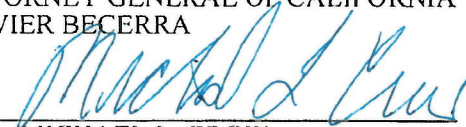
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- 4. For a preliminary and permanent injunction enjoining Defendants from asserting any right, title, or interest in the lands subject to the Agreement adverse to the titles of Plaintiffs.
- 5. For costs of suit; and
- 6. For such other and further relief as the court deems appropriate.

DATED: February 21, 2018

ATTORNEY GENERAL OF CALIFORNIA
XAVIER BECERRA

By: 
MICHAEL L. CROW

Deputy Attorney General
Attorneys for Plaintiffs
State of California, California State Lands
Commission, California Department of Parks and
Recreation

February 21, 2018

INTERIM CITY ATTORNEY
MATTHEW D. RUYAK

By: 
MICHAEL SPARKS

Senior Deputy City Attorney
Attorneys for Plaintiff
City of Sacramento

February 22, 2018

BRISCOE IVESTER & BAZEL LLP

By: 
JOHN BRISCOE

Attorneys for Plaintiff
Downtown Railyard Venture, LLC

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VERIFICATION

I, John Heckenlively, declare:

I am the Principal and General Counsel of Downtown Railyard Venture, LLC and am authorized to execute this verification on behalf of the company.

I have read the foregoing Complaint to Quiet Title and am familiar with its contents. I am informed and believe that the matters stated therein are true and, on that ground, I allege that the matters stated therein are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 21, 2018 at San Francisco, California.


By: 
Name: John Heckenlively
Title: Principal and General Counsel for
Downtown Railyard Venture, LLC

EXHIBIT A

Recorded at the request of:
STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Attn: Kathryn Colson, Staff Counsel
(916)574-1850/fax 1855/ Kathryn.Colson@slc.ca.gov

STATE OF CALIFORNIA - OFFICIAL BUSINESS

Document entitled to free recordation
pursuant to Government Code Section 27383

NO DOCUMENTARY TRANSFER TAX DUE

REVENUE AND TAXATION CODE SECTION 11922
C.S.L.C. - AD 498/ G-21-01/PRC 8597

Above Space for Recorder's Use

**CITY OF SACRAMENTO
CALIFORNIA STATE LANDS COMMISSION
CALIFORNIA DEPARTMENT OF PARKS AND RECREATION
IA SACRAMENTO HOLDINGS, L.L.C.**

**SACRAMENTO DOWNTOWN RAILYARDS
TITLE SETTLEMENT AND EXCHANGE AGREEMENT**

The parties to this Agreement, dated April 6, 2011 are: the City of Sacramento, a municipal corporation (hereinafter "CITY"); the State of California, acting by and through the California State Lands Commission (hereinafter "STATE LANDS"); the State of California, acting by and through the Department of Parks and Recreation (hereinafter: "STATE PARKS"); and IA SACRAMENTO HOLDINGS, L.L.C., a Delaware limited liability company (hereinafter "IA HOLDINGS"). The above are collectively referred to as "PARTIES".

RECITALS

A. Upon its admission to the United States of America on September 9, 1850, the State of California, by virtue of its sovereignty under the Equal Footing Doctrine of the Constitution of the United States, received in trust for the people of California all right, title, and interest in previously ungranted tidelands and submerged lands within its boundaries for certain Public Trust purposes including but not limited to commerce, navigation, and fisheries.

B. Pursuant to the provisions of Division 6 of the Public Resources Code, including Sections 6216 and 6301, the California State Lands Commission is vested with all jurisdiction and authority as to the right, title, and interest in all ungranted tidelands and submerged lands held by the State in trust for the benefit of all the people



2011-0641
Title: Sacramento Rallyards Title
Settlement/Exchange Agmt
With: State Lands Comm/CA Dept
Parks/Rec/IA Sacto Holdings
Authorization: Reso 2011-265

of the State and the reversionary and residual interest of the State as to Public Trust lands legislatively granted to local governments.

C. Pursuant to Chapter 158, Statutes of 1862, the California Legislature created a Board of City Levee Commissioners for the City of Sacramento and authorized the CITY to construct levees adjacent to the Sacramento and American Rivers within the city limits and to turn or straighten the channel of any portion of the American River deemed necessary for flood protection of the CITY. Thereafter, efforts were undertaken, including digging a new channel, resulting in the mouth of the American River being moved northerly to a location near its present confluence with the Sacramento River. Pursuant to Chapter 519, Statutes of 1868, the California Legislature granted to CITY rights to use the old bed of the American River to facilitate the construction of levees, raising the level of streets and alleys and similar flood control efforts. In 1892, the CITY granted its rights in that portion of the old bed of the American River located within the property referred to as the Sacramento Downtown Railyards to the Central Pacific Railroad Company, the predecessor in interest of Southern Pacific Railroad Company (SPRR). The Union Pacific Railroad Corporation (UP) purchased SPRR in the late 1990s and in December 2006, UP sold its Sacramento Downtown Railyards property to S. Thomas Enterprises of Sacramento, LLC, a Delaware limited liability company ("Thomas").

D. An affiliate of IA Holdings made two loans to Thomas each of which were secured by, among other things, deeds of trust encumbering the Sacramento Downtown Railyards. On October 22, 2010, IA Holdings acquired title to the Sacramento Downtown Railyards from Thomas pursuant to a foreclosure of one of such deeds of trust. In its capacity as a secured lender in possession of the Sacramento Downtown Railyards through foreclosure, IA Holdings has concluded that to protect the value of its security interest in the Sacramento Downtown Railyards, it is essential that prior agreements as outlined herein regarding the exchange of certain portions of real property as outlined herein in exchange for clearing certain title claims more particularly outlined herein be maintained. To accomplish that, IA Holdings is entering into this Agreement.

E. There is a dispute between STATE LANDS and IA HOLDINGS whether the 1868 statute extinguished the State's Public Trust property interests in the old bed of the American River.

F. This Agreement concerns certain parcels of real property in the City of Sacramento, County of Sacramento, State of California, referred to throughout this Agreement, for convenience, as the "Subject Property". The Subject Property consists of several parcels of land historically and/or presently in and adjacent to the Sacramento River and American River and is shown for reference purposes only on Exhibit 1. The Subject Property includes the FORMER AMERICAN RIVER PARCEL (described in Exhibit A-1) located within the Sacramento Downtown Railyards, which is the same land area as the RAILYARDS PARCEL (described in Exhibit A-2), and the WATERFRONT PARCEL, SAND COVE PARCELS and the CENTRAL SHOPS PARCELS as defined herein. This Title Settlement and Exchange Agreement is intended to terminate any and all Public Trust claims of the State in the RAILYARDS

PARCEL, to transfer jurisdiction of the WATERFRONT PARCEL (described in Exhibit B) from STATE PARKS to STATE LANDS and to impress that parcel with the Public Trust, to convey the SAND COVE PARCELS (described in Exhibit C), from CITY to STATE LANDS and to impress those parcels with the Public Trust, to lease to CITY the WATERFRONT PARCEL and the SAND COVE PARCELS by STATE LANDS and to have the CITY and STATE LANDS support legislation to grant to CITY the WATERFRONT PARCEL and SAND COVE PARCELS to CITY under the Draft Legislation set forth in Exhibit O. This Title Settlement and Exchange Agreement is entered into by the PARTIES in consideration of the actions involving the above described parcels and for the CENTRAL SHOPS PARCELS (described in Exhibit D-1 and D-2) to be conveyed pursuant to the Central Shops Transfer Agreement (defined in Recital J below), which IA HOLDINGS and STATE PARKS and/or STATE PARKS' designee desire to enter into following execution of this Agreement.

G. IA HOLDINGS holds record title to a portion of the RAILYARDS PARCEL (described in Exhibit A-3) (the "Railyards Portion Parcel") and the FORMER AMERICAN RIVER PARCEL, located within the RAILYARDS PARCEL, as successor in interest to certain mesne conveyances to the Central Pacific Railroad in the 19th Century from various parties, including the CITY. However, no patents or parent title deeds emanating from the United States of America or the State of California exist for the FORMER AMERICAN RIVER PARCEL. On or about February 28, 2011 IA HOLDINGS conveyed a portion of the RAILYARDS PARCEL (as described in Exhibit A-4) (the "City Parcel") to the CITY.

H. STATE LANDS claims a sovereign Public Trust interest in the FORMER AMERICAN RIVER PARCEL and that portion of the WATERFRONT PARCEL and the RAILYARDS PARCEL that lie within the historic American River channel, as it existed prior to diversion and reclamation activities, and that portion of the WATERFRONT PARCEL that lies within the Sacramento River. The STATE LANDS claim of a sovereign Public Trust and the location and extent of the State's sovereign interest, if any, in the foregoing parcels ("lands") is subject to uncertainty. STATE LANDS further makes the following factual assertions: portions of the RAILYARDS PARCEL and WATERFRONT PARCEL are located within the Mexican land grant *Rancho New Helvetia* granted on June 18, 1841 to John Sutter by Governor Juan Alvarado; this land grant was the subject of a lengthy federal confirmatory process emanating from obligations assumed in the 1848 *Treaty of Guadalupe Hidalgo*; the grant was initially confirmed by the U.S. Supreme Court on February 14, 1859; the lands were surveyed October 1859 by A. W. Von Schmidt; the Von Schmidt survey was approved by the U.S. Surveyor General for the United States on February 18, 1860 and was subsequently disapproved by the U.S. District Court on June 10, 1861; the lands were then the subject of a February 1863 survey by E. H. Dyer, which was approved by the U.S. Surveyor General and then was approved by the U.S. District Court on May 11, 1863; on February 22, 1865 the U.S. Supreme Court reversed and remitted the matter to the U.S. District Court with directions to confirm the Von Schmidt survey; and, the *Rancho* was finally given a confirmatory patent by the United States on June 25, 1866; the historic body of water within the Sacramento Downtown Railyards, known as China Slough or Sutter Lake, which was connected to the Sacramento River, was included within the lands patented as *Rancho New Helvetia*; the remainder of the RAILYARDS

PARCEL is located within former swamp and overflowed lands described in S&O Survey 926 and patented into private ownership by the State in 1869; the precise location of the boundary between the *Rancho New Helvetia* and the American River and between the American River and lands patented under S&O Survey 926 was and is unresolved' the legal description in the patents of the Rancho and S&O lands included a meander line approximating the common boundary, the true boundary being the actual location of the American River; the location of the RAILYARDS PARCEL encompasses a portion of the historic location of the American River channel (the FORMER AMERICAN RIVER PARCEL), but the precise historic boundaries of that channel are difficult to determine with certainty; those portions of the RAILYARDS PARCEL, including the FORMER AMERICAN RIVER PARCEL, that were located within the former river channels (estimated to be approximately 25 acres) have been filled and reclaimed, and are above the current ordinary high water mark of the American River and Sacramento River.

I. STATE PARKS has jurisdiction and control of the WATERFRONT PARCEL, which is located southwesterly of and adjacent to the RAILYARDS PARCEL and along the eastern bank of the Sacramento River. The WATERFRONT PARCEL, although immediately adjacent to the Sacramento River and containing some lands within the Sacramento River and historic bed of the American River, includes some land not presently subject to the Public Trust comprising approximately 1430 lineal feet of waterfront. STATE LANDS desires to place the entire WATERFRONT PARCEL into the Public Trust. The WATERFRONT PARCEL is useful for public access to and along the Sacramento River and the CITY desires to obtain rights to this parcel for development as a public park. The WATERFRONT PARCEL is an important part of the CITY's Riverfront Masterplan, which is designed to encourage greater pedestrian use of the Sacramento River as a public attraction. The WATERFRONT PARCEL is situated to serve as a linkage to the Sacramento riverfront from existing and planned residential, commercial, office and regional transportation facilities in downtown Sacramento, the Richards Boulevard area, the Railyards and surrounding areas of Sacramento. The WATERFRONT PARCEL is just north of the Old Sacramento area, an important tourist destination for the region, and will enhance the attraction of this area. An existing bikeway passing through the WATERFRONT PARCEL links Old Sacramento with the 23+ mile American River Parkway and maintenance of such linkage through the parcel enhances pedestrian and bicycle access to both the Sacramento and American Rivers.

J. STATE PARKS desires itself or its designee to acquire title to the land and improvements within the CENTRAL SHOPS PARCELS owned by IA HOLDINGS to operate as a part of the California State Railroad Museum. IA HOLDINGS, STATE PARKS and the California State Railroad Museum Foundation (CSRMF) propose to enter into a separate agreement regarding the transfer of title to the CENTRAL SHOPS PARCELS (the "Central Shops Transfer Agreement"). Execution of the Central Shops Transfer Agreement by IA HOLDINGS, STATE PARKS, and the CSRMF and transfer of title to the CENTRAL SHOPS PARCELS in accordance with such agreement are conditions to the Closing (as defined in Section IV.E below) under this Agreement.

K. The CITY has record title to the SAND COVE PARCELS described in Exhibit C located along the east bank of the Sacramento River approximately two miles north of the confluence of the American River with the Sacramento River and approximately three miles north of downtown Sacramento. The SAND COVE PARCELS include approximately 1470 lineal feet of shoreline and are useful for Public Trust purposes, but are not presently subject to the Public Trust. STATE LANDS desires to place the SAND COVE PARCELS into the Public Trust. The SAND COVE PARCELS provide access from an adjacent rural road and surrounding communities to the Sacramento River. The 11-acre site contains a Native American artifact burial ground and has significant value for historic, cultural and natural preservation. Trails and other limited improvements, which exist or are planned by CITY for the SAND COVE PARCELS, would attract visitors to this waterfront site and enhance their experience of the Sacramento River.

L. CITY and STATE LANDS intend to seek legislation to transfer title to CITY for the SAND COVE PARCELS and the WATERFRONT PARCEL, subject to the State's Public Trust interest, in a form similar to that described in Exhibit O ("Proposed Granting Legislation").

M. STATE LANDS is authorized by Division 6 and 7 of the Public Resources Code, including, but not limited to, Section 6307 thereof, to resolve title disputes by litigation or agreement in lieu thereof, and to exchange interests in real property held by the State by reason of its sovereignty and to terminate any Public Trust rights thereon, for interests in other lands of equal or greater value.

N. The PARTIES desire to accomplish an exchange of lands that will clear title claims and boundary issues related to the existence of the former location of the American River within the RAILYARDS PARCEL by placing the WATERFRONT PARCEL and the SAND COVE PARCELS into the Public Trust, and terminating the Public Trust interest claim of the State of California, including both fee and easement, within the RAILYARDS PARCEL as part of this Agreement, which is also in consideration for the transfer of the CENTRAL SHOPS PARCELS to STATE PARKS in accordance with the terms and conditions to be set forth in the Central Shops Transfer Agreement.

O. In order for STATE LANDS to terminate any Public Trust claims in the RAILYARDS PARCEL, CITY will quitclaim to STATE LANDS any interests in the FORMER AMERICAN RIVER PARCEL held by CITY that may have been acquired pursuant to Chapter 519, Statutes of 1868, as described in Exhibit A-1 and set forth in Exhibit E, and to quitclaim CITY's title in the SAND COVE PARCELS to STATE LANDS as described in Exhibit B and set forth in Exhibit G.

P. The CITY will convey to STATE LANDS its interest in the SAND COVE PARCELS, which STATE LANDS will accept and hold subject to the Public Trust, subject to STATE LANDS leasing the SAND COVE PARCELS to CITY. STATE LANDS will lease the SAND COVE PARCELS to CITY and the lease will allow for all uses consistent with the Public Trust, including, without limitation, marinas, docks, open space, waterfront recreation uses, public access to the Sacramento River, and facilities

to serve visitors, such as restaurants and parking lots, in the form similar to Exhibit M. Commercial uses will require prior STATE LANDS approval.

Q. STATE PARKS will convey the WATERFRONT PARCEL to STATE LANDS, to be held as an asset of the Public Trust, and under the Central Shops Transfer Agreement STATE PARKS or its designee will accept title to the CENTRAL SHOPS PARCELS conveyed by IA HOLDINGS. The WATERFRONT PARCEL is to be subject to the Public Trust, and STATE LANDS will lease the WATERFRONT PARCEL to CITY and the lease will allow for all uses consistent with both the Public Trust and the CITY's Riverfront Master Plan, including, without limitation, marinas, docks, open space, waterfront recreation uses, public access to the Sacramento River, and facilities to serve visitors, such as restaurants and parking lots, in the form similar to Exhibit M. Commercial uses will require prior STATE LANDS approval.

R. STATE LANDS further agrees that if the WATERFRONT PARCEL is transferred to STATE LANDS as part of Closing, STATE LANDS will support enactment of the Granting Legislation, which will result in conveying in trust a fee ownership interest in both the WATERFRONT PARCEL and the SAND COVE PARCELS to CITY, subject to the Public Trust set out in Exhibit O.

S. STATE PARKS agrees as part of the Closing to simultaneously transfer STATE PARKS' jurisdiction to the WATERFRONT PARCEL to STATE LANDS, to hold and manage these State owned lands in trust for the People of California for purposes and uses consistent with the Public Trust and Public Resources Code Section 6305 and 6324, in the form of Exhibit H, and for STATE LANDS to lease the WATERFRONT PARCEL to CITY for those purposes described in recital O, in a form similar to Exhibit M.

T. IA HOLDINGS shall request that THOMAS extend its pollution legal liability insurance policy to expressly name STATE LANDS and STATE PARKS as an additional insured in accordance with the terms set forth in Section III.E. below. To the extent obtained, the insurance policy endorsement demonstrating that STATE LANDS is an additional insured shall be deposited into Escrow and for which approval of the policy is provided for in section IV. C. 1. (g), below. IA Holdings and its successors will further covenant to release STATE LANDS from, and not seek contribution or cost recovery from STATE LANDS for, remediation costs or any other costs, damages, or other claims related to or arising from environmental contamination present on the FORMER AMERICAN RIVER PARCEL nor assign any and all such rights or claims to another as set forth in section III. E. 2, below.

U. STATE PARKS will covenant to release, hold harmless, defend and indemnify STATE LANDS from and not seek contribution or cost recovery from STATE LANDS for remediation costs or any other costs, damages, or any other claims, related to or arising from the WATERFRONT PARCEL nor assign any and all such rights or claims to another entity or person, as set forth in section III. E. 3, below.

V. The land area comprising the FORMER AMERICAN RIVER PARCEL within the RAILYARDS PARCEL (described in Exhibits A-1 and A-2) has been filled and

reclaimed, removed from the present-day waterfront, and is not necessary or useful for Public Trust purposes of navigation, commerce and fisheries. The lands to be acquired by STATE LANDS (the WATERFRONT PARCEL, described in Exhibit B and SAND COVE PARCELS, described in Exhibit C) are located and configured such that they can be used more effectively in furtherance of Public Trust purposes than those portions of the FORMER AMERICAN RIVER PARCEL and the RAILYARDS PARCEL in which the state may presently have a trust claim.

W. Acquisition by STATE PARKS or its designee of the CENTRAL SHOPS PARCELS as it may acquire in accordance with the Central Shops Transfer Agreement and quieting and clearing title issues within the FORMER AMERICAN RIVER PARCEL, RAILYARDS PARCEL and WATERFRONT PARCEL, if not consummated by agreement of the PARTIES, could require costly, protracted, and vigorously disputed litigation with uncertain results.

X. The PARTIES hereto consider it expedient, necessary and in the best interests of the State, the CITY, the public and IA HOLDINGS to resolve the title and boundary issues by agreement, thereby avoiding the potential substantial costs, time delays, and uncertainties of litigation.

Y. In the interest of settlement, STATE LANDS, STATE PARKS and its designee, CITY and IA HOLDINGS have conducted independent studies and evaluations of the PARTIES' respective factual and legal positions relating to the disputed title claims. Appraisals and property interest evaluation studies completed by STATE LANDS have shown that the value of the lands and interests to be conveyed to STATE LANDS, as described above, are equal to or greater than the value of the State's interest in the lands to be quitclaimed by STATE LANDS to IA HOLDINGS.

Z. The PARTIES have reached an agreement for the resolution of the title and boundary issues by the acquisition and exchange of property rights and claims within the Subject Property.

AGREEMENT

NOW, THEREFORE, in consideration of and subject to the conditions set forth in the foregoing recitals, the conveyances and terms set forth below, and for other valuable consideration, the receipt of which is hereby acknowledged, the PARTIES mutually agree to the following terms and conditions and to convey certain property rights as follows:

I. PROPERTY INTEREST EXCHANGE AND CONVEYANCES

A. **CITY to quitclaim any interest in the FORMER AMERICAN RIVER PARCEL to STATE LANDS.** CITY agrees to convey by quitclaim deed all of its right title and interest, held pursuant to Chapter 519, Statutes of 1868 or otherwise, in the following real property to STATE LANDS, in the form of Exhibit E:

1. FORMER AMERICAN RIVER PARCEL

- B. **INTENTIONALLY LEFT BLANK**
- C. **CITY to quitclaim all right title and interest in certain property in and adjacent to current Sacramento River (SAND COVE PARCELS) to STATE LANDS.** CITY agrees to convey by quitclaim deed all of its right title and interest in the following real property to STATE LANDS, in the form of Exhibit G:
1. SAND COVE PARCEL 1
 2. SAND COVE PARCEL 2
 3. SAND COVE PARCEL 3
- D. **IA HOLDINGS to grant CENTRAL SHOPS PARCELS to STATE PARKS.** IA HOLDINGS and STATE PARKS will negotiate in good faith to enter into the Central Shops Transfer Agreement whereby IA HOLDINGS will convey the following real property to STATE PARKS or its designee pursuant to the terms and conditions to be set forth in the Central Shops Transfer Agreement.
1. CENTRAL SHOPS PARCEL
- E. **STATE LANDS to quitclaim to IA HOLDINGS all right title and interest and terminate the Public Trust claims in FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL.** STATE LANDS agrees to convey to IA HOLDINGS by quitclaim and/or patent all of the State of California's right title and interest existing by virtue of its sovereignty, and shall specifically release, terminate and extinguish any Public Trust interest in and to the following real property:
1. FORMER AMERICAN RIVER PARCEL (in the form of Exhibit J).
 2. RAILYARDS PARCEL (in the form of Exhibit K).
- F. **STATE PARKS to transfer State's jurisdiction to WATERFRONT PARCEL to STATE LANDS to be held in Public Trust.** STATE PARKS agrees to transfer its jurisdiction in the following real property to STATE LANDS, in the form of Exhibit H.
1. WATERFRONT PARCEL
- G. **STATE LANDS to grant to CITY a Lease for SAND COVE PARCELS and WATERFRONT PARCEL.** STATE LANDS agrees to grant to CITY a 49-year lease, subject to the Public Trust, for the following parcels, in the form of Exhibit M:
1. SAND COVE PARCELS.
 2. WATERFRONT PARCEL

- H. **STATE LANDS' Agreement to Accept the Property Interests to be Conveyed as provided by Paragraphs I.A, I.C. and I.F.** STATE LANDS agrees to accept the property interests conveyed by CITY as provided for in paragraph I.A. STATE LANDS further agrees to accept, subject to the Public Trust, the property interests conveyed by CITY as provided for in paragraph I.C. and the property interest conveyed by STATE PARKS as provided in paragraph I.F. Said acceptances shall be made by the execution and recordation of Certificates of Acceptance to be attached to the respective deeds, the form of which is attached as Exhibit L.
- I. **CITY's Agreement to Accept the Property Interests to be Conveyed as provided by Paragraph I.G.** CITY agrees to accept the property interests conveyed by STATE LANDS as provided for in paragraph I.G, to hold and manage these state owned lands, held in trust for the People of California for purpose and uses consistent with the Public Trust and Public Resources Code Section 6305 and 6324 and support the Proposed Granting Legislation. Said acceptance of the leasehold interest shall be made by the execution and recordation of separate Leases in the Form of Exhibit M. The fee title interest shall be held in trust in the form of Exhibit O.
- J. **STATE PARKS' Agreement to Accept the Property Interests to be Conveyed as provided by Paragraph I.D.** STATE PARKS agrees to accept the property interests conveyed by IA HOLDINGS as provided for in paragraph I.D. in accordance with the terms and conditions to be set forth in the Central Shops Transfer Agreement. Said acceptance shall be made by the execution and recordation of a Certificate of Acceptance to be attached to the deed if title is initially taken by STATE PARKS.
- K. **STATE LANDS and CITY Agreement to facilitate conveyance of the SAND COVE PARCELS and WATERFRONT PARCEL TO CITY.** STATE LANDS and CITY agree to co-sponsor the Proposed Granting Legislation in the form of Exhibit O for the Legislature to convey to CITY in trust the state's interest in the SAND COVE PARCELS and WATERFRONT PARCEL.

II. STATE LANDS COMMISSION FINDINGS

The State Lands Commission, by its approval and authorization of the execution of this Agreement pursuant to Public Resources Code Section 6307, effective upon the close of escrow, finds and declares that:

- A. This Agreement and the activities contemplated hereby are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15061 as a statutorily exempt project pursuant to Public Resources Code Section 21080.11, a land exchange agreement settling title and boundary problems.

- B. The lands to be acquired by the State pursuant to the exchange will provide a significant benefit to the Public Trust.
- C. The exchange will not interfere with but rather enhance the public's rights of navigation, fishing and access to the Sacramento River by obtaining properties adjacent to the shorelines for improvement of public access to the water.
- D. The monetary value of the lands or interests in lands to be conveyed to the State, acting by and through STATE LANDS, and CITY and received by the trust (SAND COVE PARCELS and WATERFRONT PARCEL, respectively) pursuant to the exchange, are equal to, or greater than, the value of the state lands or interest in lands, which are claimed by the State, to be quitclaimed by STATE LANDS to IA HOLDINGS (claimed interests within the FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL).
- E. The area of lands or interests in lands claimed by the State, which potential and disputed claims are to be relinquished by STATE LANDS, are a relatively small area (24.85± acres) of the hundreds of acres of filled and unfilled Public Trust lands in the American River, have been evaluated as to their current physical character and trust utility. The portions of the same trust termination land area (FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL) in which the state claims a Public Trust interest has been cut off from water access and is no longer in fact tidelands or submerged lands or navigable waterways, by virtue of having been filled or reclaimed, as the result of a highly beneficial program of flood control and reclamation and for nearly 140 years has been excluded from the public channels, and is no longer in fact tide or submerged lands and is relatively useless for Public Trust purposes.
- F. The exchange is in the best interests of the State.
- G. The exchange is being entered into for the each of the several following purposes;
 - 1) To enhance trust land ownership along the shoreline.
 - 2) To enhance public access to and along the water.
 - 3) To enhance waterfront and nearshore development for Public Trust purposes.
 - 4) To preserve, enhance or create riparian habitat and open space.
 - 5) To resolve a boundary and title dispute.
- H. The lands and interests in lands to be acquired as assets for the trust by STATE LANDS (SAND COVE PARCELS and WATERFRONT PARCEL) are of such a configuration and location that they can be used more

efficiently by STATE LANDS and CITY in furtherance of Public Trust purposes than the state's interests in the filled lands (FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL) and upon Closing the SAND COVE PARCELS and WATERFRONT PARCEL will take on the legal status as lands subject to the Public Trust.

- I. Effective upon Closing, the trust termination parcels (FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL) will be found to no longer be necessary or useful for the purposes of the Public Trust and any and all Public Trust interest or state sovereign title therein will be terminated.
- J. The lands to be conveyed to STATE LANDS (SAND COVE PARCELS) are to be accepted as Public Trust assets for the benefit of the people of the State of California, to be held by the State of California in perpetuity for Public Trust purposes, subject to the authority of STATE LANDS to lease the property to CITY for Public Trust purposes, as provided for in paragraphs I.G. and I. I., and support legislation to convey the property to CITY subject to the Public Trust pursuant to the Granting Legislation as provided for in paragraph I.K.
- K. The WATERFRONT PARCEL, to be transferred to STATE LANDS is to be accepted as a Public Trust asset for the benefit of the people of the State of California, to be held by the State of California in perpetuity for Public Trust purposes, subject to the authority of STATE LANDS to lease the property to CITY for Public Trust purposes, as provided for in paragraphs I.G. and I. I., and to convey said lands in trust to CITY pursuant to the Proposed Granting Legislation, as provided for in paragraph I.K.

III. ADDITIONAL PROVISIONS

- A. **Acceptance of Conveyances and Consent to Recording.**
By execution of this Agreement, all PARTIES agree to accept the herein described conveyances of land in accordance with the terms and conditions set forth in the respective transfer agreements pertaining to such conveyances of land and hereby consent to the recording of the conveyances and other documents executed pursuant to this Agreement upon satisfaction or waiver of all conditions precedent to recordation set forth herein, in the Central Shops Transfer Agreement, or in any other transfer agreement pertaining to the conveyances of land described herein.
- B. **Further Assurances.**
So long as authorized by applicable laws to do so, the PARTIES hereto will perform such other acts, and execute, acknowledge and deliver all further documents, conveyances and other instruments that may be necessary to effectuate fully the provisions of this Agreement.

C. **Execution before a Notary Public.**

All signatures of the PARTIES to this Agreement and all documents executed pursuant to this Agreement shall be acknowledged before a Notary Public and a certificate of acknowledgment shall be attached to allow them to be recorded in the Office of the Recorder of Sacramento County, California.

D. **Counterparts.**

This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original and as if all of the Parties to the aggregate counterparts had signed the same instrument. The Escrow Agent established pursuant to Paragraph IV may detach any signature page of this Agreement from any counterpart of this Agreement without impairing any signatures thereon, and may attach it to another counterpart of this Agreement identical in form hereto, but having attached to it one or more additional signature pages, for the purpose of creating an integrated document or documents. The Escrow Agent shall deliver an original signed counterpart to each Party.

E. **Covenants and Conditional Approval Regarding Pollution Legal Liability Insurance Terms, Conditions, Coverage Amounts, Limits, Exclusions, etc.**

1) IA HOLDINGS represents and warrants that it cannot contractually compel THOMAS and/or UP to undertake any actions related to the adding additional insured to the Environmental Policy, but IA HOLDINGS shall request that THOMAS and/or UP obtain an endorsement (the "Endorsement") to name the State of California, or the State of California through its State Lands Commission and Department of Parks and Recreation, as an additional insured under coverages A, C, D, F, G, H and I under Paragraph VI.S. of the pollution liability insurance policy issued with respect to the RAILYARDS PARCEL (the "Environmental Policy") and agrees to use commercially reasonable efforts to obtain such Endorsement. The request of IA Holdings set forth above shall be to name the State of California as an additional insured under the provisions of the second sentence of Paragraph VI.S and not as one of the ten (10) additional insureds provided for in the first sentence of Paragraph VI.S. The request of IA Holdings to name "the State of California, or the State of California through its State Lands Commission and Department of Parks and Recreation" as an additional insured shall be in the alternative to naming the California State Lands Commission and the California Department of Parks and Recreation as additional insureds as is set forth in the second sentence of Paragraph VI.S. The failure of (i) the State of California through its State Lands Commission and Department of Parks and Recreation or (ii) the California State Lands Commission and the California Department of Parks and Recreation to be named as an additional insured(s) shall not be deemed a default by IA HOLDINGS hereunder nor give rise to any claim on any PARTY against IA

HOLDINGS, and if IA HOLDINGS fails to obtain the Endorsement, STATE LANDS and STATE PARKS may, as STATE LANDS' and STATE PARKS' sole and exclusive remedy, unless they agree to a modification of the Endorsement or the payment of some costs related thereto, terminate this Agreement, in which event no PARTY shall have any further liability to any other PARTY hereunder. If the naming of the State of California through its State Lands Commission and the Department of Parks and Recreation on the Endorsement needs to be modified as a condition to issuance of the Endorsement, IA HOLDINGS shall so inform STATE LANDS and STATE PARKS and obtain their consent. In the event IA HOLDINGS obtains the Endorsement, the Endorsement shall be deposited into Escrow.

2) IA Holdings covenants that it and its successors will release, STATE LANDS from liability for, and not seek contribution or cost recovery from STATE LANDS for remediation costs or any other costs, damages, or any other claims related to or arising from environmental contamination present on the FORMER AMERICAN RIVER PARCEL nor assign any and all such rights or claims to another entity or person.

3) STATE PARKS covenants to release, hold harmless, defend and indemnify STATE LANDS from liability for, and not seek contribution or cost recovery from STATE LANDS for, remediation costs or any other costs, damages, or any other claims related to or arising from environmental contamination present on the WATERFRONT PARCEL, nor assign any and all such rights or claims to another entity or person.

F. No Admission or Effect if Agreement Not Made Effective.

In the event this Agreement does not become effective or in the event this Agreement is terminated for any reason, nothing herein shall constitute, or be construed as, an admission by any Party or evidence concerning the boundaries, physical character, or character of title to or interest in the Subject Property.

G. No Effect on Other Lands.

The provisions of this Agreement do not constitute, nor are they to be construed as, an admission by any Party or evidence concerning the boundaries, physical character, or character of title to or interest in any lands outside the Subject Property.

H. Exemptions.

This Exchange Agreement and the conveyances provided herein are exempt from 1) the California Environmental Quality Act pursuant to Public Resources Code Section 21080.11, and 2) the Subdivision Map Act pursuant to Government Code Section 66412(e).

I. Binding Agreement.

All the terms, provisions, and conditions of this Agreement shall be

binding upon and inure to the benefit of the respective successors and assigns of the PARTIES. STATE PARKS may designate a separate entity, such as the California State Railroad Museum Foundation to accept title to all or a portion of the CENTRAL SHOPS PARCELS. STATE PARKS will provide appropriate documentation into Escrow identifying whether it or its designee will be accepting title to the CENTRAL SHOPS PARCELS.

J. Modification.

No modification, amendment, or alteration of this Agreement shall be valid unless in writing and signed by all of the PARTIES to this Agreement.

K. No Effect on Other Government Jurisdiction.

This Agreement does not exempt the PARTIES from the regulatory, environmental, land use or other jurisdiction of any federal, state, local, or other government entity.

L. Headings.

The title headings of the sections of this Agreement are inserted for convenience only and shall not be considered in construing this Agreement.

M. Allocation of Costs and Expenses.

The expenses and fees of escrow incurred by Escrow Agent, including those associated with recordation of the documents necessary to effectuate this Agreement, shall be borne by IA HOLDINGS; provided, however, in no case shall IA HOLDINGS be obligated to expend more than \$4,200.00 to fulfill its obligations under this Section III.M. All other fees, costs and expenses of any attorney, engineer or other person employed or retained by a Party hereto in connection with the transaction underlying this Agreement shall be borne by that Party, or as otherwise agreed to.

N. Title Insurance.

The PARTIES will obtain title insurance coverage for interests in the parcels they acquire as they deem appropriate, at such PARTY's sole cost and expense.

O. Legislation.

STATE LANDS and CITY will co-sponsor, and the PARTIES hereto agree that they will support, a bill substantially in the form of Exhibit O, granting title to the WATERFRONT PARCEL and SAND COVE PARCELS in trust to the CITY, subject to the Public Trust.

P. Waiver and Release.

The execution and delivery of this Agreement by the PARTIES shall not constitute or be construed as an admission of liability or wrongdoing on the part of any of them. Nothing in this Agreement shall be construed as

an admission by any Party concerning the boundaries, physical character or character of title to, or interest in, the Subject Property prior to the Closing. Upon the Closing, IA HOLDINGS will hold the FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL free and clear of any STATE LANDS or State of California Public Trust interest, including any interest existing by virtue of its sovereignty. In recognition, upon the Closing STATE LANDS, CITY and IA HOLDINGS, their heirs, successors and assigns relinquish, release, and forever discharge each other of any and all existing claims, demands, and causes of action, known or unknown, which either party owns or holds, or has owned or held, against the other, based on or connected with boundary or title matters relating to their respective claims within the FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL prior to the Closing.

- Q. The PARTIES hereby agree that the following provisions are intended to specifically survive the execution, delivery and recordation of the Deeds upon Closing with respect to the Railyards Parcel: (a) Section III.E(2) and (b) Section III.P. Except as expressly set forth in the immediately preceding sentence, none of the terms and conditions provided in this Agreement with respect to the Railyards Parcel shall survive the execution, delivery and recordation of the Deeds upon Closing. Notwithstanding anything to the contrary set forth in this Section III.Q, it is intended that the remainder of the Agreement as it relates to lands other than the Railyards Parcel and to the findings of the STATE LANDS shall survive the execution, delivery and recordation of the Deeds upon Closing.

IV. ESCROW

- A. The PARTIES designate and authorize FIDELITY NATIONAL TITLE to act as the Escrow Agent for all purposes of this Agreement. Escrow Agent is directed to accept a fully executed copy of this Agreement as instructions of the PARTIES hereto. Additional, joint escrow instructions may be submitted by the PARTIES.
- B. The Escrow Agent shall execute a counterpart to this Agreement for the limited purpose of accepting the rights, duties and responsibilities set forth in this Agreement pertaining to the Escrow Agent.
- C. **Deposits by PARTIES:**
1. STATE LANDS shall deposit the following documents into Escrow at or prior to Closing:
 - a. A certified copy of a Minute Item of a California State Lands Commission public hearing showing the Commission's approval of this Agreement and the Commission's authorization that the Agreement, Deeds, Lease and

- Certificates of Acceptance be executed on the State's behalf;
- b. This Agreement, duly and properly executed by STATE LANDS;
 - c. Certificates of Acceptance in the form of Exhibit L for the lands described in Exhibits A, B, and C, duly and properly executed by STATE LANDS;
 - d. Duly and properly executed Deeds in the form of those set forth in Exhibit J and K attached hereto;
 - e. Duly and properly executed (1) Lease, in the form substantially similar to Exhibit M, which provides for a 49-year term for lease of the SAND COVE PARCELS to CITY, and (2) Lease in the form substantially similar to Exhibit M, which provides for a 49-year term for lease of the WATERFRONT PARCEL to CITY;
 - f. Written approval of the condition of title for the SAND COVE PARCELS;
 - g. Written approval of the Endorsement; and
 - h. Written approval of the condition of title for the WATERFRONT PARCEL.
2. CITY shall deposit the following into Escrow at or prior to Closing:
- a. A certified copy of an official action of the City Council of the City of Sacramento authorizing the execution of this Agreement, relinquishment of interest in the FORMER AMERICAN RIVER PARCEL and RAILYARDS PARCEL, transfer of title to the SAND COVE PARCELS, and acceptance of Leases from STATE LANDS for the SAND COVE PARCELS and the WATERFRONT PARCEL;
 - b. This Agreement, duly and properly executed by CITY;
 - c. Duly and properly executed Deeds in the form of those set forth in Exhibits E and G attached hereto;
 - d. Duly and properly executed copy of Leases, substantially in the form of Exhibit M.
3. STATE PARKS and/or its designee (where applicable) shall deposit the following documents into Escrow at or prior to Closing:

- a. This Agreement, duly and properly executed by STATE PARKS;
 - b. Written approval of STATE PARKS authority to consummate the transactions provided in the Agreement, as documented by approval by the Department of General Services;
 - c. Written approval of the condition of title for CENTRAL SHOPS PARCEL in accordance with the Central Shops Transfer Agreement;
 - d. Duly and properly executed Transfer of Jurisdiction of the WATERFRONT PARCEL in the form of Exhibit H;
 - e. Certificate of Acceptance for lands described in Exhibit D, duly and properly executed by STATE PARKS, if STATE PARKS is initially taking title;
 - f. Duly and properly executed Central Shops Transfer Agreement in connection with the conveyance from IA HOLDINGS to STATE PARKS for the CENTRAL SHOPS PARCELS in a form acceptable to STATE PARKS and IA HOLDINGS; and
 - g. Appropriate documentation designating whether STATE PARKS or its designee will be accepting title to the CENTRAL SHOPS PARCELS.
4. IA HOLDING shall deposit the following documents into Escrow at or prior to Closing:
- a. Duly and properly executed Deed for the CENTRAL SHOPS PARCELS in connection with the conveyance from IA HOLDINGS to STATE PARKS or its designee for the CENTRAL SHOPS PARCELS in a form set forth in the Central Shops Transfer Agreement;
 - b. Duly and properly executed Central Shops Transfer Agreement in connection with the conveyance from IA HOLDINGS to STATE PARKS for the CENTRAL SHOPS PARCELS in a form acceptable to STATE PARKS and IA HOLDINGS;
 - c. Documents necessary to permit the simultaneous Closing of the transactions contemplated by this Agreement;
 - d. Written approval of the condition of title for the FORMER AMERICAN RIVER PARCEL and the RAILYARDS PARCEL

as shown in Escrow Agent's updated Title Commitment to be provided prior to Closing; and

- e. To the extent obtained in accordance with Section III.E. above, the Endorsement effective upon the Closing as described in Section III.E. above.

D. Notification of Deposit.

Upon receipt of all documents described in paragraph IV.C., above, receipt of written confirmation from STATE PARKS and IA HOLDINGS that all conditions precedent to closing the transaction contemplated by the Central Shops Transfer Agreement have been satisfied or waived in accordance with the terms and conditions of the Central Shops Transfer Agreement and when it is prepared to issue any and all policies of title insurance requested by the PARTIES pursuant to paragraph III, N above, Escrow Agent shall notify the PARTIES of its intention to close escrow, to record the documents as described in paragraphs IV.E.1.a. through d, below, along with any other necessary documents and shall set a date certain for such recordation and Closing. In the event that the Escrow is not consummated on or before June 30, 2011, Escrow Agent is directed to request further instructions from the PARTIES prior to closing or terminating the Escrow.

E. Close of Escrow.

1. At 8:00 a.m. on the date determined by the Escrow Agent for Closing as set forth in Section IV.D. above and provided that all conditions precedent to closing the transaction contemplated by the Central Shops Transfer Agreement have been satisfied or waived in accordance with the terms and conditions of the Central Shops Transfer Agreement, then the Escrow Agent shall perform the following acts in the order set forth:
 - a. Record the duly and properly executed copy of this Agreement;
 - b. Record, in the following sequence, the duly and properly executed Deeds (and other recordable documents), with Certificates of Acceptance attached referred to in paragraphs I.A., I.C., I.D., I.E. and I.F. and in accordance with the terms and conditions set forth in the Central Shops Transfer Agreement with respect to the Deed for the Central Shops Parcels; and
 - c. Record the duly and properly executed Lease from STATE LANDS to CITY of the SAND COVE PARCELS in the form of Exhibit M (entering the recording date thereon);

- d. Record the duly and properly executed Lease from STATE LANDS to CITY of the WATERFRONT PARCEL in the form of Exhibit M (entering the recording date thereon);
 - e. Issue any and all policies of title insurance and releases requested by the PARTIES pursuant to paragraph III, N above; and
 - f. Deliver copies of all documents as may have been deposited with the Escrow Agent to such Parties as may request them.
2. The term "Close of Escrow" and "Closing" shall mean the date and time of recording of the Deeds and Leases.
 3. When all the documents have been recorded, the Escrow Agent is authorized and directed to deliver copies of the Agreement to the PARTIES and original Deeds to the grantees thereof and one original of each Lease to CITY and one each to STATE LANDS.

F. Effective Date.

This Agreement shall not become effective and shall have no force or effect unless and until signed and delivered by all the PARTIES.

G. Termination of Escrow.

1. If Escrow Agent believes it is unable to close the escrow, as provided for herein, the Escrow Agent shall immediately notify the PARTIES in writing.
2. If STATE PARKS and IA HOLDINGS are unable to reach agreement upon the terms and conditions of the Central Shops Transfer Agreement by June 17, 2011, then this Agreement and the escrow shall terminate, whereupon all obligations of the PARTIES hereto shall cease without recourse to the PARTIES hereto.
3. In the event escrow is terminated, the Escrow Agent shall immediately give notice of this fact to each of the PARTIES and return all documents to each of the PARTIES depositing the same.
4. If the escrow is terminated, and each Party has performed its respective duties hereunder, this Agreement shall terminate simultaneously with the termination of the escrow and thereafter no Party shall have any rights, duties, claims or obligations under this Agreement.

5. If the escrow is terminated and if any Party has failed to perform its respective duties hereunder, each Party shall have such rights and remedies as provided by law and in equity for the failure of such other Party to perform, except as may be otherwise limited by the parties in accordance with any agreement among them.
6. In the event of the termination of this Agreement, the IA HOLDINGS shall compensate the Escrow Agent for services it rendered and reimburse it for expenses incurred.

V. EXHIBITS

A. The exhibits to this Agreement are as follows:

- Exhibit 1.....Map depiction of the SUBJECT PROPERTY
- Exhibit A-1Land Description of FORMER AMERICAN RIVER PARCEL
- Exhibit A-2Land Description of RAILYARDS PARCEL
- Exhibit A-3Land Description of RAILYARDS PORTION PARCEL
- Exhibit A-4Land Description of CITY PARCEL
- Exhibit BLand Description of WATERFRONT PARCEL
- Exhibit CLand Description of SAND COVE PARCELS 1, 2 and 3
- Exhibit DLand Description of CENTRAL SHOPS PARCELS
- Exhibit EForm of Deed for FORMER AMERICAN RIVER PARCEL from CITY to STATE LANDS
- Exhibit FINTENTIONALLY OMITTED
- Exhibit GForm of Deed for SAND COVE PARCELS 1-3 from CITY to STATE LANDS
- Exhibit HForm of Transfer of Jurisdiction for WATERFRONT PARCEL from STATE PARKS to STATE LANDS
- Exhibit IForm of Deed for CENTRAL SHOPS PARCEL to STATE PARKS or its designee
- Exhibit JForm of Deed/Patent for FORMER AMERICAN RIVER PARCEL from STATE LANDS to IA HOLDINGS
- Exhibit KForm of Deed for RAILYARDS PARCEL from STATE LANDS to IA HOLDINGS
- Exhibit LForm of Certificates of Acceptance from STATE LANDS
- Exhibit MForm of STATE LANDS Lease for SAND COVE PARCELS and WATERFRONT PARCEL to CITY
- Exhibit NPollution Legal Liability Insurance Policy – *intentionally omitted* – on file in the Sacramento office of the State Lands Commission

Exhibit O..... Draft Legislative Grant Language

- B. All preliminary recitals of and exhibits to this Agreement (Exhibits A through O), are hereby incorporated by reference within it.

VI. NOTIFICATIONS

All notices to be given to any Party hereto by another Party hereto shall be in writing, addressed to such Party at its address set forth below, and shall be deemed to have been given: a) when delivered in person to an officer of the other Party or Parties; or b) when delivered by Federal Express or other similar overnight delivery service; or c) when received by telephonic facsimile, if confirmed and followed within (1) business day by mailing the original. Any notice given in any other fashion shall be deemed to have been given when actually received by the addressee. Any Party may change its address by giving written notice to all other Parties. The addresses of the PARTIES hereto are as follows:

STATE LANDS: California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202
c/o Curtis Fossum, Executive Officer

Copy to: Attorney General's Office
1300 "I" Street
Sacramento, CA 95814
c/o Supervising Deputy Attorney General, Land Law
Section

STATE PARKS and its
designee California Department of Parks and Recreation
Capital District
111 "I" Street
Sacramento, California 95814
Catherine A. Taylor, District Superintendent

CITY: City of Sacramento
915 I Street, 5th Floor
Sacramento, CA 95814
c/o City Manager

Copy to: City Attorney
915 I Street, 4th Floor
Sacramento, CA 95814
c/o Michael Sparks, Senior Deputy City Attorney

IA HOLDINGS: c/o The Inland Real Estate Group
2901 Butterfield Road
Oak Brook, Illinois 60523
Attention: Dean Stermer
Facsimile: (630) 954-5655
Telephone: (630) 586-6463
dean.stermer@inland-investments.com

Copy to: c/o The Inland Real Estate Group
2901 Butterfield Road
Oak Brook, Illinois 60523
Attention: Michael Podboy
Facsimile: (630) 954-5655
Telephone: 630-218-8000
Podboy@inlandgroup.com


And to: c/o The Inland Real Estate Group
2901 Butterfield Road
Oak Brook, Illinois 60523
Attention: Scott W. Wilton
Facsimile: (630) 954-5655
Telephone: 630-218-8000
swilton@inlandgroup.com

And to: DLA Piper LLP (US)
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601
Attention: James L. Beard
Facsimile: (312) 630-7379
Telephone: (312) 368-2169
james.beard@dlapiper.com

And to: Beveridge & Diamond, PC
456 Montgomery Street ~ Suite 1800
San Francisco, CA 94104
Attention: Kenneth B. Finney
Facsimile: (415) 262-4040
Telephone: (415) 262-4007
kfinney@bdlaw.com

Approved as to form:

KAMALA D. HARRIS
Attorney General of the State of California
JOSEPH C. RUSCONI
Deputy Attorney General



Joseph C. Rusconi

Fidelity National Title hereby agrees to act as the Escrow Agent under this Agreement and to perform the duties required herein.

FIDELITY NATIONAL TITLE


By: 

Name Paul Arica


Title: Escrow Officer

To witness this Agreement, a duly authorized officer of each Party has executed it below on the date opposite each signature.

STATE OF CALIFORNIA
CALIFORNIA STATE LANDS COMMISSION


Date: 6/9/11 By: 
Name: CURTIS L. FOSSUM
Title: EXECUTIVE OFFICER

STATE OF CALIFORNIA
CALIFORNIA DEPARTMENT OF PARKS &
RECREATION

Date: 6/9/11 By: 
Name: RUTH COLEMAN
Title: DIRECTOR

APPROVED AS TO FORM:

STATE OF CALIFORNIA
CALIFORNIA DEPARTMENT OF GENERAL SERVICES

Date: 6/9/2011 By: 
Name: MICHAEL BUTLER
Title: ASSISTANT CHIEF, REAL PROPERTY SERVICES

ACKNOWLEDGMENTS OF ALL PARTIES SIGNATURES
TO BE ATTACHED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

On June 9, 2011 before me, Kimberly L. Lunetta, Notary Public

personally appeared Curtis L. Fossun



who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kimberly L. Lunetta
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Sacramento Downtown Railroads Title Settlement and Exchange Agreement

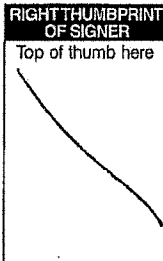
Document Date: April 6, 2011 Number of Pages: 114 pgs.

Signer(s) Other Than Named Above: multiple

Capacity(ies) Claimed by Signer(s)

Signer's Name: Curtis L. Fossun

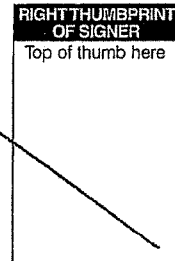
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: Executive Officer



Signer Is Representing: CA State Lands Commission

Signer's Name: _____

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



Signer Is Representing: _____

ACKNOWLEDGMENT

State of California
County of Sacramento

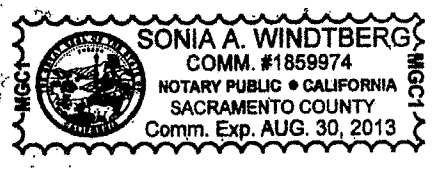
On 6-9-11 before me, Sonia A. Windtberg, Notary Public
(insert name and title of the officer)

personally appeared RUTH COLEMAN
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sonia A. Windtberg (Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

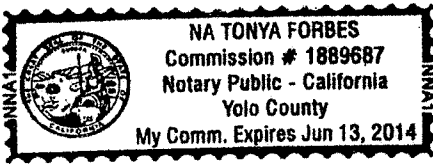
State of California

County of Yolo

On June 9, 2011 before me, Notary Tonya Forbes, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Michael Butler
Name(s) of Signer(s)

who 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.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Tonya Forbes
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Sac. Downtown Railyards Title Settlement and exchange Agreement

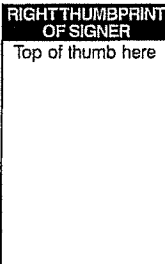
Document Date: April 7, 2011 Number of Pages: 114

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

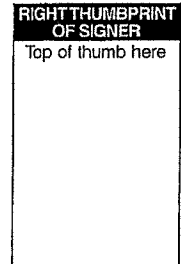
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

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



Signer Is Representing: _____

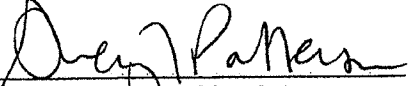
CITY OF SACRAMENTO

Date: _____


By:  _____

John Dangberg, Assistant City Manager
For: William H. Edgar, Interim City Manager, May 24, 2011

Approved as to Legal Form

By:  _____
Senior Deputy City Attorney

Attest:

By:  _____
City Clerk: *ant* 5-25-11

IA Sacramento Holdings, L.L.C.,
a Delaware limited liability company

Date: 6/7/11

By: IA Sacramento Development VP, L.L.C.,
a Delaware limited liability company, its sole
member

By: Inland American Real Estate Trust, Inc.,
a Maryland corporation, its sole member

By:  _____
Its: Scott W. Wilton/Secretary

ACKNOWLEDGMENTS OF ALL PARTIES SIGNATURES TO BE ATTACHED

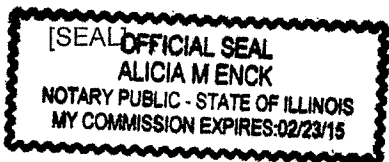
ACKNOWLEDGMENT

STATE OF ILLINOIS)
COUNTY OF DUPAGE)

On June 7, 2011, before me, Alicia M. Enck, a Notary Public, in and for said County in said State, hereby certify that Scott W. Wilton, Secretary of Inland American Real Estate Trust, Inc., a Maryland corporation, being the sole member of IA Sacramento Development VP, L.L.C., a Delaware limited liability company, being the sole member of IA Sacramento Holdings, L.L.C., a Delaware limited liability company, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the foregoing paragraph is true and correct.

Given under my hand and official seal, this the 7th day of June, 2011.



Alicia M Enck

Notary Public
My commission expires: 02/23/2015

ACKNOWLEDGMENT

State of California


County of SACRAMENTO }

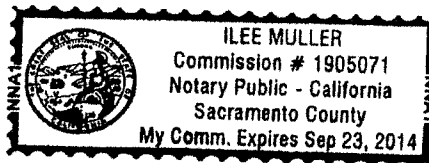
On May 24, 2011 before me, Ilee Muller, Notary Public,
personally appeared John Dangberg

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

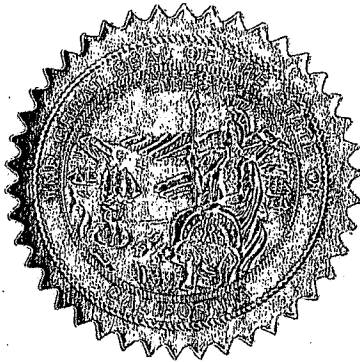
WITNESS my hand and official seal.

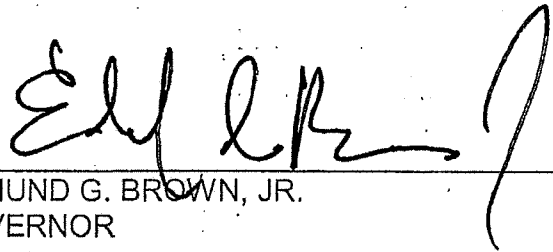
Signature: 



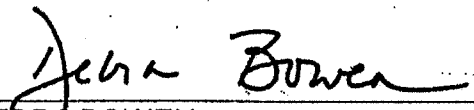
Description of Attached Document(s): **Sacramento Downtown Railyards Title Settlement and Exchange Agreement, dated April 6, 2011.**

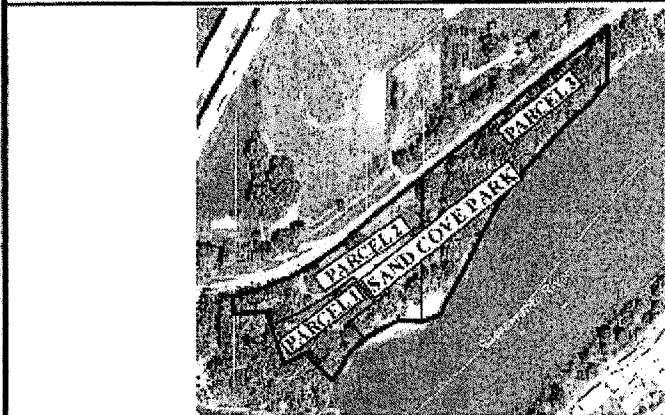
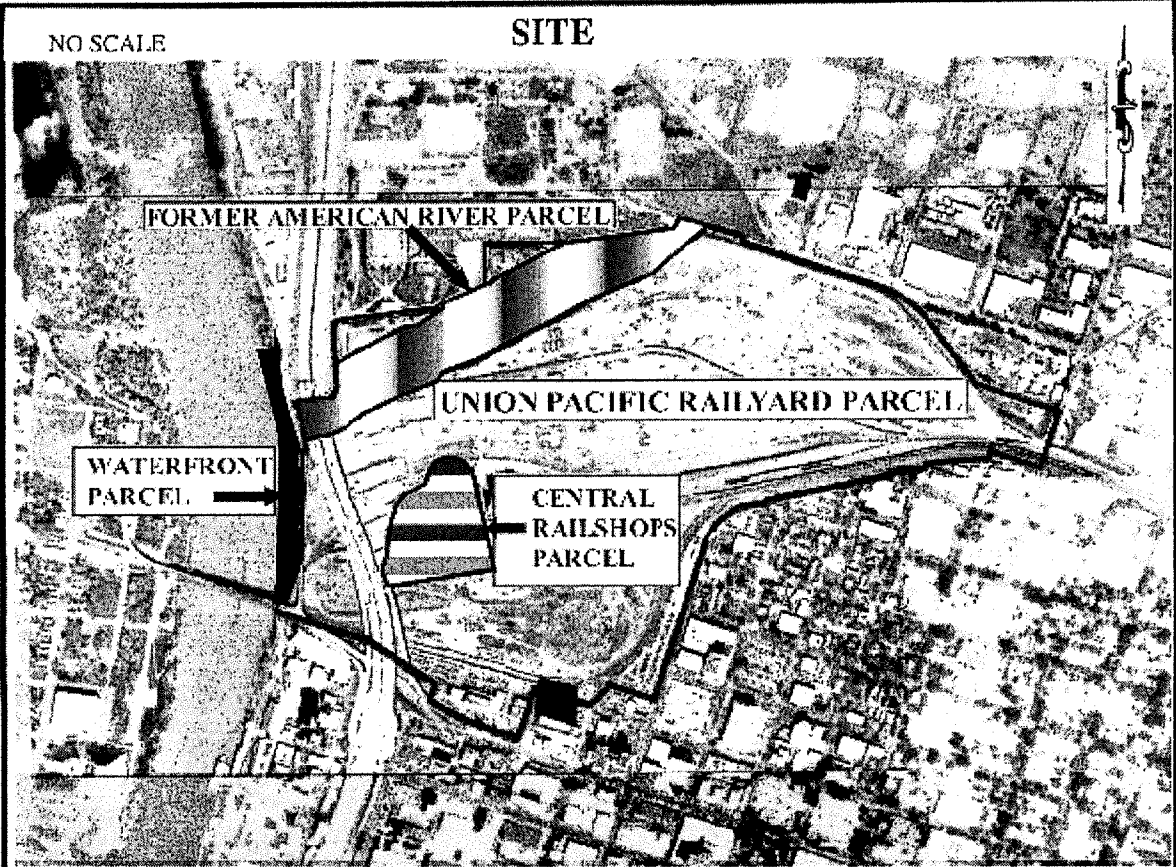
IN APPROVAL WHEREOF, I, EDMUND G.
BROWN, JR., Governor of the State of
California, have set my hand and caused the
seal of the State of California to be hereunto
affixed pursuant to Section 6107 of the Public
Resources Code of the State of California.
Given under my hand at the City of Sacramento
this 15th day of June, 2011.




EDMUND G. BROWN, JR.
GOVERNOR

Attest:


DEBRA BOWEN
SECRETARY OF STATE



SAND COVE PARCELS

Exhibit 1

AD 498
SACRAMENTO &
AMERICAN RIVERS
SACRAMENTO COUNTY



This exhibit is solely for purposes of generally defining the parcels and is based on unverified information and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

RC11 14-05

EXHIBIT A – 1

LEGAL DESCRIPTION OF FORMER AMERICAN RIVER PARCEL

AD 498

A parcel of filled tide and submerged land in the City and County of Sacramento, State of California being that portion of the former bed of the American River as it existed prior to re-channelization situated in that parcel described in Exhibit A - 2, Railyards Parcel within the document titled, "Sacramento Downtown Railyards Title Settlement and Exchange Agreement by and between the City of Sacramento, California State Lands Commission, California Department of Parks and Recreation, and IA Sacramento Holdings, L.L.C."

END OF DESCRIPTION



EXHIBIT A - 2

LEGAL DESCRIPTION OF RAILYARDS PARCEL

AD 498

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, CITY OF SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

A PORTION OF PARCEL A, AS SAID PARCEL IS SHOWN AND SO DESIGNATED ON THAT CERTAIN PARCEL MAP FILED FOR RECORD IN BOOK 120 OF PARCEL MAPS AT PAGE 10, OFFICIAL RECORDS OF SACRAMENTO COUNTY, AND THOSE LANDS SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED FOR RECORD IN BOOK 51 OF SURVEYS AT PAGE 10 OF SAID OFFICIAL RECORDS, AND BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE WESTERLY LINE OF 6TH STREET (80 FEET WIDE) AND THE NORTHERLY LINE OF H STREET (80 FEET WIDE), THENCE FROM SAID POINT OF BEGINNING, THE FOLLOWING NINETY-TWO (92) COURSES, DISTANCES AND ARCS:

- 1) NORTH 18 DEGREES 26'23" EAST, ALONG SAID WESTERLY LINE OF 6TH STREET, A DISTANCE OF 15.24 FEET;
- 2) THENCE NORTH 44 DEGREES 14'53" EAST, A DISTANCE OF 183.76 FEET TO THE POINT OF INTERSECTION OF THE EASTERLY LINE OF SAID 6TH STREET AND THE NORTHERLY LINE OF THE ALLEY (20 FEET WIDE) IN THE BLOCK BOUNDED BY G, H, 6TH AND 7TH STREETS;
- 3) THENCE SOUTH 71 DEGREES 37'21" EAST, ALONG THE NORTHERLY LINE OF SAID ALLEY, A DISTANCE OF 319.58 FEET TO ITS INTERSECTION WITH THE WESTERLY LINE OF 7TH STREET (80 FEET WIDE);
- 4) THENCE NORTH 18 DEGREES 19'02" EAST, ALONG SAID WESTERLY LINE, A DISTANCE OF 1164.13 FEET TO A POINT THEREON LOCATED 100 FEET SOUTHERLY FROM THE NORTHERLY LINE OF THE ALLEY BETWEEN D, E, 6TH AND 7TH STREETS, SAID POINT BEING THE POINT OF BEGINNING OF THE STREET VACATION BY SACRAMENTO CITY ORDINANCE NO. 214, FOURTH SERIES;
- 5) THENCE NORTH 40 DEGREES 07'56" EAST, A DISTANCE OF 34.84 FEET TO A POINT ON THE NORTHWESTERLY LINE OF THE LAND CONVEYED TO THE CITY OF SACRAMENTO BY DEED RECORDED IN. BOOK 8512-31 AT PAGE 1928, OFFICIAL RECORDS OF SAID COUNTY;
- 6) THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF THE LAND SO CONVEYED BEING AN ARC ON A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 347.00 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS NORTH 59 DEGREES 26'29" EAST, A DISTANCE OF 372.62 FEET;
- 7) THENCE NORTH 81 DEGREES 33'29" EAST, A DISTANCE OF 60.44 FEET TO A POINT ON THE NORTHERLY LINE OF D STREET (80 FEET WIDE);

8) THENCE NORTH 71 DEGREES 33'53" WEST ALONG SAID NORTHERLY LINE, A DISTANCE OF 30.45 FEET TO THE MOST WESTERLY CORNER OF THE LAND CONVEYED TO CONSUMERS ICE AND COLD STORAGE COMPANY BY DEED RECORDED IN BOOK 1239, AT PAGE 366, OFFICIAL RECORDS OF SAID COUNTY;

9) THENCE NORTH 78 DEGREES 44'26" EAST ALONG THE NORTHERLY LINE OF THE LAND SO CONVEYED, A DISTANCE OF 184.38 FEET TO THE MOST NORTHERLY CORNER THEREOF, SAID CORNER BEING LOCATED ON THE NORTHEASTERLY EXTENSION OF THE CENTERLINE OF 8TH STREET;

10) THENCE ALONG SAID NORTHEASTERLY EXTENSION OF THE CENTERLINE OF 8TH STREET, NORTH 18 DEGREES 20'04" EAST, A DISTANCE OF 2.91 FEET TO THE MOST SOUTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO THE SOUTHERN PACIFIC COMPANY BY DEED RECORDED IN BOOK 193 OF DEEDS AT PAGE 458;

11) THENCE ALONG THE SOUTHEASTERLY LINE OF THE LAND SO CONVEYED AND ITS NORTHEASTERLY PROLONGATION, NORTH 78 DEGREES 44'26" EAST, A DISTANCE OF 459.20 FEET TO THE MOST SOUTHERLY CORNER OF THE LAND CONVEYED TO SOUTHERN PACIFIC COMPANY BY DEED RECORDED IN BOOK 197 OF DEEDS AT PAGE 163, BEING A POINT LOCATED ON THE CENTERLINE OF 9TH STREET;

12) THENCE ALONG SAID CENTERLINE OF 9TH STREET NORTH 18 DEGREES 16'26" EAST, A DISTANCE OF 13.22 FEET;

13) THENCE NORTH 78 DEGREES 44'26" EAST, A DISTANCE OF 93.14 FEET TO THE CENTERLINE OF C STREET;

14) THENCE ALONG SAID CENTERLINE OF C STREET SOUTH 71 DEGREES 39'20" EAST, A DISTANCE OF 32.04 FEET TO A POINT THEREON BEING LOCATED 298.28 FEET FROM THE CENTERLINE INTERSECTION OF 10TH AND C STREETS AND IS THE MOST WESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO SOUTHERN PACIFIC TRANSPORTATION COMPANY BY DEED RECORDED IN BOOK 7404-05, AT PAGE 325, OFFICIAL RECORDS OF SAID COUNTY;

15) THENCE ALONG THE NORTHWESTERLY BOUNDARY OF THE LAND SO CONVEYED, NORTH 74 DEGREES 47'23" EAST, A DISTANCE OF 165.45 FEET; 16) THENCE CONTINUING ALONG THE NORTHWESTERLY BOUNDARY OF THE LAND SO CONVEYED, NORTH 81 DEGREES 47'13" EAST, A DISTANCE OF 91.61 FEET;

17) THENCE CONTINUING ALONG THE NORTHWESTERLY BOUNDARY OF THE LAND SO CONVEYED, NORTH 84 DEGREES 27'01" EAST, A DISTANCE OF 83.62 FEET TO A POINT ON THE CENTERLINE OF 10TH STREET;

18) THENCE ALONG SAID CENTERLINE OF 10TH STREET NORTH 18 DEGREES 20'40" EAST, A DISTANCE OF 42.10 FEET TO A POINT THEREIN;

19) THENCE SOUTH 82 DEGREES 18'34" EAST, A DISTANCE OF 40.70 FEET TO THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF THE UNION PACIFIC COMPANY'S PROPERTY AND THE EASTERLY LINE OF 10TH STREET;

20) THENCE ALONG SAID SOUTHERLY LINE NORTH 79 DEGREES 18'07" EAST, A DISTANCE OF 46.26 FEET;

21) THENCE CONTINUING ALONG SAID SOUTHERLY LINE NORTH 84 DEGREES 52'06" EAST, A DISTANCE OF 174.68 FEET;

22) THENCE CONTINUING ALONG SAID SOUTHERLY LINE NORTH 89 DEGREES 11'12" EAST, A DISTANCE OF 59.50 FEET;

23) THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 84 DEGREES 24'44" EAST, A DISTANCE OF 67.86 FEET TO AN INTERSECTION WITH THE WESTERLY LINE OF 11TH STREET;

24) THENCE ALONG SAID WESTERLY LINE NORTH 18 DEGREES 27'07" EAST, A DISTANCE OF 16.28 FEET;

25) THENCE SOUTH 71 DEGREES 32'53" EAST, A DISTANCE OF 40.00 FEET TO THE CENTERLINE OF SAID 11TH STREET;

26) THENCE ALONG SAID CENTERLINE NORTH 18 DEGREES 27'07" EAST, A DISTANCE OF 62.81 FEET TO ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE CENTERLINE OF B STREET;

27) THENCE ALONG SAID CENTERLINE SOUTH 71 DEGREES 38'41" EAST, A DISTANCE OF 361.91 FEET TO THE WESTERLY LINE OF 12TH STREET;

28) THENCE ALONG SAID WESTERLY LINE OF 12TH STREET NORTH 18 DEGREES 26'40" EAST, A DISTANCE OF 411.27 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO STEEL MILL SUPPLY COMPANY, INC., BY DEED RECORDED IN BOOK 955, AT PAGE 427, OFFICIAL RECORDS OF SAID COUNTY;

29) THENCE ALONG THE BOUNDARY OF THE LAND SO CONVEYED, NORTH 71 DEGREES 38'25" WEST, A DISTANCE OF 610.46 FEET;

30) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, NORTH 38 DEGREES 53'55" WEST, A DISTANCE OF 18.80 FEET TO THE CENTERLINE OF A STREET AND THE MOST EASTERLY CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO CENTRAL PACIFIC RAILWAY CO. BY DEED RECORDED IN BOOK 955, AT PAGE 428, OFFICIAL RECORDS OF SAID COUNTY;

31) THENCE CONTINUING NORTH 38 DEGREES 53'55" WEST, ALONG THE NORTHEASTERLY LINE OF THE LAND SO CONVEYED, A DISTANCE OF 166.40 FEET TO THE MOST NORTHERLY CORNER THEREOF, SAID CORNER IS LOCATED ON THE CENTERLINE OF 10TH STREET;

32) THENCE NORTH 18 DEGREES 22'57" EAST, A DISTANCE OF 37.18 FEET ALONG SAID CENTERLINE OF 10TH STREET TO A POINT BEING THE SOUTHEAST CORNER OF PARCEL NO. 2 OF THOSE CERTAIN PARCELS OF LAND CONVEYED TO THE RANSOM COMPANY BY DEEDS RECORDED IN BOOK 991, AT PAGES 486 AND 487, OFFICIAL RECORDS OF SAID COUNTY;

33) THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 372.24 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS NORTH 51 DEGREES 22'21" WEST, A DISTANCE OF 54.17 FEET;

34) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, NORTH 47 DEGREES 12'00" WEST, TANGENT TO SAID CURVE, A DISTANCE OF 20.41 FEET;

35) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 371.79 FEET, THE CHORD

SUBTENDED BY SAID ARC BEARS NORTH 43 DEGREES 54'37" WEST, A DISTANCE OF 42.67 FEET;

38) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, NORTH 40 DEGREES 37'14" WEST, TANGENT TO SAID CURVE, A DISTANCE OF 14.72 FEET;

37) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, NORTH 39 DEGREES 01'43" WEST, A DISTANCE OF 10.00 FEET;

38) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, NORTH 37 DEGREES 25'11" WEST, A DISTANCE OF 14.72 FEET;

39) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 371.79 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS NORTH 34 DEGREES 07'48" WEST, A DISTANCE OF 42.67 FEET;

40) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, NORTH 30 DEGREES 50'25" WEST, TANGENT TO SAID CURVE, A DISTANCE OF 55.84 FEET;

41) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 296.57 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS NORTH 34 DEGREES 55'23" WEST, A DISTANCE OF 42.23 FEET;

42) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, NORTH 39 DEGREES 00'21" WEST, TANGENT TO SAID CURVE, A DISTANCE OF 61.00 FEET;

43) THENCE CONTINUING NORTHWESTERLY ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 296.57 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS NORTH 46 DEGREES 47'12" WEST, A DISTANCE OF 80.30 FEET;

44) THENCE CONTINUING ALONG THE SOUTHWESTERLY BOUNDARY OF THE PARCELS OF LAND SO CONVEYED, NORTH 47 DEGREES 21'51" WEST, A DISTANCE OF 75.74 FEET TO THE INTERSECTION OF THE WESTERLY LINE OF 9TH STREET AND THE SOUTHERLY LINE OF NORTH B STREET (80 FEET WIDE);

45) THENCE NORTH 56 DEGREES 43'10" WEST, A DISTANCE OF 155.24 FEET TO A POINT ON THE CENTERLINE OF SAID NORTH B STREET;

46) THENCE NORTH 71 DEGREES 39'03" WEST, A DISTANCE OF 1060.32 FEET ALONG SAID CENTERLINE OF NORTH B STREET;

47) THENCE LEAVING SAID CENTERLINE NORTH 18 DEGREES 15'57" EAST, A DISTANCE OF 40.00 FEET TO THE NORTHERLY LINE OF SAID NORTH B STREET;

48) THENCE NORTH 71 DEGREES 39'03" WEST, A DISTANCE OF 470.45 FEET ALONG SAID NORTHERLY LINE OF NORTH B STREET, AND THE NORTHERLY LINE OF THAT CERTAIN GRANT OF EASEMENT TO THE CITY OF SACRAMENTO RECORDED IN BOOK 655 OF DEEDS, AT PAGE 476, TO THE NORTHWESTERLY LINE OF SAID EASEMENT;

49) THENCE SOUTH 21 DEGREES 10'36" WEST ALONG SAID NORTHWESTERLY LINE, A DISTANCE OF 96.89 FEET TO THE NORTHERLY LINE OF THE LAND CONVEYED TO THE CENTRAL PACIFIC RAILROAD COMPANY BY DEED RECORDED IN BOOK 143 OF DEEDS, AT PAGE 79;

50) THENCE SOUTH 83 DEGREES 22'17" WEST ALONG THE NORTHERLY LINE OF THE LAND SO CONVEYED, A DISTANCE OF 808.60 FEET TO THE MOST EASTERLY CORNER OF THAT CERTAIN TRIANGULAR STRIP OF LAND CONVEYED TO THE CENTRAL PACIFIC RAILWAY COMPANY AS PARCEL NO. 2 BY DEED RECORDED IN BOOK 655 OF DEEDS, AT PAGE 489;

51) THENCE ALONG THE BOUNDARY OF SAID PARCEL NO. 2, SOUTH 89 DEGREES 35'01" WEST, A DISTANCE OF 488.40 FEET;

52) THENCE SOUTH 00 DEGREES 24'59" EAST, A DISTANCE OF 347.74 FEET CONTINUING ALONG THE BOUNDARY OF SAID PARCEL NO. 2 AND THE BOUNDARY OF THE LAND CONVEYED TO THE CITY OF SACRAMENTO BY DEED RECORDED IN BOOK 655 OF DEEDS, AT PAGE 478;

53) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 72 DEGREES 22'30" WEST. A DISTANCE OF 192.56 FEET TO THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING SITUATE ON THE NORTHERLY LINE OF THE LAND CONVEYED TO THE CENTRAL PACIFIC RAILWAY COMPANY BY DEED RECORDED IN BOOK 372, AT PAGE 71;

54) THENCE ALONG SAID BOUNDARY, SOUTH 83 DEGREES 14'45" WEST, A DISTANCE OF 849.81 FEET TO THE EASTERLY LINE OF THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 6907-23, AT PAGE 62. OFFICIAL RECORDS OF SAID COUNTY;

55) THENCE ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 02 DEGREES 54'31" WEST, A DISTANCE OF 106.95 FEET;

56) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 04 DEGREES 20'18" EAST, A DISTANCE OF 258.98 FEET;

57) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTHWESTERLY ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS SOUTH 21 DEGREES 09'08" WEST, A DISTANCE OF 172.14 FEET;

58) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO, CONVEYED, SOUTH 83 DEGREES 57'15" WEST, A DISTANCE OF 225.06 FEET;

59) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTHERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 980,00 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS SOUTH 17 DEGREES 04'57" EAST, A DISTANCE OF 41.08 FEET;

60) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 18 DEGREES 17'00" EAST, TANGENT TO SAID CURVE A DISTANCE OF 127.28 FEET;

61) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTHERLY ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 520.00 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS SOUTH 08 DEGREES 28'21" EAST, A DISTANCE OF 177.21 FEET;

62) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, NORTH 88 DEGREES 39'43" WEST, RADIAL TO SAID CURVE, A

DISTANCE OF 34.33 FEET TO AN ANGLE POINT IN THE BOUNDARY OF THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 8003-26, AT PAGE 478, OFFICIAL RECORDS OF SAID COUNTY;

63) THENCE ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 01 DEGREES 25'08" WEST, A DISTANCE OF 204.49 FEET;

64) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED SOUTH 01 DEGREES 20'08" WEST, A DISTANCE OF 567.62 FEET;

65) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 22 DEGREES 17'45" WEST, A DISTANCE OF 242.66 FEET;

66) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 13 DEGREES 05'18" WEST, A DISTANCE OF 58.10 FEET TO A LINE PARALLEL WITH AND DISTANT 25 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF SOUTHERN PACIFIC TRANSPORTATION COMPANY'S WESTWARD MAIN TRACK (SACRAMENTO TO OAKLAND);

67) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, NORTH 71 DEGREES 34'07" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 43.26 FEET TO THE ORDINARY HIGH WATER LINE ON THE LEFT OR EAST BANK OF THE SACRAMENTO RIVER;

68) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED, SOUTH 07 DEGREES 07'30" WEST ALONG SAID HIGH WATER LINE, A DISTANCE OF 25.91 FEET TO AN ANGLE POINT THEREIN;

69) THENCE CONTINUING ALONG THE BOUNDARY OF THE LAND SO CONVEYED AND CONTINUING ALONG SAID HIGH WATER LINE, SOUTH 14 DEGREES 06'26" WEST, A DISTANCE OF 37.80 FEET TO THE NORTHERLY LINE OF THAT CERTAIN REAL PROPERTY DESCRIBED IN QUITCLAIM DEED TO THE STATE OF CALIFORNIA RECORDED IN BOOK 7212-05, AT PAGE 377, OFFICIAL RECORDS OF SAID COUNTY;

70) THENCE SOUTH 71 DEGREES 34'07" EAST ALONG SAID NORTHERLY LINE, PARALLEL WITH AND DISTANT 25 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF SOUTHERN PACIFIC TRANSPORTATION COMPANY'S EASTWARD MAIN TRACT (OAKLAND TO SACRAMENTO), A DISTANCE OF 289.99 FEET TO THE MOST WESTERLY CORNER OF PARCEL A, BOOK 120 OF PARCEL MAPS, PAGE 10, OFFICIAL RECORDS OF SAID COUNTY;

71) THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PARCEL A, SOUTH 71 DEGREES 34'07" EAST, A DISTANCE OF 335.65 FEET;

72) THENCE CONTINUING ALONG SAID BOUNDARY OF PARCEL A, SOUTH 64 DEGREES 16'41" EAST, A DISTANCE OF 55.47 FEET;

73) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 64 DEGREES 16'41" EAST, A DISTANCE OF 25.24 FEET;

74) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 54 DEGREES 53'30" EAST, A DISTANCE OF 40.98 FEET;

75) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 55 DEGREES 39'05" EAST, A DISTANCE OF 63.64 FEET;

76) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 55 DEGREES 39'41" EAST, A DISTANCE OF 78.45 FEET;

77) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 54 DEGREES 34'23" EAST, A DISTANCE OF 30.17 FEET;

78) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 45 DEGREES 07'09" EAST, A DISTANCE OF 27.55 FEET;
79) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 50 DEGREES 37'16" EAST, A DISTANCE OF 57.41 FEET;
80) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 58 DEGREES 54'04" EAST, A DISTANCE OF 60.24 FEET;
81) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 64 DEGREES 37'37" EAST, A DISTANCE OF 60.90 FEET;
82) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 69 DEGREES 08'30" EAST, A DISTANCE OF 75.45 FEET;
83) THENCE CONTINUING ALONG SAID BOUNDARY, SOUTH 18 DEGREES 18'36" WEST, A DISTANCE OF 122.27 FEET TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF CAMELLIA PLACE AS SHOWN ON THE RECORD OF SURVEY ENTITLED "AREA CONTAINED WITHIN THE BOUNDARY OF PROJECT NO. 4 OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO", RECORDED IN BOOK 26 OF SURVEYS, MAP NO. 18, IN THE OFFICE OF THE SACRAMENTO COUNTY RECORDER;
84) THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID CAMELLIA PLACE AND ITS EASTERLY EXTENSION, SOUTHEASTERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 450 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS SOUTH 46 DEGREES 41'39" EAST, A DISTANCE OF 66.96 FEET;
85) THENCE CONTINUING ALONG THE SOUTHERLY BOUNDARY OF SAID CAMELLIA PLACE AND ITS EASTERLY EXTENSION, SOUTHEASTERLY ALONG THE ARC OF CURVE TO THE LEFT HAVING A RADIUS OF 113.01 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS SOUTH 57 DEGREES 43'35" EAST, A DISTANCE OF 26.59 FEET;
86) THENCE CONTINUING ALONG THE SOUTHERLY BOUNDARY OF SAID CAMELLIA PLACE AND ITS EASTERLY EXTENSION, SOUTH 64 DEGREES 29'00" EAST, A DISTANCE OF 251.51 FEET;
87) THENCE CONTINUING ALONG THE SOUTHERLY BOUNDARY OF SAID CAMELLIA PLACE AND ITS EASTERLY EXTENSION, SOUTHEASTERLY ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 100.67 FEET, THE CHORD SUBTENDED BY SAID ARC BEARS SOUTH 67 DEGREES 59'40" EAST, A DISTANCE OF 12.33 FEET;
88) THENCE CONTINUING ALONG THE SOUTHERLY BOUNDARY OF SAID CAMELLIA PLACE AND ITS EASTERLY EXTENSION, SOUTH 71 DEGREES 30'19" EAST, A DISTANCE OF 174.07 FEET;
89) THENCE NORTH 18 DEGREES 29'41" EAST, A DISTANCE OF 319.55 FEET;
90) THENCE SOUTH 71 DEGREES 33'22" EAST, A DISTANCE OF 136.17 FEET TO A POINT ON THE WESTERLY LINE OF 5TH STREET;
91) THENCE ALONG SAID WESTERLY LINE, NORTH 18 DEGREES 26'34" EAST, A DISTANCE OF 40.00 FEET TO AN INTERSECTION WITH THE NORTHERLY LINE OF H STREET;
92) THENCE ALONG SAID NORTHERLY LINE, SOUTH 71 DEGREES 33'22" EAST, A DISTANCE OF 405.74 FEET TO THE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE MOST SOUTHERLY LINE OF PARCEL A OF THE AFOREMENTIONED PARCEL MAP. SAID BEARING IS SHOWN ON SAID MAP AS NORTH 71 DEGREES 30'19" WEST.

SAID PROPERTY ALSO SHOWN AS PARCEL B ON THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT, RECORDED DECEMBER 17, 2002 IN BOOK 20021217 OF OFFICIAL RECORDS AT PAGE 2208, SACRAMENTO COUNTY RECORDS.

END OF DESCRIPTION



EXHIBIT A-3
LEGAL DESCRIPTION of the RAILYARD PARCEL

Being a portion of that certain real property situate in the City of Sacramento, County of Sacramento and State of California as described in the Trustee's Deed to IA Sacramento Development, L.L.C. filed for record on October 25, 2010 in Book 20101025 Page 0218 of the Official Records of Sacramento County and is described as follows:

PARCEL 1:

All that certain real property in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and delineated on Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records being described as follows:

Beginning at the point of intersection of the Westerly line of 6th Street (80 feet wide) and the Northerly line of H Street (80 feet wide);

Thence along said Westerly line of 6th Street North 18 degrees 26' 23" East, 15.24 feet;

Thence leaving said Westerly line North 44 degrees 14' 53" East, 183.76 feet to the point of intersection of the Easterly line of said 6th Street and the Northerly line of the alley (20 feet wide) in the block bounded by G, H, 6th and 7th Streets;

Thence along the Northerly line of said alley South 71 degrees 37' 21" East, 319.58 feet to its intersection with the Westerly line of 7th Street (80 feet wide);

Thence along said Westerly line of 7th Street North 18 degrees 19' 02" East, 1164.13 feet to a point thereon located 100 feet Southerly from the Northerly line of the alley between D, E, 6th and 7th Streets, said point being the Point of Beginning of the street vacation by Sacramento City ordinance no. 214, Fourth Series;

Thence North 40 degrees 07' 56" East, 34.84 feet to a point on the Northwesterly line of the land conveyed to the City of Sacramento by deed recorded in Book 8512-31 at Page 1928 Official Records of said County;

Thence Northeasterly along said Northwesterly line 72.50 feet through a central angle of 11 degrees 58' 18" said Northwesterly line being the arc of a non-tangent curve to the right having a radius of 347.00 feet to which a radial line bears North 63 degrees 01' 57" West;

Thence leaving said Northwesterly line South 79 degrees 25' 14" West, 190.28 feet;

Thence South 49 degrees 52' 44" West, 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30 degrees 11' 59";

Thence South 80 degrees 04' 43" West, 17.41 feet;

Thence South 33 degrees 41' 42" West, 107.73 feet;

Thence South 80 degrees 04' 43" West, 268.35 feet;

Thence South 18 degrees 24' 47" West, 490.56 feet;

Thence South 26 degrees 44' 53" East, 62.45 feet;

Thence South 71 degrees 37' 38" East, 57.14 feet to the intersection of the Northerly line of "H" Street (80 feet wide) with the Westerly line of 5th Street (80 feet wide);

Thence along the Northerly line of "H" Street South 71 degrees 33' 22" East, 405.74 feet to the Point of Beginning.

The Basis of Bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown on said map as North 71 degrees 30' 19" West.

This parcel is also described as Parcel 1 in the Certificate of Compliance recorded January 31, 2007 in Book 20070131, Page 2410, Official Records.

PARCEL 2:

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of Parcel A, as said parcel is shown and so designated on that certain Parcel Map filed for record in Book 120 of Parcel Maps, at Page 10, Official Records of Sacramento County, and those lands shown on that certain Record of Survey filed for record in Book 51 of Surveys, at Page 10 of said Official Records, and being further described as follows:

Beginning at the Northeasterly corner Parcel B of Certificate of Compliance recorded December 28, 2006, in Book 20061228, Page 1681 Official Records of said County, said Northeasterly corner being on the Westerly line of 12th Street;

Thence along said Westerly line of 12th Street North 18 degrees 26' 40" East a distance of 344.37 feet to the Southeast corner of that certain parcel of land conveyed to Steel Mill Supply Company Inc. by deed recorded in Book 955 at Page 427 Official Records of said County;

Thence along the boundary of the land so conveyed, North 71 degrees 38' 25" West, 610.46 feet;

Thence continuing along the boundary of the land so conveyed, North 38 degrees 53' 55" West, 18.80 feet to the centerline of a street and the most Easterly corner of that certain parcel of land conveyed to Central Pacific Railway Co. by deed recorded in Book 955 at Page 428 Official Records of said County;

Thence continuing North 38 degrees 53' 55" West, along the Northeasterly line of the land so conveyed 166.40 feet to the most Northerly corner thereof, said corner is located on the centerline of 10th Street;

Thence North 18 degrees 22' 57" East, 37.18 feet along said centerline of 10th Street to a point being the Southeast corner of Parcel No. 2 of those certain parcels of land conveyed to the Ransom Company by deeds recorded in Book 991 at Page 486 and 487 Official Records of said County;

Thence Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, along the arc of a non tangent curve to the right having a radius of 372.24 feet, the chord subtended by said arc bears North 51 degrees 22' 21" West, 54.17 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, North 47 degrees 12' 00" West, tangent to said curve 20.41 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, along the arc of a curve to the right having a radius of 371.79 feet, the chord subtended by said arc bears North 43 degrees 54' 37" West, 42.67 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, North 40 degrees 37' 14" West, tangent to said curve, 14.72 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, North 39 degrees 01' 43" West, 10.00 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, North 37 degrees 25' 11" West, 14.72 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, along the arc of a curve to the right having a radius of 371.79 feet, the chord subtended by said arc bears North 34 degrees 07' 48" West, 42.67 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, North 30 degrees 50' 25" West, tangent to said curve, 55.84 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, along the arc of a curve to the left having a radius of 296.57 feet, the chord subtended by said arc bears North 34 degrees 55' 23" West, 42.23 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, North 39 degrees 00' 21" West, tangent to said curve, 61.00 feet;

Thence continuing Northwesterly along the Southwesterly boundary of the parcels of land so conveyed, along the arc of a curve to the left having a radius of 296.57 feet, the chord subtended by said arc bears North 46 degrees 47' 12" West, 80.30 feet;

Thence continuing along the Southwesterly boundary of the parcels of land so conveyed, North 47 degrees 21' 51" West, 75.74 feet to the intersection of the Westerly line of 9th Street and the Southerly line of North B Street (80 feet wide);

Thence North 56 degrees 43' 10" West, 155.24 feet to a point on the centerline of said North B Street;

Thence North 71 degrees 39' 03" West, 1060.32 feet along said centerline of North B Street;

Thence leaving said centerline North 18 degrees 15' 57" East, 40.00 feet to the Northerly line of said North B Street;

Thence North 71 degrees 39' 03" West, 470.45 feet along said Northerly line of North B Street, and the Northerly line of that certain grant of easement to the City of Sacramento recorded in Book 655 of Deeds at Page 476, to the Northwesterly line of said easement;

Thence South 21 degrees 10' 36" West, along said Northwesterly line, 96.89 feet to the Northerly line of the land conveyed to the Central Pacific Railroad Company by deed recorded in Book 143 of Deeds at Page 79;

Thence South 83 degrees 22' 17" West, along the Northerly line of the land so conveyed, 808.60 feet to the most Easterly corner of that certain triangular strip of land conveyed to the Central Pacific Railway Company as Parcel No. 2 by deed recorded in Book 655 of Deeds at Page 489;

Thence along the boundary of said Parcel No. 2, South 89 degrees 35' 01" West, 488.40 feet;

Thence South 00 degrees 24' 59" East, 347.74 feet continuing along the boundary of said Parcel No. 2 and the boundary of the land conveyed to the City of Sacramento by deed recorded in Book 655 of Deeds at Page 478;

Thence continuing along the boundary of the land so conveyed, South 72 degrees 22' 30" West, 192.56 feet to the Southwest corner thereof, said point also being situate on the Northerly line of the land conveyed to the Central Pacific Railway Company by deed recorded in Book 372 at Page 71;

Thence along said boundary, South 83 degrees 14' 45" West, 849.81 feet to the Easterly line of the land conveyed to the State of California by deed recorded in Book 6907.23 at Page 62 Official Records of said County;

Thence along the boundary of the land so conveyed, South 02 degrees 54' 31" West, 106.95 feet;

Thence continuing along the boundary of the land so conveyed, South 04 degrees 20' 18" East, 258.98 feet;

Thence continuing along the boundary of the land so conveyed, Southwesterly along the arc of a tangent curve to the right having a radius of 200.00 feet, the chord subtended by said arc bears South 21 degrees 09' 08" West, 172.14 feet;

Thence continuing along the boundary of the land so conveyed, South 83 degrees 57' 15" West, 225.06 feet;

Thence continuing along the boundary of the land so conveyed, Southerly along the arc of a non tangent curve to the left having a radius of 980.00 feet, the chord subtended by said arc bears South 17 degrees 04' 57" East, 41.08 Feet;

Thence continuing along the boundary of the land so conveyed, South 18 degrees 17' 00" East, tangent to said curve, 127.28 feet;

Thence continuing along the boundary of the land so conveyed, Southerly along the arc of a curve to the right having a radius of 520.00 feet, the chord subtended by said arc bears South 08 degrees 28' 21" East 177.21 feet;

Thence continuing along the boundary of the land so conveyed, North 88 degrees 39' 43" West, radial to said curve 34.33 feet to an angle point in the boundary of the land conveyed to the State of California by deed recorded in Book 8003-26 at Page 478 Official Records of said County;

Thence along the boundary of the land so conveyed, South 01 degree 25' 08" West, 204.49 feet;

Thence along the boundary of the land so conveyed, South 01 degree 20' 08" West 567.62 feet;

Thence continuing along the boundary of the land so conveyed, South 22 degrees 17' 45" West, 242.66 feet;

Thence continuing along the boundary of the land so conveyed, South 13 degrees 05' 18" West, 58.10 feet to a line parallel with and distant 25 feet Northerly, measured at right angles, from the centerline of Southern Pacific Transportation Company's Westward main track (Sacramento to Oakland) also being a point on the Northerly boundary line of said Certificate of Compliance recorded December 28, 2006;

Thence along said Northerly boundary line of said Certificate of Compliance South 71 degrees 34' 07" East, 71.56 feet;

Thence continuing along said Northerly boundary line 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33 degrees 33' 28";

Thence continuing along said Northerly boundary line North 74 degrees 52' 25" East, 583.72 feet;

Thence continuing along said Northerly boundary line 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05 degrees 12' 18";

Thence continuing along said Northerly boundary line North 80 degrees 04' 43" East, 1035.82 feet;

Thence continuing along said Northerly boundary line 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23 degrees 28' 09";

Thence continuing along said Northerly boundary line North 56 degrees 36"34" East, 416.15 feet;

Thence continuing along said Northerly boundary line 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22 degrees 05' 55"

Thence continuing along said Northerly boundary line North 78 degrees 42' 29" East, 1371.35 feet;

Thence continuing along said Northerly boundary line 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29 degrees 45' 03";

Thence continuing along said Northerly boundary line South 71 degrees 32' 29" East, 93.07 feet to the Point of Beginning.

Excepting therefrom: Parcel D of Certificate of Compliance recorded December 28, 2006 in Book 20061228, Page 1682 Official Records of Sacramento County described as follows:

Commencing at the most Easterly corner of that certain triangular strip of land conveyed to the Central Pacific Railway Company as Parcel No. 2 by deed recorded in Book 655 of Deeds at Page 489;

Thence along the boundary of said Parcel No. 2, South 89 degrees 35' 01" West, 488.40 feet;

Thence continuing along said boundary South 00 degrees 24' 59" East, 347.74 feet;

Thence leaving said boundary South 15 degrees 38' 36" West, 165.98 feet to the True Point of Beginning;

Thence South 09 degrees 58' 14" East, 581.56 feet;

Thence North 79 degrees 55' 50" East, 288.50 feet;

Thence North 82 degrees 07' 51" East, 150.00 feet;

Thence North 80 degrees 01"46" East, 286.61 feet to the beginning of a non-tangent curve concave to the East having a radius of 1263.14 feet to which a radial bears South 84 degrees 10' 24" West;

Thence Northerly 498.86 feet along the arc of said curve through a central angle of 22 degrees 37' 42" to the beginning of a non-tangent curve concave to the Southeast having a radius of 375.26 feet to which a radial bears North 02 degrees 21' 08" East;

Thence Southwesterly 162.38 feet along said curve through a central angle of 24 degrees 47' 34" to the beginning of a reverse curve concave to the Northwest having a radius of 526.33 feet to which a radial bears South 22 degrees 26' 26" East;

Thence Westerly 153.99 feet along said curve through a central angle of 16 degrees 45'48";

Thence South 84 degrees 19' 22" West, 232.96 feet to the beginning of a curve concave to the North having a radius of 637.00 feet;

Thence Westerly 275.31 feet along said curve through a central angle of 24 degrees 45' 46" to the beginning of a reverse curve concave to the Southwest having a radius of 565.52 feet to which a radial bears North 19 degrees 05' 08" East;

Thence Northwesterly 54.63 feet along the arc of said curve through a central angle of 05 degrees 32' 05" to the True Point of Beginning.

The basis of bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown on said map as North 71 degrees 30' 19" West.

This parcel is also described as Parcel 2 in the Certificate of Compliance recorded January 31, 2007 in Book 20070131, Page 2410, Official Records.

Parcel 3:

All that certain real property in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and delineated on Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of Official Records being described as follows:

Commencing at the most Easterly corner of that certain triangular strip of land conveyed to the Central Pacific Railway Company as Parcel No. 2 by deed recorded in Book 655 of Deeds at Page 489;

Thence along the boundary of said Parcel No. 2, South 89 degrees 35' 01" West, 488.40 feet;

Thence continuing along said boundary South 00 degrees 24"59" East, 347.74 feet;

Thence leaving said boundary South 15 degrees 38"36" West, 165.98 feet to the True Point of Beginning;

Thence South 09 degrees 58' 14" East, 581.56 feet;

Thence North 79 degrees 55' 50" East, 288.50 feet;

Thence North 82 degrees 07' 51" East, 150.00 feet;

Thence North 80 degrees 01' 46" East, 286.61 feet to the beginning of a non-tangent curve concave to the East having a radius of 1263.14 feet to which a radial bears South 84 degrees 10' 24" West;

Thence Northerly 498.86 feet along the arc of said curve through a central angle of 22 degrees 37' 42" to the beginning of a non-tangent curve concave to the Southeast having a radius of 375.26 feet to which a radial bears North 02 degrees 21' 08" East;

Thence Southwesterly 162.38 feet along said curve through a central angle of 24 degrees 47' 34" to the beginning of a reverse curve concave to the Northwest having a radius of 526.33 feet to which a radial bears South 22 degrees 26' 26" East;

Thence Easterly 153.99 feet along said curve through a central angle of 16 degrees 45' 48";

Thence South 84 degrees 19' 22" West, 232.96 feet to the beginning of a curve concave to the North having a radius of 637.00 feet;

Thence Westerly 275.31 feet along said curve through a central angle of 24 degrees 45' 46" to the beginning of a reverse curve concave to the Southwest having a radius of 565.52 feet to which a radial bears North 19 degrees 05' 08" East;

Thence Northwesterly 54.63 feet along the arc of said curve through a central angle of 05 degrees 32' 05" to the True Point of Beginning.

The Basis of Bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10, said bearing is shown on said map as North 71 degrees 30' 19" West.

This parcel is also described as Parcel D in the Certificate of Compliance recorded December 28, 2006 in Book 20061228, Page 1682, Official Records.

Parcel 4:

All that certain real property in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and delineated on Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records being described as follows:

Beginning at a point on the Southerly line of said 203.161 acre tract of land as shown on said Record of Survey, said point bears South 71 degrees 34' 07" East, 169.51 feet from the Southwesterly corner of said tract;

Thence along said Southerly line North 71 degrees 34' 07" West, 169.51 feet to said Southwesterly corner;

Thence along the Westerly line of said tract of land, North 14 degrees 06' 26" East, 37.80 feet;

Thence continuing along said Westerly line, North 07 degrees 07' 30" East, 25.91 feet;

Thence continuing along said Westerly line and its Easterly prolongation South 71 degrees 34' 07" East, 114.85 feet;

Thence leaving said Easterly prolongation 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33 degrees 33' 28";

Thence North 74 degrees 52' 25" East, 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05 degrees 12' 18";

Thence North 80 degrees 04' 43" East, 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23 degrees 28' 09";

Thence North 56 degrees 36' 34" East, 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22 degrees 05' 55";

Thence North 78 degrees 42' 29" East, 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29 degrees 45' 03";

Thence South 71 degrees 32' 29" East, 93.07 feet to a point on the Easterly line of said 203.161 acre tract of land also being the Westerly right-of-way line of 12th Street;

Thence along said Westerly right-of-way line of 12th Street and said Easterly line, South 18 degrees 26' 40" West, 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street being the Southeasterly corner of said tract of land as shown on said Record of Survey;

Thence along the Westerly prolongation of said centerline of B Street also being the Southerly line of said tract of land, North 71 degrees 38' 41" West, 361.91 feet to the intersection of the prolongation of "B" Street and the Centerline of 11th Street;

Thence along the centerline of 11th Street and said Southerly line South 18 degrees 27' 07" West, 62.81 feet;

Thence leaving said centerline and continuing along said Southerly line, North 71 degrees 32' 53" West, 40.00 feet to a point on the Westerly right-of-way line of 11th Street;

Thence along the Westerly right-of-way line of 11th Street and said Southerly line, South 18 degrees 27' 07" West, 16.28 feet;

Thence leaving said Westerly right-of-way line and along the Southerly line of said tract of land, North 84 degrees 24' 44" West, 67.86 feet;

Thence continuing along said Southerly line, South 89 degrees 11' 12" West, 59.50 feet;

Thence continuing along said Southerly line, South 84 degrees 52' 06" West, 174.68 feet;

Thence continuing along said Southerly line, South 79 degrees 18' 07" West, 46.26 feet to a point on the Easterly right of way line of 10th Street;

Thence leaving said Easterly line, North 82 degrees 18' 34" West, 40.70 feet to a point on the centerline of 10th Street;

Thence along said centerline South 18 degrees 20' 40" West, 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84 degrees 27' 01" West, 83.62 feet;

Thence along the Northwesterly boundary of the land so conveyed, South 81 degrees 47'13" West, 91.61 feet;

Thence continuing along the Northwesterly boundary of land so conveyed, South 74 degrees 47' 23" West, 165.45 feet to the most Westerly corner of said parcel of land conveyed by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71 degrees 39' 20" West, 32.04 feet;

Thence leaving said centerline, South 78 degrees 44' 26" West, 93.14 feet to a point on the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18 degrees 16' 26" West, 13.22 feet to a point on said centerline of 9th Street also being the most Southerly corner of the land conveyed to the Southern Pacific Company by deed recorded in Book 197 of Deeds at Page 163;

Thence along the Southerly line of the land so conveyed, South 78 degrees 44' 26" West, 459.20 feet to a point on the Northeasterly prolongation of the centerline of 8th Street;

Thence along the Northeasterly prolongation of the centerline of 8th Street, South 18 degrees 20' 04" West, 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South 78 degrees 44' 26" West, 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line South 71 degrees 33' 53" East, 30.45 feet to the Northeast corner of Parcel A as shown on that certain Parcel Map filed for record in Book 120 of Parcel Maps at Page 10, Official County records of Sacramento County;

Thence along the Southerly line of said Parcel A South 81 degrees 33' 29" West, 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01 degrees 54' 55" East, 320.84 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52 degrees 58' 34";

Thence leaving said Southerly line, South 79 degrees 25' 14" West, 190.28 feet;

Thence South 49 degrees 52' 44" West, 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30 degrees 11' 59";

Thence South 80 degrees 04' 43" West, 17.41 feet;

Thence South 33 degrees 41' 42" West, 107.73 feet;

Thence South 80 degrees 04' 43" West, 268.35 feet;

Thence South 18 degrees 24' 47" West, 490.56 feet;

Thence South 26 degrees 44' 53" East, 62.45 feet;

Thence South 71 degrees 37' 38" East 57.14 feet to the intersection of the Northerly line of "H" Street with the Westerly line of 5th Street;

Thence along said Westerly line of 5th Street South 18 degrees 26' 34" West, 40.00 feet to the centerline of said "H" Street;

Thence along said centerline of "H" Street and its Westerly prolongation North 71 degrees 33' 22" West, 136.17 feet;

Thence leaving said Westerly prolongation North 18 degrees 19' 44" East, 219.75 feet;

Thence North 74 degrees 25' 02" West, 324.15 feet;

Thence 135.42 feet along the arc of a 463.00 foot radius curve to the left, through a central angle of 16 degrees 45' 28";

Thence South 88 degrees 49' 30" West, 65.06 feet;

Thence 173.69 feet along the arc of a 598.00 foot radius curve to the right, through a central angle of 16 degrees 38' 31";

Thence North 74 degrees 31' 59" West, 71.04 feet;

Thence 37.89 feet along the arc of a 300.00 foot radius curve to the left, through a central angle of 07 degrees 14' 13";

Thence North 81 degrees 46' 12" West, 126.38 feet;

Thence 82.27 feet along the arc of a 465.50 foot radius curve to the right, through a central angle of 10 degrees 07' 32";

Thence North 71 degrees 38' 40" West, 81.23 feet;

Thence North 71 degrees 36' 58" West, 73.92 feet;

Thence South 85 degrees 33' 27" West, 56.27 feet;

Thence 336.55 feet along the arc of a 843.00 foot radius curve to the right, through a central angle of 22 degrees 52' 26" to the Southerly line of said tract being the Point of Beginning.

The Basis of Bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown as North 71 degrees 30' 19" West.

Excluding therefrom a parcel with a lower plane 1cm above the top of the rails, as said rails are presently located or as such rails would be installed at a later date, as follows:

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on that certain Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records and being more particularly described as follows:

Commencing at a 1 1/4" iron pipe situate on the Southerly line 289.99 feet East of the Southwest corner of said tract of land, as shown on said Record of Survey; Thence from said Point of Commencement along the Southerly line of said tract of land, North 71 degrees 34' 07" West a distance of 120.48 feet to the True Point of Beginning;

Thence from said Point of Beginning, continuing along the Southerly line of said tract of land, North 71 degrees 34' 07" West a distance of 169.51 feet to the Southwest corner of the 203.161 acre tract of land as shown on said Record of Survey;

Thence along the Westerly line of said tract of land, North 14 degrees 06' 26" East a distance of 37.80 feet;

Thence continuing along said Westerly line, North 07 degrees 07' 30" East a distance of 25.91 feet;

Thence continuing along said Westerly line and the Easterly prolongation of said Westerly line, South 71 degrees 34' 07" East a distance of 114.83 feet;

Thence 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33 degrees 33' 28";

Thence North 74 degrees 52' 25" East a distance of 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05 degrees 12' 18";

Thence North 80 degrees 04' 43" East a distance of 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23 degrees 28' 09";

Thence North 56 degrees 36' 34" East a distance of 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22 degrees 05' 55";

Thence North 78 degrees 42' 29" East a distance of 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right through a central angle of 29 degrees 45' 03";

Thence South 71 degrees 32' 29" East a distance of 93.07 feet to a point situate along the Easterly line of said tract of land also being the Westerly right-of-way of 12th Street;

Thence along said Westerly right-of-way of 12th Street, South 18 degrees 26' 40" West a distance of 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street, as shown on said Record of Survey;

Thence along said Westerly prolongation of said centerline of B Street also being the Southerly line of said tract of land, North 71 degrees 38' 41" West a distance of 361.91 feet to the centerline intersection of the prolongation of "B" Street and 11th Street;

Thence leaving the Westerly prolongation of "B" Street and along the centerline of 11th Street, South 18 degrees 27' 07" West a distance of 62.81 feet to a point situate along said centerline;

Thence leaving said centerline, North 71 degrees 32' 53" West a distance of 40.00 feet to a point situate along the Westerly right-of-way of 11th Street;

Thence along the Westerly right-of-way of 11th Street, South 18 degrees 27' 07" West a distance of 16.28 feet;

Thence leaving said Westerly right-of-way and along the Southerly line of said tract of land, North 84 degrees 24' 44" West a distance of 67.86 feet;

Thence continuing along said Southerly line, South 89 degrees 11' 12" West a distance of 59.50 feet;

Thence continuing along said Southerly line, South 84 degrees 52' 06" West a distance of 174.68 feet;

Thence continuing along said Southerly line, South 79 degrees 18' 07" West a distance of 46.26 feet to a point situate along the Easterly right of way of 10th Street;

Thence leaving said Easterly line, North 82 degrees 18' 34" West a distance of 40.70 feet to a point situate on the centerline of 10th Street;

Thence along said centerline South 18 degrees 20' 40" West a distance of 42.10 feet:

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84 degrees 27' 01" West a distance of 83.62 feet;

Thence along the Northwesterly boundary of the land so conveyed, South 81 degrees 47' 13" West a distance of 91.61 feet;

Thence continuing along the Northwesterly boundary of land so conveyed, South 74 degrees 47' 23" West a distance of 165.45 feet to the most Westerly corner of said parcel of land conveyed to the Southern Pacific Transportation Company by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71 degrees 39' 20" West a distance of 32.04 feet;

Thence leaving said centerline, South 78 degrees 44' 26" West a distance of 93.14 feet to a point situate along the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18 degrees 16' 26" West a distance of 13.22 feet to a point situate along said centerline of 9th Street also being the most Southerly corner of the land conveyed to the Southern Pacific Company by deed recorded in Book 197 of deeds at Page 163;

Thence along the Southerly line of the land so conveyed, South 78 degrees 44' 26" West a distance of 459.20 feet to a point situate along the Northeasterly extension of the centerline of 8th Street;

Thence along the Northeasterly extension of the centerline of 8th Street South 18 degrees 20' 04" West a distance of 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South 78 degrees 44' 26" West a distance of 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line South 71 degrees 33' 53" East a distance of 30.45 feet to the Northeast corner of parcel a as shown on that certain Parcel Map filed for record in Book 120 of Parcel Maps at Page 10, official County Records of Sacramento County;

Thence along the Southerly line of said Parcel A, South 81 degrees 33' 29" West a distance of 60.44 feet to a point of non- tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01 degrees 54'55" East, 320.83 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52 degrees 58'34";

Thence leaving said Southerly line, South 79 degrees 25'14" West a distance of 190.28 feet;

Thence South 49 degrees 52'44" West a distance of 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30 degrees 11"59";

Thence South 80 degrees 04'43" West a distance of 985.70 feet;

Thence 140.86 feet along the arc of a 1473.00 foot radius tangent curve through a central angle of 05 degrees 28'44";

Thence South 85 degrees 33' 27" West a distance of 574.46 feet;

Thence 336.55 feet along the arc of an 843.00 foot radius tangent curve to the right though a central angle of 22 degrees 52' 26" to a point situate along the Southerly line of said tract of land and the True Point of Beginning.

The Basis of Bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10.

This parcel is also described as Parcel B in the Certificate of Compliance recorded December 28, 2006 in Book 20061228, Page 1681, Official Records.

Parcel 5:

A parcel with a lower plane 1cm above the top of the rails, as said rails are presently located or as such rails would be installed at a later date, as follows:

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of

Sacramento County and a portion of Parcel A as said parcel is shown and so designated on that certain Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records and being

More particularly described as follows:

Commencing at a 1 1/4 iron pipe situate on the Southerly line 289.99 feet East of the Southwest corner of said tract of land, as shown on said Record of Survey; Thence from said Point of Commencement along the Southerly line of said tract of land, North 71 degrees 34'07" West a distance of 120.48 feet to the True Point of Beginning;

Thence from said Point of Beginning, continuing along the Southerly line of said tract of land, North 71 degrees 34' 07" West a distance of 169.51 feet to the Southwest corner of the 203.161 acre tract of land as shown on said Record of Survey;

Thence along the Westerly line of said tract of land, North 14 degrees 06'26" East a distance of 37.80 feet;

Thence continuing along said Westerly line, North 07 degrees 07' 30" East a distance of 25.91 feet;

Thence continuing along said Westerly line and the Easterly prolongation of said Westerly line, South 71 degrees 34'07" East a distance of 114.83 feet;

Thence 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33 degrees 33' 28";

Thence North 74 degrees 52' 25" East a distance of 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05 degrees 12' 18";

Thence North 80 degrees 04' 43" East a distance of 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23 degrees 28' 09";

Thence North 56 degrees 36' 34" East a distance of 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22 degrees 05' 55";

Thence North 78 degrees 42' 29" East a distance of 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29 degrees 45' 03";

Thence South 71 degrees 32' 29" East a distance of 93.07 feet to a point situate along the Easterly line of said tract of land also being the Westerly right-of-way of 12th Street;

Thence along said Westerly right-of-way of 12th Street, South 18 degrees 26' 40" West a distance of 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street, as shown on said Record of Survey;

Thence along the Westerly prolongation of said centerline of B Street also being the Southerly line of said tract of land, North 71 degrees 38' 41" West a distance of 361.91 feet to the centerline intersection of the prolongation of "B" Street and 11th Street;

Thence leaving the Westerly prolongation of "B" Street and along the centerline of 11th Street, South 18 degrees 27' 07" West a distance of 62.81 feet to a point situate along said centerline;

Thence leaving said centerline, North 71 degrees 32' 53" West a distance of 40.00 feet to a point situate along the Westerly right-of-way of 11th Street;

Thence along the Westerly right-of-way of 11th Street, South 18 degrees 27' 07" West a distance of 16.28 feet;

Thence leaving said Westerly right-of-way and along the Southerly line of said tract of land, North 84 degrees 24' 44" West a distance of 67.86 feet;

Thence continuing along said Southerly line, South 89 degrees 11' 12" West a distance of 59.50 feet;

Thence continuing along said Southerly line, South 84 degrees 52' 06" West a distance of 174.68 feet;

Thence continuing along said Southerly line, South 79 degrees 18' 07" West a distance of 46.26 feet to a point situate along the Easterly right of way of 10th Street;

Thence leaving said Easterly line, North 82 degrees 18' 34" West a distance of 40.70 feet to a point situate on the centerline of 10th Street;

Thence along said centerline South 18 degrees 20' 40" West a distance of 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84 degrees 27' 01" West a distance of 83.62 feet;

Thence along the Northwesterly boundary of the land so conveyed, South 81 degrees 47' 13" West a distance of 91.61 feet;

Thence continuing along the Northwesterly boundary of land so conveyed, South 74 degrees 47' 23" West a distance of 165.45 feet to the most Westerly corner of said parcel of land conveyed to the Southern Pacific Transportation Company by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71 degrees 39'20" West a distance of 32.04 feet;

Thence leaving said centerline, South 78 degrees 44' 26" West a distance of 93.14 feet to a point situate along the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18 degrees 16'26" West a distance of 13.22 feet to a point situate along said centerline of 9th Street also being the most Southerly corner of the land conveyed to the Southern Pacific Company by deed recorded in Book 197 of deeds at Page 163;

Thence along the Southerly line of the land so conveyed, South 78 degrees 44'26" West a distance of 459.20 feet to a point situate along the Northeasterly extension of the centerline of 8th Street;

Thence along the Northeasterly extension of the centerline of 8th Street, South 18 degrees 20' 04" West a distance of 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South 78 degrees 44' 26" West a distance of 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line South 71 degrees 33' 53" East a distance of 30.45 feet to the Northeast corner of Parcel A as shown on that certain Parcel Map filed for record in Book 120 of Parcel Maps at Page 10, official County records of Sacramento County;

Thence along the Southerly line of said Parcel A, South 81 degrees 33' 29" West a distance of 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01 degrees 54' 55" East, 320.83 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52 degrees 58' 34";

Thence leaving said Southerly line, South 79 degrees 25' 14" West a distance of 190.28 feet;

Thence South 49 degrees 52' 44" West a distance of 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of 30 degrees 11' 59";

Thence South 80 degrees 04' 43" West a distance of 985.70 feet;

Thence 140.86 feet along the arc of a 1473.00 foot radius tangent curve through a central angle of 05 degrees 28' 44";

Thence South 85 degrees 33'27" West a distance of 574.46 feet;

Thence 336.55 feet along the arc of an 843.00 foot radius tangent curve to the right though a

central angle of 22 degrees 52' 26" to a point situate along the Southerly line of said tract of land and the True Point of Beginning.

PARCEL 6:

An easement for storm water drainage as granted and defined in that certain instrument entitled "Reciprocal Easement Agreement" by and between Union Pacific Railroad Co., a Delaware Corporation and Rea Partners, a California General Partnership, recorded December 17, 2002 in book 20021217, page 2211, official records.

Excepting therefrom the following parcels of Land granted to the City of Sacramento by deed filed on February 28, 2011 in Book 20110228 at Page 0955 described as follows:

TWO PARCELS OF LAND SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO AND STATE OF CALIFORNIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Parcel B

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre Tract of Land shown and so delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records and also being a portion of Parcel B as said parcel is shown and so delineated on that certain Certificate of Compliance recorded in Book 20061228 Page 1681 of said Official Records being described as follows:

Beginning at a point on the Southerly line of said 203.161 acre Tract of Land as shown on said Record of Survey, said point bears South 71°34'07" East, 169.51 feet from the Southwesterly corner of said Tract;

Thence along said Southerly line North 71°34'07" West, 169.51 feet to said Southwesterly corner;

Thence along the Westerly line of said Tract of Land, North 14°06'26" East a distance of 37.80 feet;

Thence continuing along said Westerly line, North 07°07'30" East a distance of 25.91 feet;

Thence continuing along said Westerly line and the Easterly prolongation of said Westerly line, South 71°34'07" East a distance of 114.85 feet;

Thence leaving said Easterly prolongation 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33°33'28";

Thence North 74°52'25" East, a distance of 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05°12'18";

Thence North 80°04'43" East a distance of 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23°28'09";

Thence North 56°36'34" East a distance of 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22°05'55";

Thence North 78°42'29" East a distance of 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29°45'03";

Thence South 71°32'29" East a distance of 93.07 feet to a point situate along the Easterly line of said 203.161 acre Tract of Land also being the Westerly right-of-way line of 12th Street;

Thence along said Westerly right-of-way line of 12th Street, South 18°26'40" West, a distance of 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street being the Southwesterly corner of said Tract of Land as shown on said Record of Survey;

Thence along the Westerly prolongation of said centerline of "B" Street also being the Southerly line of said Tract of Land, North 71°38'41" West a distance of 361.91 feet to the intersection of the prolongation of "B" Street and the centerline of 11th Street;

Thence along the centerline of 11th Street, South 18°27'07" West a distance of 62.81 feet;

Thence leaving said centerline, North 71°32'53" West a distance of 40.00 feet to a point situate along the Westerly right-of-way of 11th Street;

Thence along the Westerly right-of-way of 11th Street, South 18°27'07" West a distance of 16.28 feet;

Thence leaving said Westerly right-of-way of 11th and along the Southerly line of Said Tract of Land, North 84°24'44" West a distance of 67.86 feet;

Thence continuing along said Southerly line, South 89°11'12" West a distance of 59.50 feet;

Thence continuing along said Southerly line, South 84°53'06" West a distance of 174.68 feet;

Thence continuing along said Southerly line, South 79°18'07" West a distance of 46.26 feet to a point situate along the Easterly right-of-way line of 10th Street;

Thence leaving said Easterly line, North 82°18'34" West a distance of 40.70 feet to a point situate on the centerline of 10th Street;

Thence along said centerline, South 18°20'40" West a distance of 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84°27'01" West a distance of 83.62 feet;

Thence along the Northwesterly boundary of the land so conveyed, South 81°47'13" West a distance of 91.61 feet;

Thence continuing along the Northwesterly boundary of land so conveyed, South 74°47'23" West a distance of 165.45 feet to the most Westerly corner of said parcel of land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71°39'20" West a distance of 32.04 feet;

Thence leaving said centerline, South 78°44'26" West a distance of 93.14 feet to a point situate along the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18°16'26" West a distance of 13.22 feet to a point situate along the centerline of 9th Street also being the most Southerly corner of the land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 197 at Page 163;

Thence along the Southerly line of land so conveyed, South 78°44'26" West a distance of 459.20 feet to a point on the Northeasterly prolongation of the centerline of the centerline of 8th Street;

Thence along the Northeasterly prolongation of the centerline of 8th Street, South 18°20'04" West a distance of 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by Deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South 78°44'26" West a distance of 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line, South 71°33'53" East a distance of 30.45 feet to the Northeasterly corner of Parcel A as shown on that certain Parcel Map filed for Record in Book 120 of Parcel Maps at Page 10, Official Records of the County of Sacramento;

Thence along the Southerly line of said Parcel A, South 81°3'29" West a distance of 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North 01°54'55" East, 320.84 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52°58'34";

Thence leaving said Southerly line, South 79°25'14" West a distance of 190.28 feet;

Thence South 49°52'44" West a distance of 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a

central angle of 30°11'59";

Thence South 80°04'43" West, 17.41 feet;

Thence South 33°41'42" West, 107.73 feet;

Thence South 80°04'43" West, 268.35 feet;

Thence South 18°24'47" West, 490.56 feet;

Thence South 26°44'53" East, 62.45 feet;

Thence South 71°37'38" East a distance of 57.14 feet to the intersection of the Northerly line of "H" Street with the Westerly line of 5th Street;

Thence along the Westerly line of 5th Street South 18°26'34" West, 40.00 feet to the centerline of "H" Street;

Thence along the centerline of "H" Street and its Westerly prolongation North 71°33'22" West, 136.17 feet;

Thence leaving said Westerly prolongation North 18°19'44" East, 219.75 feet;

Thence North 74°25'02" West, 324.15 feet;

Thence 135.42 feet along the arc of a 463.00 foot radius tangent curve to the left, through a central angle of 16°45'28";

Thence South 88°49'30" West, 65.06 feet;

Thence 173.69 feet along the arc of a 598.00 foot radius tangent curve to the right, through a central angle of 16°38'31";

Thence North 74°31'59" West, 71.04 feet;

Thence 37.89 feet along the arc of a 300.00 foot radius tangent curve to the left, through a central angle of 07°14'13";

Thence North 81°46'12" West, 126.38 feet;

Thence 82.27 feet along the arc of a 465.00 foot radius tangent curve to the right, through a central angle of 10°07'32";

Thence North 71°38'40" West, 81.23 feet;

Thence North 71°36'58" West, 73.92 feet;

Thence South 85°33'27" West a distance of 56.27 feet;

Thence 336.55 feet along the arc of an 843.00 foot radius tangent curve to the right through a central angle of 22°52'26" to a point situate along the Southerly line of said Tract of Land and

the Point of Beginning.

The Basis of Bearings for this description is the most Southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown as North 71°30'19" West.

Containing 23.86 acres of land, more or less.

Note: The above described parcel does not include rights to the exclusion parcel as shown on that Certificate of Compliance recorded in the Office of the Recorder in Book 20061228, at Page 1681, Official Records of Sacramento County.

SLIVER PARCEL

All that certain real property situate in the City of Sacramento, County of Sacramento and State of California and being a portion of that certain 203.161 acre Tract of Land shown and so delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County.

Commencing at a 1 1/4 iron pipe located South 71°34'07" East, 289.99 feet from the southwesterly corner of said 203.161 acre Tract of Land, as shown on said Record of Survey;

Thence from said Point of Commencement along the southerly line of said Tract of Land, North 71°34'07" West a distance of 289.99 feet to said southwesterly corner of said Tract of Land, said point also being the southwesterly corner of Parcel B as said parcel is shown and so delineated on that certain Certificate of Compliance recorded in Book 20061228 Page 1681, Official Records of Sacramento County;

Thence along the westerly line of said Parcel B and said Tract of Land, North 14°06'26" East a distance of 37.80 feet;

Thence continuing along said westerly line, North 07°07'30" East a distance of 25.91 feet;

Thence continuing along said westerly line and the easterly prolongation of said westerly line along the northerly line of said Parcel B, South 71°34'07" East a distance of 114.83 feet to the True Point of Beginning.

Thence from said True Point of Beginning, leaving said northerly line of Parcel B, from a radial line that bears South 16°11'38" West, 256.48 feet along the arc of a 969.00 foot radius nontangent curve to the left, through a central angle of 15°09'55" to a point of non-tangent curvature, said point being a point on the northerly line of said Parcel B;

Thence along the northerly line of Parcel B, from a radial line that bears South 01°12'04" East, 256.99 feet along the arc of a 750.00 foot radius non-tangent curve to the right through a central angle of 19°37'57" to the True Point of Beginning.

Containing 429.00 square feet of land, more or less.

The Basis of Bearings for this description is the most southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10, said bearing is shown as North 71°30'19" West.

AIRSPACE RIGHTS IN FEE SIMPLE

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre tract of land shown and so delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on that certain Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records also being a portion of Parcel B as said parcel is shown and so delineated on that certain Certificate of Compliance recorded in Book 20061228 Page 1681 of said Official Records and more particularly all that certain airspace with a lower plane 1cm above the top of the rails, as said rails are presently located or as such rails would be installed at a later date, as follows:

Commencing at a 1 1/4 iron pipe located South 71°34'07" East, 289.99 feet from the southwesterly corner of said Parcel B and said 203.161 acre Tract of Land as shown on said Record of Survey;

Thence from said Point of Commencement along the Southerly line of said Tract of Land, North 71 degrees 34'07" West a distance of 120.48 feet to the True Point of Beginning;

Thence from said True Point of Beginning, continuing along the Southerly line of said Tract of Land, North 71° 34' 07" West a distance of 169.51 feet to the Southwest corner of the 203.161 acre Tract of Land as shown on said Record of Survey;

Thence along the Westerly line of said tract of land, North 14° 06'26" East a distance of 37.80 feet;

Thence continuing along said Westerly line, North 07° 07' 30" East a distance of 25.91 feet;

Thence continuing along said Westerly line and the Easterly prolongation of said Westerly line, South 71° 34'07" East a distance of 114.83 feet;

Thence 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33° 33' 28";

Thence North 74° 52' 25" East a distance of 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05° 12' 18";

Thence North 80° 04' 43" East a distance of 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23° 28' 09";

Thence North 56° 36' 34" East a distance of 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a

central angle of 22° 05' 55";

Thence North 78° 42' 29" East a distance of 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29° 45' 03";

Thence South 71° 32' 29" East a distance of 93.07 feet to a point situate along the Easterly line of said Tract of Land also being the Westerly right-of-way of 12th Street;

Thence along said Westerly right-of-way of 12th Street, South 18° 26' 40" West a distance of 66.90 feet to the intersection with the Westerly prolongation of the centerline of "B" Street, as shown on said Record of Survey;

Thence along the Westerly prolongation of said centerline of B Street also being the Southerly line of said Tract of Land, North 71° 38' 41" West a distance of 361.91 feet to the centerline intersection of the prolongation of "B" Street and 11th Street;

Thence leaving the Westerly prolongation of "B" Street and along the centerline of 11th Street, South 18° 27' 07" West a distance of 62.81 feet to a point situate along said centerline;

Thence leaving said centerline, North 71° 32' 53" West a distance of 40.00 feet to a point situate along the Westerly right-of-way of 11th Street;

Thence along the Westerly right-of-way of 11th Street, South 18° 27' 07" West a distance of 16.28 feet;

Thence leaving said Westerly right-of-way and along the Southerly line of said Tract of Land, North 84° 24' 44" West a distance of 67.86 feet;

Thence continuing along said Southerly line, South 89° 11' 12" West a distance of 59.50 feet;

Thence continuing along said Southerly line, South 84° 52' 06" West a distance of 174.68 feet;

Thence continuing along said Southerly line, South 79° 18' 07" West a distance of 46.26 feet to a point situate along the Easterly right of way of 10th Street;

Thence leaving said Easterly line, North 82° 18' 34" West a distance of 40.70 feet to a point situate on the centerline of 10th Street;

Thence along said centerline South 18° 20' 40" West a distance of 42.10 feet;

Thence leaving said centerline and along the Northwesterly boundary of land conveyed to Southern Pacific Transportation Company by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84° 27' 01" West a distance of 83.62 feet;

Thence along the Northwesterly boundary of the land so conveyed, South 81° 47' 13" West a distance of 91.61 feet;

Thence continuing along the Northwesterly boundary of land so conveyed, South 74° 47' 23" West a distance of 165.45 feet to the most Westerly corner of said parcel of land conveyed to

the Southern Pacific Transportation Company by deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North $71^{\circ} 39' 20''$ West a distance of 32.04 feet;

Thence leaving said centerline, South $78^{\circ} 44' 26''$ West a distance of 93.14 feet to a point situate along the centerline of 9th Street;

Thence along the centerline of 9th Street, South $18^{\circ} 16' 26''$ West a distance of 13.22 feet to a point situate along said centerline of 9th Street also being the most Southerly corner of the land conveyed to the Southern Pacific Company by deed recorded in Book 197 of deeds at Page 163;

Thence along the Southerly line of the land so conveyed, South $78^{\circ} 44' 26''$ West a distance of 459.20 feet to a point situate along the Northeasterly extension of the centerline of 8th Street;

Thence along the Northeasterly extension of the centerline of 8th Street, South $18^{\circ} 20' 04''$ West a distance of 2.91 feet;

Thence leaving said centerline and along the Northerly line of the land conveyed to Consumers Ice and Cold Storage Company by deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South $78^{\circ} 44' 26''$ West a distance of 184.38 feet to a point on the Northerly line of "D" Street;

Thence along said Northerly line South $71^{\circ} 33' 53''$ East a distance of 30.45 feet to the Northeast corner of parcel a as shown on that certain Parcel Map filed for record in Book 120 of Parcel Maps at Page 10, official County records of Sacramento County;
Thence along the Southerly line of said parcel a South $81^{\circ} 33' 29''$ West a distance of 60.44 feet to a point of non-tangent curvature;

Thence continuing along said Southerly line, from a radial line that bears North $01^{\circ} 54' 55''$ East, 320.83 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52 degrees 58' 34";

Thence leaving said Southerly line, South $79^{\circ} 25' 14''$ West a distance of 190.28 feet;

Thence South $49^{\circ} 52' 44''$ West a distance of 326.94 feet;

Thence 444.33 feet along the arc of a 843.00 foot radius tangent curve to the right, through a central angle of $30^{\circ} 11' 59''$;

Thence South $80^{\circ} 04' 43''$ West a distance of 985.70 feet;

Thence 140.86 feet along the arc of a 1473.00 foot radius tangent curve through a central angle of 05° 28' 44";

Thence South 85° 33'27" West a distance of 574.46 feet;

Thence 336.55 feet along the arc of an 843.00 foot radius tangent curve to the right though a central angle of 22° 52' 26" to a point situate along the Southerly line of said Tract of Land and the True Point of Beginning.

Containing 17.46 acres of land, more or less.

The Basis of Bearings for this description is the most southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10, said bearing is shown as North 71°30'19" West.

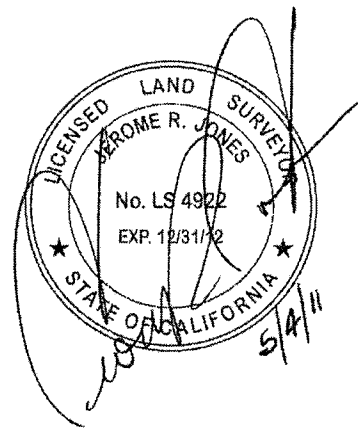


EXHIBIT A-4

LEGAL DESCRIPTION of CITY PARCEL

TWO PARCELS OF LAND SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL B

All that certain real property situate in the City and County of Sacramento, State of California and being a portion of that certain 203.161 acre Tract of Land shown and so delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and a portion of Parcel A as said parcel is shown and so designated on Parcel Map filed in Book 120 of Parcel Maps, at Page 10 of said Official Records and also being all of Parcel B as said parcel is shown and so delineated on that certain Certificate of Compliance recorded in Book 20061228 Page 1681 of said Official Records being described as follows:

Beginning at a point on the southerly line of said 203.161 acre Tract of Land as shown on said Record of Survey, said point bears South 71834'07" East, 169.51 feet from the southwesterly corner of said Tract;

Thence along said southerly line North 71834'07" West, 169.51 feet to said southwesterly corner;

Thence along the westerly line of said Tract of Land, North 14806'26" East a distance of 37.80 feet;

Thence continuing along said westerly line, North 07807'30" East a distance of 25.91 feet;

Thence continuing along said westerly line and the easterly prolongation of said westerly line, South 71834'07" East a distance of 114.85 feet;

Thence leaving said easterly prolongation 439.27 feet along the arc of a 750.00 foot radius tangent curve to the left through a central angle of 33833'28";

Thence North 74852'25" East a distance of 583.72 feet;

Thence 136.27 feet along the arc of a 1500.00 foot radius tangent curve to the right through a central angle of 05812'18";

Thence North 80804'43" East a distance of 1035.82 feet;

Thence 337.93 feet along the arc of an 825.00 foot radius tangent curve to the left through a central angle of 23828'09";

Thence North 56836'34" East a distance of 416.15 feet;

Thence 192.85 feet along the arc of a 500.00 foot radius tangent curve to the right, through a central angle of 22805'55";

Thence North 78842'29" East a distance of 1371.35 feet;

Thence 711.37 feet along the arc of a 1370.00 foot radius tangent curve to the right, through a central angle of 29845'03";

Thence South 71832'29" East a distance of 93.07 feet to a point situate along the easterly line of said 203.161 acre Tract of Land also being the westerly right-of-way line of 12th Street;

Thence along said westerly right-of-way line of 12th Street, South 18826'40" West a distance of 66.90 feet to the intersection with the westerly prolongation of the centerline of "B" Street being the southwesterly corner of said Tract of Land as shown on said Record of Survey;

Thence along the westerly prolongation of said centerline of "B" Street also being the southerly line of said Tract of Land, North 71838'41" West a distance of 361.91 feet to the intersection of the prolongation of "B" Street and the centerline of 11th Street;

Thence along the centerline of 11th Street, South 18827'07" West a distance of 62.81 feet;

Thence leaving said centerline, North 71832'53" West a distance of 40.00 feet to a point situate along the westerly right-of-way line of 11th Street;

Thence along the westerly right-of-way line of 11th Street, South 18827'07" West a distance of 16.28 feet;

Thence leaving said westerly right-of-way line and along the southerly line of said Tract of Land, North 84824'44" West a distance of 67.86 feet;

Thence continuing along said southerly line, South 89811'12" West a distance of 59.50 feet;

Thence continuing along said southerly line, South 84852'06" West a distance of 174.68 feet;

Thence continuing along said southerly line, South 79818'07" West a distance of 46.26 feet to a point situate along the easterly right-of-way line of 10th Street;

Thence leaving said easterly line, North 82818'34" West a distance of 40.70 feet to a point situate on the centerline of 10th Street;

Thence along said centerline South 18820'40" West a distance of 42.10 feet;

Thence leaving said centerline and along the northwesterly boundary of land conveyed to Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento, South 84827'01" West a distance of 83.62 feet;

Thence along the northwesterly boundary of the land so conveyed, South 81847'13" West a distance of 91.61 feet;

Thence continuing along the northwesterly boundary of land so conveyed, South 74847'23" West a distance of 165.45 feet to the most westerly corner of said parcel of land conveyed to the Southern Pacific Transportation Company by Deed recorded in Book 7404-05 at Page 325 Official Records of the County of Sacramento also being the centerline of "C" Street;

Thence along the centerline of "C" Street, North 71839'20" West a distance of 32.04 feet;

Thence leaving said centerline, South 78844'26" West a distance of 93.14 feet to a point situate along the centerline of 9th Street;

Thence along the centerline of 9th Street, South 18816'26" West a distance of 13.22 feet to a point situate along said centerline of 9th Street also being the most southerly corner of the land conveyed to the Southern Pacific Transportation Company by Deed recorded in Book 197 of Deeds at Page 163;

Thence along the southerly line of the land so conveyed, South 78844'26" West a distance of 459.20 feet to a point on the northeasterly prolongation of the centerline of 8th Street;

Thence along the northeasterly prolongation of the centerline of 8th Street, South 18820'04" West a distance of 2.91 feet;

Thence leaving said centerline and along the northerly line of the land conveyed to Consumers Ice and Cold Storage Company by Deed recorded in Book 1239 of Deeds at Page 366 Official Records of the County of Sacramento, South 78844'26" West a distance of 184.38 feet to a point on the northerly line of "D" Street;

Thence along said northerly line South 71833'53" East a distance of 30.45 feet to the Northeasterly corner of Parcel A as shown on that certain Parcel Map filed for Record in Book 120 of Parcel Maps at Page 10, Official Records of the County of Sacramento;

Thence along the southerly line of said Parcel A South 81833'29" West a distance of 60.44 feet to a point of non-tangent curvature;

Thence continuing along said southerly line, from a radial line that bears North 01854'55" East, 320.84 feet along the arc of a 347.00 foot radius non-tangent curve to the left, through a central angle of 52858'34";

Thence leaving said southerly line, South 79825'14" West a distance of 190.28 feet;

Thence South 49852'44" West a distance of 326.94 feet;

Thence 444.33 feet along the arc of an 843.00 foot radius tangent curve to the right, through a central angle of 30811'59";

Thence South 80804'43" West, 17.41 feet;

Thence South 33841'42" West, 107.73 feet;

Thence South 80804'43" West, 268.35 feet;

Thence South 18824'47" West, 490.56 feet;

Thence South 26844'53" East, 62.45 feet;

Thence South 71837'38" East a distance of 57.14 feet to the intersection of the Northerly line of "H" Street with the Westerly line of 5th Street;

Thence along said Westerly line of 5th Street South 18826'34" West, 40.00 feet to the centerline of "H" Street;

Thence along the centerline of "H" Street and its Westerly prolongation North 71833'22" West, 136.17 feet;

Thence leaving said Westerly prolongation North 18819'44" East, 219.75 feet;

Thence North 74825'02" West, 324.15 feet;

Thence 135.42 feet along the arc of a 463.00 foot radius tangent curve to the left, through a central angle of 16845'28";

Thence South 88849'30" West, 65.06 feet;

Thence 173.69 feet along the arc of a 598.00 foot radius tangent curve to the right, through a central angle of 16838'31";

Thence North 74831'59" West, 71.04 feet;

Thence 37.89 feet along the arc of a 300.00 foot radius tangent curve to the left, through a central angle of 07814'13";

Thence North 81846'12" West, 126.38 feet;

Thence 82.27 feet along the arc of a 465.50 foot radius tangent curve to the right, through a central angle of 10807'32";
Thence North 71838'40" West, 81.23 feet;
Thence North 71836'58" West, 73.92 feet;
Thence South 85833'27" West a distance of 56.27 feet;
Thence 336.55 feet along the arc of an 843.00 foot radius tangent curve to the right through a central angle of 22852'26" to a point situate along the southerly line of said Tract of Land and the **Point of Beginning**.

The basis of bearings for this description is the most southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. Said bearing is shown as North 71830'19" West.

Containing 23.86 acres of land, more or less.

Note: The above described parcel does not include rights to the exclusion parcel as shown on that certificate of compliance recorded in the Office of the Recorder in Book 20061228, at Page 1681, records of Sacramento County.

APN: 002-0010-046

SLIVER PARCEL

All that certain real property situate in the City of Sacramento, County of Sacramento, State of California and being a portion of that certain 203.161 acre Tract of Land shown and so delineated on that certain Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County.

Commencing at a 1 ¼" Iron Pipe located South 71834'07" East, 289.99 feet from the southwesterly corner of said 203.161 acre Tract of Land, as shown on said Record of Survey;

Thence from said Point of Commencement along the southerly line of said Tract of Land, North 71834'07" West a distance of 289.99 feet to said southwesterly corner of said Tract of Land, said point also being the southwesterly corner of Parcel B as said parcel is shown and so delineated on that certain Certificate of Compliance recorded in Book 20061228 Page 1681, Official Records of Sacramento County;

Thence along the westerly line of said parcel B and said Tract of Land, North 14806'26" East a distance of 37.80 feet;

Thence continuing along said westerly line, North 07807'30" East a distance of 25.91 feet;

Thence continuing along said westerly line and the easterly prolongation of said westerly line along the northerly line of said Parcel B, South 71834'07" East a distance of 114.83 feet to the **True Point of Beginning**;

Thence from said **True Point of Beginning**, leaving said northerly line of Parcel B, from a radial line that bears South 16811'38" West, 256.48 feet along the arc of a 969.00 foot

radius non-tangent curve to the left, through a central angle of 15809'55" to a point of non-tangent curvature, said point being a point on the northerly line of said Parcel B; Thence along the northerly line of said Parcel B, from a radial line that bears South 01812'04" East, 256.99 feet along the arc of a 750.00 foot radius non-tangent curve to the right through a central angle of 19837'57" to the **True Point of Beginning**.

Containing 429.00 square feet of land, more or less.

The basis of bearings for this description is the most southerly line of Parcel A, as filed in Book 120 of Parcel Maps, at Page 10. said bearing is shown as North 71830'19" West.

PORTION OF APN: 002-0010-053

End of Description
4-13-11

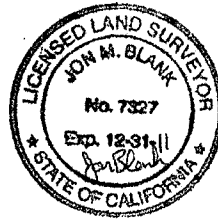


EXHIBIT B

LEGAL DESCRIPTION of WATERFRONT PARCEL

AD 498

TWO PARCELS OF LAND SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

All of that parcel described in Exhibit A of that document recorded March 26, 1980 in Book 8003-26, Pages 478 – 487, Sacramento County Records; said parcel also described as Parcel 3753A in Exhibit "T" of the Resolution of the State Public Works Board, as recorded in the above mentioned document;

TOGETHER WITH an easement in Parcel 3753B as described in Exhibit "T" of the above referenced recorded document.

END OF DESCRIPTION



Exhibit C

LEGAL DESCRIPTION of SAND COVE PARCELS

AD 498

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

Parcel No. 1:

A portion of Parcel B as said parcel is shown on the Parcel Map entitled "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1, Book 15 of Maps, Map No. 26", filed in the office of the Recorder of Sacramento County, California, on March 17, 1982, in Book 70 of Parcel Maps, Map No. 6, described as follows:

Beginning at a point in said Parcel B from which the Northwest corner of said Parcel B bears the following two (2) courses and distances: (1) West 100 feet and (2) North 270.00 feet; thence from said point of beginning North 134.79 feet and parallel to the Westerly line of said Parcel B; thence Northeasterly along a curve to the left having an arc of 1115.37 feet radius, said arc being subtended by a chord bearing North 60°45'40" East 360.85 feet; thence North 51°28'30" East 13.00 feet; thence South 38°31'30" East 116.00 feet; thence South 51°28'30" West 115.51 feet; thence South 35°39'55" East 25.83 feet to a point on the Southeasterly line of said Parcel B; thence Westerly along said Southeasterly line the following two (2) courses and distances: (1) South 54°20'05" West 110.90 feet and (2) South 32°16'17" West 67.47 feet; thence leaving said line North 57°43'43" West 35.25 feet; thence South 32°16'17" West 105.00 feet; thence West 110.00 feet; thence North 56.21 feet to the point of beginning; being further described as Parcel A in the Certificate of Compliance recorded October 2, 1985, in Book 851002, Page 1029, Official Records.

Excepting therefrom that portion of Parcel B as shown upon that Parcel Map entitled "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1, Book 15 of Maps, Map No. 26", filed in the office of the Recorder of Sacramento County, California, on March 17, 1982, in Book 70 of Parcel Maps, Map No. 6, described as follows:

Beginning at a point on the West line of said Parcel B; thence from which the Northwest corner of said Parcel B bears North 72.99 feet; thence from said point of beginning in a curve to the left, concave to the North, through a central angle of 4°30'36", having a radius of 1025.37 feet and subtended by a chord bearing North 71°53'15" East 80.69 feet; thence South 15°39'11" East 202.19 feet; thence North 74°11'41" East 86.30 feet; thence South 80°58'17" East 53.38 feet thence South 5°25'04" West 10.00 feet; thence South 32°16'17" West 105.00 feet; thence West 110.00 feet; thence North 56.21 feet; thence West 100 feet to the West line of said Parcel B; thence coincident with said West line of Parcel B North 197.01 feet to the point of beginning, as described in Deed executed by Walter M. Harvey, recorded May 31, 1996, in Book 19960531, Page 101, Official Records.

Parcel No. 2:

A portion of Parcel B as shown on the Parcel Map entitled "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1, Book 15 Maps, Map No. 26", filed in the office of the Recorder of Sacramento County, California, on March 17, 1982, in Book 70 of Parcel Maps, Map No. 6, described as follows:

Beginning at the Northwest corner of said Parcel B; thence from said point of beginning along the Northerly, Easterly and Southeasterly line of said Parcel B the following five (5) courses and distances: (1) Northeasterly along a curve to the left having an arc 955.37 feet radius, said arc being subtended by a chord bearing North 62°11'56" East 356.29 feet; (2) North 51°28'30" East 440.80 feet; (3) South 456.59 feet; (4) South 69°22'46" West 163.18 feet and (5) South 54°20'05" West 105.00 feet; thence leaving said line North 35°39'55" West 25.83 feet; thence North 51°28'30" East 115.51 feet; thence North 38°31'30" West 116.00 feet; thence South 51°28'30" West 13.00 feet; thence Southwesterly along a curve to the right having an arc of 1115.37 feet radius, said arc being subtended by a chord bearing South 60°45'40" West 360.85 feet; thence South and parallel to the Westerly line of said Parcel B 134.79 feet; thence West 100.00 feet to a point on the said Westerly line; thence North 270.00 feet to the point of beginning, being further described as Parcel B in the Certificate of Compliance recorded October 2, 1985, in Book 851002, Page 1029, Official Records.

Excepting therefrom that portion of Parcel B, as shown upon that Parcel Map entitled, "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1", Book 15 of Maps, Map No. 26, recorded in the office of the Recorder of Sacramento County in Book 70 of Parcel Maps, at Page 6, more particularly described as follows:

Beginning at a point on the West line of said Parcel B from which the Northwest corner of said Parcel B bears North 72.99 feet; thence from said point of beginning in a curve to the left, concave to the North, through a central angle of 4°30'36", having a radius of 1025.37 feet and subtended by a chord bearing North 71°53'15" East 80.69 feet; thence South 15°39'11" East 202.19 feet; thence North 74°11'41" East 86.30 feet; thence South 80°58'17" East 53.38 feet; thence South 5°25'04" West 10.00 feet; thence South 32°16'17" West 105.00 feet; thence West 110.00 feet; thence North 56.21 feet; thence West 100.00 feet to the West line of said Parcel B; thence coincident with said West line of Parcel B North 197.01 feet to the point of beginning, as described in Deed executed by Walter M. Harvey, recorded May 31, 1996 in Book 19960531, Page 101, Official Records.

Parcel No. 3

Lots 11 and 12 of Natomas Riverside Subdivision No. 1, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on August 9, 1915, in Book 15 of Maps, Map No. 26.

EXCEPTING THEREFROM all that portion of said Lots 11 and 12 lying Northerly of the center line of the public road 40 feet in width, as described in that certain deed dated November 21, 1927, recorded July 29, 1928, in Book 193 of Official Records, page 339, executed by Natomas Company of California to the County of Sacramento.

END OF DESCRIPTION



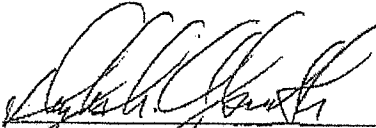
EXHIBIT D
CENTRAL RAILSHOPS PARCEL
LEGAL DESCRIPTION
RAILROAD TECHNOLOGY MUSEUM

A portion of that certain 203.161 acre tract of land shown and delineated on a Record of Survey filed in Book 51 of Surveys at Page 10 of the Official Records of Sacramento County and being more particularly described as follows:

Commencing at a point on the westerly boundary of said tract of land and being the southerly terminus of that certain course labeled *North 01°20'08" East ~ 567.62'*; thence from said Point of Commencement, leaving said westerly boundary, *South 76°10'54" East 636.10 feet* to a point on the easterly right-of-way line of Interstate Freeway No. 5, said point being a non-tangent point on the beginning of a 387.63 foot radius curve the center of which bears *North 60°48'35" West* and also being the True Point of Beginning of this description;

Thence from said True Point of Beginning, leaving said easterly Freeway right-of-way line, northeasterly along said curve to the left through a central angle of *21°49'11"* an arc distance of 147.62 feet; Thence *North 07°22'14" East 197.56 feet* to a non-tangent point on the beginning of a 312.36 foot radius curve the center of which bears *South 82°37'59" East*; Thence northeasterly along said curve to the right through a central angle of *68°25'39"* an arc distance of 373.05 feet to a non-tangent point on the beginning of a curve to the right having a 150.00 foot radius the center of which bears *North 85°48'26" East*; Thence northeasterly along said curve to the right through a central angle of *168°50'38"* an arc distance of 442.03 feet; Thence *North 80°13'45" East 17.54 feet*; Thence *South 10°21'02" East 600.20 feet*; Thence *South 80°04'43" West 253.36 feet* to a tangent point on the beginning of a 1500.00 foot radius curve the center of which bears *South 09°55'17" East*; Thence westerly along said curve to the left through a central angle of *05°12'18"* an arc distance of 136.27 feet; Thence *South 74°52'25" West 319.31 feet* to a non-tangent point on a 2039.00 foot radius curve the center of which bears *South 72°16'51" West*, said curve being the easterly right-of-way line of said Freeway; Thence northwesterly along said easterly right-of-way of said Freeway along said curve to the left through a central angle of *02°50'05"* an arc distance of 100.88 feet to the True Point of Beginning.

Containing 9.23 acres more or less


 Douglas L. Aylsworth L.S. 6314
 License Expires 12-31-06



April 18, 2006
 Date

The legal description of the Central Railshops Parcel may be modified prior to Closing by mutual agreement of State Parks and Thomas to incorporate changes to the northwest boundary of such parcel which correspond to engineering plans for trackage necessary to connect the Parcel to the UP main line.

Prepared by Nolte Associates, Inc.

Exhibit E
Form of Deed for
FORMER AMERICAN RIVER PARCEL from CITY to STATE LANDS

Recorded at the request of :
State of California
California State Lands Commission

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Attn: Legal
(916) 574-1850 / fax 1855 / Kathryn.Colson@slc.ca.gov

STATE OF CALIFORNIA - OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

NO TAX DUE _____

Above Space for Recorder's Use

C.S.L.C. - AD498 / G-21-01

Sacramento County APNs: 001-021-013; 0010-0210-016;
002-0010-035; 002-0010-043

QUITCLAIM DEED

For valuable consideration, the receipt and sufficiency of which is hereby
acknowledged,

The CITY OF SACRAMENTO hereby

QUITCLAIMS all its right title and interest, including but not limited to any interest
conveyed to it pursuant to Chapter 519 of the Statutes of 1868, to the STATE OF
CALIFORNIA, acting by and through the California State Lands Commission, in the
following described real property in the County of Sacramento, State of California:

see Land Description for FORMER AMERICAN RIVER PARCEL, which is
attached and incorporated herein by reference.

CITY OF SACRAMENTO

Date: _____

Approved as to form:

City Attorney

ACKNOWLEDGMENTS OF SIGNATURES TO BE ATTACHED

Exhibit F
INTENTIONALLY OMITTED

Exhibit G

Form of Deed for

SAND COVE PARCELS 1-3 from CITY to STATE LANDS

Recorded at the request of :
State of California
California State Lands Commission

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Attn: Legal
(916) 574-1850 / fax 1855 / Kathryn.Colson@slc.ca.gov

STATE OF CALIFORNIA - OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

NO TAX DUE _____

Above Space for Recorder's Use

C.S.L.C. - AD498 / G-21-01

Sacramento County APNs: 274-0220-022;
274-0220-064; 274-0220-066

QUITCLAIM DEED

For valuable consideration, the receipt and sufficiency of which is hereby
acknowledged,

The CITY OF SACRAMENTO, as municipal owner of lands, hereby

QUITCLAIMS all its right title and interest to the STATE OF CALIFORNIA, acting
by and through the California State Lands Commission, in the following described real
property in the County of Sacramento, State of California:

see Land Description for SAND COVE PARCELS 1-3 , which is attached and
incorporated herein by reference.

CITY OF SACRAMENTO, as a municipality

Date: _____

Approved as to form:

City Attorney

ACKNOWLEDGMENTS OF SIGNATURES TO BE ATTACHED

EXHIBIT H

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
State Lands Commission
Attn: Title Unit
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

No Tax due Space Above For Recorder's Use
Sacramento County APN #s: 001-210-18; 002-001-23

CSLC No. AD 498

**AGREEMENT FOR THE TRANSFER OF
JURISDICTION OF STATE-OWNED REAL PROPERTY**

THIS AGREEMENT dated the ___ day of _____ 2011, by and between the California Department of Parks and Recreation (Parks), and the California State Lands Commission (Commission), with the approval of the Director of General Services.

WITNESSETH:

WHEREAS, Parks has jurisdiction of the hereinafter described State-owned real property identified as the Waterfront Parcel, in the City of Sacramento, Sacramento County, and

WHEREAS, Commission desires to acquire jurisdiction of said real property, to be held subject to the Public Trust, and Parks is willing to transfer said jurisdiction effective on the date of approval by Department of General Services as set forth below;

NOW THEREFORE, pursuant to the provisions of Section 14673 of the Government Code of the State of California, Parks hereby transfers to Commission the jurisdiction of the State owned real property situated in the County of Sacramento, State of California, more particularly described in Exhibit "A" attached hereto, and Commission hereby accepts jurisdiction of said real property, subject to the Public Trust.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates hereafter affixed.

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ACKNOWLEDGEMENT OF SIGNATURES ATTACHED

APPROVED:

State of California
Department of General Services

By: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION of WATERFRONT PARCEL

AD 498

TWO PARCELS OF LAND SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

All of that parcel described in Exhibit A of that document recorded March 26, 1980 in Book 8003-26, Pages 478 – 487, Sacramento County Records; said parcel also described as Parcel 3753A in Exhibit "T" of the Resolution of the State Public Works Board, as recorded in the above mentioned document;

TOGETHER WITH an easement in Parcel 3753B as described in Exhibit "T" of the above referenced recorded document.

END OF DESCRIPTION



Exhibit I

Form of Deed for

CENTRAL SHOPS PARCELS from IA HOLDINGS to STATE PARKS

THE FORM OF THIS DOCUMENT WILL BE AGREED TO PURSUANT TO THE
CENTRAL SHOPS TRANSFER AGREEMENT BETWEEN STATE PARKS AND IA
HOLDINGS TO BE SUBMITTED INTO ESCROW AS SET FORTH IN SECTIONS I. D.
AND IV. C. 4. a. OF THIS AGREEMENT

Exhibit J

Form of Deed for

FORMER AMERICAN RIVER PARCEL from STATE LANDS to IA HOLDINGS

Recorded at the request of :
State of California
California State Lands Commission

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Attn: Legal
(916) 574-1850 / fax 1855 / Kathryn.Colson@slc.ca.gov

STATE OF CALIFORNIA - OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

NO TAX DUE _____

Above Space for Recorder's Use

C.S.L.C. - AD 498 / G-21-01 \

Sacramento County APNs: 001-021-013; 0010-0210-016;
002-0010-035; 002-0010-043

**STATE OF CALIFORNIA PATENT
QUITCLAIM AND TRUST TERMINATION**

The California State Lands Commission, acting pursuant to law, as approved by its Minute Item No. _____ of its public meeting on _____, in _____, California, after notice pursuant to the requirements of law, approved a **TITLE SETTLEMENT AND EXCHANGE AGREEMENT** (Railyards Agreement) between the **CITY OF SACRAMENTO (CITY)**, the **State of California acting by and through the CALIFORNIA STATE LANDS COMMISSION (STATE LANDS) and the CALIFORNIA DEPARTMENT OF PARKS AND RECREATION (STATE PARKS)**, and **IA SACRAMENTO HOLDINGS, L.L.C. (IA HOLDINGS)**.

The Agreement provides, among other things, that all right, title, and interest of the State of California under the jurisdiction of the California State Lands Commission in and to the FORMER AMERICAN RIVER PARCEL described herein, is to be quitclaimed by the State to IA HOLDINGS in exchange for certain consideration as provided in the Agreement, including acceptance of lands, which are of a value equal to or greater than the value of the State's interests in the trust termination parcel (FORMER AMERICAN RIVER PARCEL). Upon performance of the obligations of the Parties as provided in the Agreement and close of Escrow, IA HOLDINGS is entitled to this QUITCLAIM and Trust Termination.

NOW, THEREFORE, the State of California hereby Quitclaims to IA SACRAMENTO HOLDINGS, L.L.C., any and all right, title and interest of the State of California owned, by virtue of its sovereignty in and to the real property in the City of

Sacramento, County of Sacramento, California, more particularly described in the Land Description of FORMER AMERICAN RIVER PARCEL, which is attached to and incorporated in this Deed.

The California State Lands Commission has found and declared, *inter alia*, that the FORMER AMERICAN RIVER PARCEL has been reclaimed and removed from the public water channels and is no longer available or useful or susceptible of being used for water-dependent commerce, navigation, and fisheries, and that it is no longer in fact tide or submerged lands. The FORMER AMERICAN RIVER PARCEL upon recordation of the document is hereby forever freed from the public trust for commerce, navigation and fisheries.

This Quitclaim and Trust Termination shall become effective upon recordation in the Official Records of the County Recorder of the County of Sacramento.

IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused the Seal of the STATE of California to be hereto affixed pursuant to Section 6107 of the Public Resources Code of the State of California given under my hand at the City of Sacramento, this _____ day of _____ in the year two thousand and eleven.

GOVERNOR
STATE OF CALIFORNIA

ATTEST:

DEBRA BOWEN
SECRETARY OF STATE
STATE OF CALIFORNIA

Countersigned:

CURTIS L. FOSSUM
EXECUTIVE OFFICER
CALIFORNIA STATE LANDS
COMMISSION

**Exhibit K
Form of Deed for**

RAILYARDS PARCEL from STATE LANDS to IA HOLDINGS

Recorded at the request of :
State of California
California State Lands Commission

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Attn: Legal
(916) 574-1850 / fax 1855 / Kathryn.Colson@slc.ca.gov

STATE OF CALIFORNIA - OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

NO TAX DUE _____

Above Space for Recorder's Use

C.S.L.C. - AD 498 / G-21-01 \

Sacramento County APNs: 001-0210-013; 001-0210-016;
002-0010-035; 002-0010-036; 002-0010-041; 002-0010-043

**STATE OF CALIFORNIA
QUITCLAIM AND TRUST TERMINATION**

The California State Lands Commission, acting pursuant to law, as approved by its Minute Item No. _____ of its public meeting on _____, in _____, California, after notice pursuant to the requirements of law, approved a **TITLE SETTLEMENT AND EXCHANGE AGREEMENT (Railyards Agreement) between the CITY OF SACRAMENTO (CITY), the State of California acting by and through the CALIFORNIA STATE LANDS COMMISSION (STATE LANDS) and the CALIFORNIA DEPARTMENT OF PARKS AND RECREATION (STATE PARKS), and IA SACRAMENTO HOLDINGS, L.L.C. (IA HOLDINGS).**

The Agreement provides, among other things, that all right, title, and interest of the State of California under the jurisdiction of the California State Lands Commission in and to the RAILYARDS PARCEL described herein, is to be quitclaimed by the State to IA HOLDINGS in exchange for certain consideration as provided in the Agreement, including acceptance of lands, which are of a value equal to or greater than the value of the State's interests in the trust termination parcel (RAILYARDS PARCEL). Upon performance of the obligations of the Parties as provided in the Agreement and upon close of Escrow, IA HOLDINGS is entitled to this QUITCLAIM and Trust Termination.

NOW, THEREFORE, the State of California hereby Quitclaims to IA SACRAMENTO HOLDINGS, L.L.C., any and all right, title and interest of the State of California owned, by virtue of its sovereignty in and to the real property in the City of Sacramento, County of Sacramento, California, more particularly described in the Land

Description of RAILYARDS PARCEL, which is attached to and incorporated in this Deed.

The California State Lands Commission has found and declared, *inter alia*, that the RAILYARDS PARCEL has been reclaimed and removed from the public water channels and is no longer available or useful or susceptible of being used for water-dependent commerce, navigation, and fisheries, and that it is no longer in fact tide or submerged lands. The RAILYARDS PARCEL upon recordation of the document is hereby forever freed from the public trust for commerce, navigation and fisheries.

This Quitclaim and Trust Termination shall become effective upon recordation in the Official Records of the County Recorder of the County of Sacramento.

IN APPROVAL WHEREOF, I EDMUND G. BROWN, JR, Governor of the State of California, have set my hand and caused the Seal of the STATE of California to be hereto affixed pursuant to Section 6107 of the Public Resources Code of the State of California given under my hand at the City of Sacramento, this _____ day of _____ in the year two thousand and eleven.

GOVERNOR
STATE OF CALIFORNIA

ATTEST:

SECRETARY OF STATE
STATE OF CALIFORNIA

Exhibit L

Recorded at the request of:
State of California
California State Lands Commission

WHEN RECORDED mail to:
California State Lands Commission
100 Howe Avenue, Suite 100 – South
Sacramento, CA 95825-8202

Attn: Legal
(916) 574-1850 / fax 1855 / Kathryn.Colson@slc.ca.gov

STATE OF CALIFORNIA - OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

NO TAX DUE _____

Above Space for Recorder's Use

C.S.L.C. – AD 498; G21-01

Sacramento County APNs: 274-0220-022;
274-0220-064; 274-0220-066

CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING

Government Code 27281

This is to certify that the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, an agency of the STATE OF CALIFORNIA, hereby accepts the right, title and interest in real property conveyed by and consents to the recordation of the attached QUITCLAIM DEED from the CITY OF SACRAMENTO for the SAND COVE PARCELS, dated, 2011.

The said interests in real property are accepted by the STATE OF CALIFORNIA, in its sovereign capacity in trust for the people of the state, as real property of the legal character of PUBLIC TRUST lands.

This acceptance and consent to recording is executed by and on behalf of the STATE OF CALIFORNIA by the CALIFORNIA STATE LANDS COMMISSION, acting pursuant to law, as approved by its Minute Item No. ___ of its public meeting on _____, by its duly authorized undersigned officer.

CALIFORNIA STATE LANDS COMMISSION

Dated: _____

By: _____

**CURTIS L. FOSSUM
EXECUTIVE OFFICER**

ACKNOWLEDGMENT OF SIGNATURE TO BE ATTACHED

Exhibit M

Form of

STATE LANDS Lease for SAND COVE PARCELS and WATERFRONT PARCEL to CITY

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
California State Lands Commission
Attn: Title Unit
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N. Sacramento County APNs:
274-0220-022; 274-0220-064; 274-0220-066;
001-210-18; 002-001-23

County: Sacramento

LEASE PRC 8597.9

This Lease consists of this summary and the following attached and incorporated parts:

- | | |
|-----------|---|
| Section 1 | Basic Provisions |
| Section 2 | Special Provisions Amending or Supplementing Section 1 or 4 |
| Section 3 | Description of Lease Premises |
| Section 4 | General Provisions |

SECTION 1

BASIC PROVISIONS

THE STATE OF CALIFORNIA, hereinafter referred to as Lessor acting by and through the **CALIFORNIA STATE LANDS COMMISSION** (100 Howe Avenue, Suite 100-South, Sacramento, California 95825-8202), pursuant to Division 6 of the Public

Resources Code and Title 2, Division 3 of the California Code of Regulations, and for consideration specified in this Lease, does hereby lease, demise and let to **City of Sacramento** hereinafter referred to as Lessee those certain lands described in Section 3 subject to the reservations, terms, covenants, and conditions of this Lease.

MAILING ADDRESS: City of Sacramento, Department of Parks and Recreation
Attn: Director
915 I Street, 5th Floor
Sacramento CA 95814

LEASE TYPE: General Lease – Public Agency Use

LAND TYPE: Sovereign lands

LOCATION: City of Sacramento, Sacramento County

LAND USE OR PURPOSE: Public Trust purposes including a waterfront park, the preservation and enhancement of open space, and public access to and along the Sacramento River, including, but not limited to: water-oriented recreational uses such as biking, jogging, picnicking, fishing, viewing and swimming and related improvements including parking. Commercial concessions and subleases such as a restaurant are permitted if approved in advance by Lessor.

TERM: 49 years; beginning June 15, 2011; ending June 14, 2060 unless sooner terminated as provided under this Lease.

CONSIDERATION: The public use and benefit; with the State reserving the right at any time to set a monetary rent if the Lessee conducts commercial activities and the Commission finds such action to be in the State's best interest.

Subject to modification by Lessor as specified in Paragraph 2(b) of Section 4 – General Provisions.

AUTHORIZED IMPROVEMENTS: Waterfront park and water-oriented recreation improvements

EXISTING:

TO BE CONSTRUCTED; CONSTRUCTION MUST BEGIN BY: NA

AND BE COMPLETED BY: NA

LIABILITY INSURANCE: NA

SURETY BOND OR OTHER SECURITY: NA

SECTION 2

SPECIAL PROVISIONS

BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED, REVISED OR SUPPLEMENTED AS FOLLOWS:

1. Lessee shall not operate commercial concessions or activities or collect fees from the public, except for parking and recreational user fees to fund the cost of park improvements and maintenance within the lease premises without prior authorization of Lessor. Non-motorized public access to the park and river shall be free of charge.
2. Lessor acknowledges that Lessee is a self-insured public agency. Notwithstanding any other provision of this Lease, Lessee shall have the right to satisfy any or all of the insurance requirements of paragraph 8 of Section 4 of this Lease through use of Lessee's self-insurance program. In the event Lessee exercises its right to satisfy the insurance requirements of paragraph 8 of Section 4 of this Lease through use of its self-insurance program, Lessee shall provide Lessor with a letter of self-insurance from Lessee stating that its self-insurance program adequately protects against liabilities and claims the types of which the insurance required by paragraph 8 of Section 4 of this Lease are intended to protect against.
3. Lessee shall not be required to comply with the terms of paragraph 9 of Section 4 of this Lease.
4. The term "invitees" in paragraph 10 of Section 4 of this lease includes the public.
5. Lessee shall not be required to commence possession and use of the Waterfront parcel as provided for in paragraphs 4 (a) and (b) of Section 4 of this Lease until the existing hazardous substances have been remediated by others in accordance with the requirements of the Department of Toxics and Substances Control.

In the event of any conflict between the provisions of Section 2 and Section 4 of this Lease, the provisions of Section 2 shall prevail.

SECTION 3

LEGAL DESCRIPTION of SAND COVE PARCELS

AD 498
PRC 8597.9

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

Parcel No. 1:

A portion of Parcel B as said parcel is shown on the Parcel Map entitled "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1, Book 15 of Maps, Map No. 26", filed in the office of the Recorder of Sacramento County, California, on March 17, 1982, in Book 70 of Parcel Maps, Map No. 6, described as follows:

Beginning at a point in said Parcel B from which the Northwest corner of said Parcel B bears the following two (2) courses and distances: (1) West 100 feet and (2) North 270.00 feet; thence from said point of beginning North 134.79 feet and parallel to the Westerly line of said Parcel B; thence Northeasterly along a curve to the left having an arc of 1115.37 feet radius, said arc being subtended by a chord bearing North 60°45'40" East 360.85 feet; thence North 51°28'30" East 13.00 feet; thence South 38°31'30" East 116.00 feet; thence South 51°28'30" West 115.51 feet; thence South 35°39'55" East 25.83 feet to a point on the Southeasterly line of said Parcel B; thence Westerly along said Southeasterly line the following two (2) courses and distances: (1) South 54°20'05" West 110.90 feet and (2) South 32°16'17" West 67.47 feet; thence leaving said line North 57°43'43" West 35.25 feet; thence South 32°16'17" West 105.00 feet; thence West 110.00 feet; thence North 56.21 feet to the point of beginning; being further described as Parcel A in the Certificate of Compliance recorded October 2, 1985, in Book 851002, Page 1029, Official Records.

Excepting therefrom that portion of Parcel B as shown upon that Parcel Map entitled "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1, Book 15 of Maps, Map No. 26", filed in the office of the Recorder of Sacramento County, California, on March 17, 1982, in Book 70 of Parcel Maps, Map No. 6, described as follows:

Beginning at a point on the West line of said Parcel B; thence from which the Northwest corner of said Parcel B bears North 72.99 feet; thence from said point of beginning in a curve to the left, concave to the North, through a central angle of 4°30'36", having a radius of 1025.37 feet and subtended by a chord bearing North 71°53'15" East 80.69 feet; thence South 15°39'11" East 202.19 feet; thence North 74°11'41" East 86.30 feet; thence South 80°58'17" East 53.38 feet thence South 5°25'04" West 10.00 feet; thence South 32°16'17" West 105.00 feet; thence West 110.00 feet; thence North 56.21 feet; thence West 100 feet to the West line of said Parcel B; thence coincident with said West line of Parcel B North 197.01 feet to the point of beginning, as described in Deed

executed by Walter M. Harvey, recorded May 31, 1996, in Book 19960531, Page 101,
Official Records.

Parcel No. 2:

A portion of Parcel B as shown on the Parcel Map entitled "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1, Book 15 Maps, Map No. 26", filed in the office of the Recorder of Sacramento County, California, on March 17, 1982, in Book 70 of Parcel Maps, Map No. 6, described as follows:

Beginning at the Northwest corner of said Parcel B; thence from said point of beginning along the Northerly, Easterly and Southeasterly line of said Parcel B the following five (5) courses and distances: (1) Northeasterly along a curve to the left having an arc 955.37 feet radius, said arc being subtended by a chord bearing North 62°11'56" East 356.29 feet; (2) North 51°28'30" East 440.80 feet; (3) South 456.59 feet; (4) South 69°22'46" West 163.18 feet and (5) South 54°20'05" West 105.00 feet; thence leaving said line North 35°39'55" West 25.83 feet; thence North 51°28'30" East 115.51 feet; thence North 38°31'30" West 116.00 feet; thence South 51°28'30" West 13.00 feet; thence Southwesterly along a curve to the right having an arc of 1115.37 feet radius, said arc being subtended by a chord bearing South 60°45'40" West 360.85 feet; thence South and parallel to the Westerly line of said Parcel B 134.79 feet; thence West 100.00 feet to a point on the said Westerly line; thence North 270.00 feet to the point of beginning, being further described as Parcel B in the Certificate of Compliance recorded October 2, 1985, in Book 851002, Page 1029, Official Records.

Excepting therefrom that portion of Parcel B, as shown upon that Parcel Map entitled, "A Portion of Lots 13 & 14 of Natomas Riverside Subdivision No. 1", Book 15 of Maps, Map No. 26, recorded in the office of the Recorder of Sacramento County in Book 70 of Parcel Maps, at Page 6, more particularly described as follows:

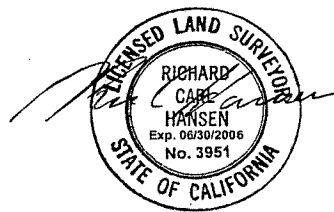
Beginning at a point on the West line of said Parcel B from which the Northwest corner of said Parcel B bears North 72.99 feet; thence from said point of beginning in a curve to the left, concave to the North, through a central angle of 4°30'36", having a radius of 1025.37 feet and subtended by a chord bearing North 71°53'15" East 80.69 feet; thence South 15°39'11" East 202.19 feet; thence North 74°11'41" East 86.30 feet; thence South 80°58'17" East 53.38 feet; thence South 5°25'04" West 10.00 feet; thence South 32°16'17" West 105.00 feet; thence West 110.00 feet; thence North 56.21 feet; thence West 100.00 feet to the West line of said Parcel B; thence coincident with said West line of Parcel B North 197.01 feet to the point of beginning, as described in Deed executed by Walter M. Harvey, recorded May 31, 1996 in Book 19960531, Page 101, Official Records.

Parcel No. 3

Lots 11 and 12 of Natomas Riverside Subdivision No. 1, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on August 9, 1915, in Book 15 of Maps, Map No. 26.

EXCEPTING THEREFROM all that portion of said Lots 11 and 12 lying Northerly of the center line of the public road 40 feet in width, as described in that certain deed dated November 21, 1927, recorded July 29, 1928, in Book 193 of Official Records, page 339, executed by Natomas Company of California to the County of Sacramento.

END OF DESCRIPTION



LEGAL DESCRIPTION of WATERFRONT PARCEL

AD 498
PRC 8597.9

Two parcels of land situated in the city of Sacramento, county of Sacramento, State of California and more particularly described as follows:

All of that parcel described in Exhibit A of that document recorded March 26, 1980 in Book 8003-26, Pages 478 – 487, Sacramento County Records; said parcel also described as Parcel 3753A in Exhibit "T" of the Resolution of the State Public Works Board, as recorded in the above mentioned document;

TOGETHER WITH an easement in Parcel 3753B as described in Exhibit "T" of the above referenced recorded document.

END OF DESCRIPTION



SECTION 4

GENERAL PROVISIONS

1. GENERAL

These provisions are applicable to all leases, permits, rights-of-way, easements, or licenses or other interests in real property conveyed by the State Lands Commission.

2. CONSIDERATION

(a) Categories

(1) Rental

Lessee shall pay the annual rental as stated in this Lease to Lessor without deduction, delay or offset, on or before the beginning date of this Lease and on or before each anniversary of its beginning date during each year of the Lease term.

(2) Non-Monetary Consideration

If the consideration to Lessor for this Lease is the public use, benefit, health or safety, Lessor shall have the right to review such consideration at any time and set a monetary rental if the State Lands Commission, at its sole discretion, determines that such action is in the best interest of the State.

(b) Modification

Lessor may modify the method, amount or rate of consideration effective on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary, without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary. No such modification shall become effective unless Lessee is given at least thirty (30) days notice prior to the effective date.

(c) Penalty and Interest

Any installments of rental accruing under this Lease not paid when due shall be subject to a penalty and shall bear interest as specified in Public Resources Code Section 6224 and the Lessor's then existing administrative regulations governing penalty and interest

3. BOUNDARIES

This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary claims which may be asserted presently or in the future.

4. LAND USE

(a) General

Lessee shall use the Lease Premises only for the purpose or purposes stated in this Lease and only for the operation and maintenance of the improvements expressly authorized in this Lease. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this Lease or within ninety (90) days of the date set for construction to commence as set forth in this Lease, whichever is later. Lessee shall notify Lessor within ten (10) days after commencing the construction of authorized improvements and within sixty (60) days after completing them. Lessee's discontinuance of such use for a period of ninety (90) days shall be conclusively presumed to be an abandonment.

(b) Continuous Use

Lessee's use of the Lease Premises shall be continuous from commencement of the Lease until its expiration.

(c) Repairs and Maintenance

Lessee shall, at its own expense, keep and maintain the Lease Premises and all improvements in good order and repair and in safe condition. Lessor shall have no obligation for such repair and maintenance.

(d) Additions, Alterations and Removal

(1) Additions - No improvements other than those expressly authorized in this Lease shall be constructed by the Lessee on the Lease Premises without the prior written consent of Lessor.

(2) Alteration or Removal - Except as provided under this Lease, no alteration or removal of improvements on or natural features of the Lease Premises shall be undertaken without the prior written consent of Lessor.

(e) Conservation

Lessee shall practice conservation of water, energy, and other natural resources and shall prevent pollution and harm to the environment. Lessee shall not violate any law or regulation whose purpose is to conserve resources or to protect the environment. Violation of this section shall constitute grounds for termination of the Lease. Lessor, by its executive officer, shall notify Lessee, when in his or her opinion, Lessee has violated the provisions of this section and Lessee shall respond and discontinue the conduct or remedy the condition within 30 days.

(f) Toxics

Lessee shall not manufacture or generate hazardous wastes on the Lease Premises unless specifically authorized under other terms of this Lease. Lessee

shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported on the Lease Premises during the Lease term and shall comply with and be bound by all applicable provisions of such federal, state or local law, regulation or ordinance dealing with such wastes, substances or materials. Lessee shall notify Lessor and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

(g) Enjoyment

Subject to the provisions of paragraph 5 (a) (2) below, nothing in this Lease shall preclude Lessee from excluding persons from the Lease Premises when their presence or activity constitutes a material interference with Lessee's use and enjoyment of the Lease Premises as provided under this Lease.

(h) Discrimination

Lessee in its use of the Lease Premises shall not discriminate against any person or class of persons on the basis of race, color, creed, religion, national origin, sex, age, or handicap.

(i) Residential Use

No portion of the Lease Premises shall be used as a location for a residence or for the purpose of mooring a structure which is used as a residence. For purposes of this Lease, a residence or floating residence includes but is not limited to boats, barges, houseboats, trailers, cabins or combinations of such facilities or other such structures which provide overnight accommodations to the Lessee or others.

5. RESERVATIONS, ENCUMBRANCES AND RIGHTS-OF-WAY

(a) Reservations

- (1)** Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to timber and minerals as defined under Public Resources Code Sections 6401 and 6407, as well as the right to grant leases in and over the Lease Premises for the extraction of such natural resources; however, such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.
- (2)** Lessor expressly reserves a right to go on the Lease Premises and all improvements for any purpose associated with this Lease or for carrying out any function required by law, or the rules, regulations or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the Lease Premises for any purpose associated with this Lease.

- (3) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease; however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.
- (4) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessee under this Lease.

(b) Encumbrances

This Lease may be subject to pre-existing contracts, leases, licenses, easements, encumbrances and claims and is made without warranty by Lessor of title, condition or fitness of the land for the stated or intended purpose.

6. RULES, REGULATIONS AND TAXES

- (a) Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State Lands Commission or any other governmental agency or entity having lawful authority and jurisdiction.
- (b) Lessee understands and agrees that a necessary condition for the granting and continued existence of this Lease is that Lessee obtain and maintain all permits or other entitlements.
- (c) Lessee accepts responsibility for and agrees to pay any and all possessory interest taxes, assessments, user fees or service charges imposed on or associated with the leasehold interest, improvements or the Lease Premises, and such payment shall not reduce rental due Lessor under this Lease and Lessor shall have no liability for such payment.

7. INDEMNITY

- (a) Lessor shall not be liable and Lessee shall indemnify, hold harmless and, at the option of Lessor, defend Lessor, its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind and from any cause, arising out of or connected in any way with the issuance, enjoyment or breach of this Lease or Lessee's use of the Lease Premises except for any such liability, claims, damage or injury solely caused by the negligence of Lessor, its officers, agents and employees.
- (b) Lessee shall notify Lessor immediately in case of any accident, injury or casualty on the Lease Premises.

8. INSURANCE

- (a) Lessee shall obtain and maintain in full force and effect during the term of this Lease comprehensive general liability insurance and property damage

insurance, with such coverage and limits as may be reasonably requested by Lessor from time to time, but in no event for less than the sum(s) specified, insuring Lessee and Lessor against any and all claims or liability arising out of the ownership, use, occupancy, condition or maintenance of the Lease Premises and all improvements.

(b) The insurance policy or policies shall name the State of California, its officers, employees and volunteers as insureds as to the Lease Premises and shall identify the Lease by its assigned number. Lessee shall provide Lessor with a certificate of such insurance and shall keep such certificate current. The policy (or endorsement) must provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to Lessor. Lessor will not be responsible for any premiums or other assessments on the policy. The coverage provided by the insured (Lessee) shall be primary and non-contributing.

(c) The insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

9. SURETY BOND

(a) Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants and conditions of this Lease.

(b) Lessor may require an increase in the amount of the surety bond or other security device to cover any additionally authorized improvements, alterations or purposes and any modification of consideration.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

10. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

(b) The following shall be deemed to be an assignment or transfer within the meaning of this Lease:

(1) If Lessee is a corporation, any dissolution, merger, consolidation or other reorganization of Lessee or sale or other transfer of a percentage of capital

stock of Lessee which results in a change of controlling persons, or the sale or other transfer of substantially all the assets of Lessee;

(2) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.

(c) If this Lease is for sovereign lands, it shall be appurtenant to adjoining littoral or riparian land and Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.

(d) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Lease Premises, Lessee shall do all of the following:

(1) Give prior written notice to Lessor;

(2) Provide the name and complete business organization and operational structure of the proposed assignee, sublessee, secured third party or other transferee; and the nature of the use of and interest in the Lease Premises proposed by the assignee, sublessee, secured third party or other transferee. If the proposed assignee, sublessee or secured third party is a general or limited partnership, or a joint venture, provide a copy of the partnership agreement or joint venture agreement, as applicable;

(3) Provide the terms and conditions of the proposed assignment, sublease, or encumbrancing or other transfer;

(4) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Lease Premises; and

(5) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee.

Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.

(e) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party.

(f) Lessee's mortgage or hypothecation of this Lease, if approved by Lessor, shall be subject to terms and conditions found in a separately drafted standard form (Agreement and Consent to Encumbrancing of Lease) available from Lessor upon request.

(g) Upon the express written assumption of all obligations and duties under this Lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of or activities on the Lease Premises; except as to any hazardous wastes, substances or materials as defined under federal, state or local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises.

(h) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7,9,11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the Lease Premises. No assumption or assignment of this Lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all defaults under this Lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary defaults under this Lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary defaults under this Lease will be cured; and (3) that all provisions of this Lease will be satisfactorily performed in the future.

11. DEFAULT AND REMEDIES

(a) Default

The occurrence of any one or more of the following events shall immediately and without further notice constitute a default or breach of the Lease by Lessee:

- (1)** Lessee's failure to make any payment of rental, royalty, or other consideration as required under this Lease;
- (2)** Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease;
- (3)** Lessee's vacation or abandonment of the Lease Premises (including the covenant for continuous use as provided for in paragraph 4) during the Lease term;

- (4) Lessee's failure to obtain and maintain all necessary governmental permits or other entitlements;
- (5) Lessee's failure to comply with all applicable provisions of federal, state or local law, regulation or ordinance dealing with hazardous waste, substances or materials as defined under such law;
- (6) Lessee's Failure to commence to construct and to complete construction of the improvements authorized by this Lease within the time limits specified in this Lease; and/or
- (7) Lessee's failure to comply with applicable provisions of federal, state or local laws or ordinances relating to issues of Health and Safety, or whose purpose is to conserve resources or to protect the environment.

(b) Lessee's failure to observe or perform any other term, covenant or condition of this Lease to be observed or performed by the Lessee when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice; however, if the nature of Lessee's default or breach under this paragraph is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default or breach if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.

(c) **Remedies**

In the event of a default or breach by Lessee and Lessee's failure to cure such default or breach, Lessor may at any time and with or without notice do any one or more of the following:

- (1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises;
- (2) Terminate this Lease and Lessee's right of possession of the Lease Premises. Such termination shall be effective upon Lessor's giving written notice and upon receipt of such notice Lessee shall immediately surrender possession of the Lease Premises to Lessor;
- (3) Maintain this Lease in full force and effect and recover any rental, royalty, or other consideration as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises; and/or
- (4) Exercise any other right or remedy which Lessor may have at law or equity.

12. RESTORATION OF LEASE PREMISES

(a) Upon expiration or sooner termination of this Lease, Lessor upon written notice may take title to any or all improvements, including fills, or Lessor may require Lessee to remove all or any such improvements at its sole expense and

risk; or Lessor may itself remove or have removed all or any portion of such improvements at Lessee's sole expense. Lessee shall deliver to Lessor such documentation as may be necessary to convey title to such improvements to Lessor free and clear of any liens, mortgages, loans or any other encumbrances.

(b) In removing any such improvements Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to their installation or construction.

(c) All plans for and subsequent removal and restoration shall be to the satisfaction of Lessor and shall be completed within ninety (90) days after the expiration or sooner termination of this Lease or after compliance with paragraph 12(d), whichever is the lesser.

(d) In removing any or all the improvements Lessee shall be required to obtain any permits or other governmental approvals as may then be required by lawful authority.

(e) Lessor may at any time during the Lease term require Lessee to conduct at its own expense and by a contractor approved by Lessor an independent environmental site assessment or inspection for the presence or suspected presence of hazardous wastes, substances or materials as defined under federal, state or local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises during the term of the Lease. Lessee shall provide the results of the assessment or inspection to Lessor and the appropriate governmental response agency(ies) and shall further be responsible for removing or taking other appropriate remedial action regarding such wastes, substances or materials in accordance with applicable federal, state or local law regulation or ordinance.

13. QUITCLAIM

Lessee shall, within ninety (90) days of the expiration or sooner termination of this Lease, execute and deliver to Lessor in a form provided by Lessor a good and sufficient release of all rights under this Lease. Should Lessee fail or refuse to deliver such a release, a written notice by Lessor reciting such failure or refusal shall, from the date of its recordation, be conclusive evidence against Lessee of the termination of this Lease and all other claimants.

14. HOLDING-OVER

Any holding-over by Lessee after the expiration of the Lease term, with or without the express or implied consent of Lessor, shall constitute a tenancy from month to month and not an extension of the Lease term and shall be on the terms, covenants, and conditions of this Lease, except that the annual rental then in effect shall be increased by twenty-five percent (25%).

15. ADDITIONAL PROVISIONS

(a) Waiver

- (1)** No term, covenant, or condition of this Lease and no default or breach of any such term, covenant or condition shall be deemed to have been waived, by Lessor's acceptance of a late or nonconforming performance or otherwise, unless such a waiver is expressly acknowledged by Lessor in writing.
- (2)** Any such waiver shall not be deemed to be a waiver of any other term, covenant or condition of any other default or breach of any term, covenant or condition of this Lease.

(b) Time

Time is of the essence of this Lease and each and all of its terms, covenants or conditions in which performance is a factor.

(c) Notice

All notices required to be given under this Lease shall be given in writing, sent by U.S. Mail with postage prepaid, to Lessor at the offices of the State Lands Commission and the Lessee at the address specified in this Lease. Lessee shall give Lessor notice of any change in its name or address.

(d) Consent

Where Lessor's consent is required under this Lease its consent for one transaction or event shall not be deemed to be a consent to any subsequent occurrence of the same or any other transaction or event.

(e) Changes

This Lease may be terminated and its term, covenants and conditions amended, revised or supplemented only by mutual written agreement of the parties.

(f) Successors

The terms, covenants and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, successors, and assigns of the respective parties.

(g) Joint and Several Obligation

If more than one Lessee is a party to this Lease, the obligations of the Lessees shall be joint and several.

(h) Captions

The captions of this Lease are not controlling and shall have no effect upon its construction or interpretation.

(i) Severability

If any term, covenant or condition of this Lease is determined by a court of competent jurisdiction to be invalid, it shall be considered deleted and shall not invalidate any of the remaining terms, covenants and conditions.

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STATE OF CALIFORNIA – STATE LANDS COMMISSION

LEASE PRC NO. 8597.9

This Lease shall become effective only when approved by and executed on behalf of the State Lands Commission of the State of California and a duly executed copy has been delivered to Lessee. The submission of this Lease by Lessor, its agent or representative for examination by Lessee does not constitute an option or offer to lease the Lease Premises upon the terms and conditions contained herein, or a reservation of the Lease Premises in favor of Lessee. Lessee's submission of an executed copy of this Lease to Lessor shall constitute an offer to Lessor to lease the Lease Premises on the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date hereafter affixed.

LESSEE

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACH
ACKNOWLEDGEMENT
OF SIGNATURES

This Lease was authorized by the
California State Lands Commission on

(Month Day Year)

Exhibit N
Environmental Insurance

Pollution Legal Liability Insurance Policy – *intentionally omitted* – on file in the Sacramento office of the State Lands Commission. Endorsements including STATE LANDS will be submitted into Escrow pursuant to sections IV. C. 1. g. and IV. C. 4. c.

EXHIBIT O
Draft Legislation

An act to grant in trust to the City of Sacramento certain public trust lands.

SEC. 1. As used in this act, the following definitions apply:

- (a) "Attorney General" means the attorney general of the State of California.
- (b) "City" means the City of Sacramento, a municipal corporation of the State of California, in Sacramento County, and its successors.
- (c) "Commission" means the California State Lands Commission.
- (d) "Public trust purposes" means purposes related to navigation, fisheries, water-oriented recreation and public access, and ecological preservation.
- (e) "Sacramento Waterfront Parcel" means that parcel described in Exhibit B to the Sacramento Downtown Railyards Title Settlement and Exchange Agreement Recorded in the Official Records of Sacramento County on _____, 2010, at Bk _____, Page _____.

"Sand Cove Parcels" means those parcels described in Exhibit C to the Sacramento Downtown Railyards Title Settlement and Exchange Agreement Recorded in the Official Records of Sacramento County on _____, 2010, at Bk _____, Page _____.

- (f) "State" means the State of California.
- (g) "Trust lands" means those public trust lands identified as the Sacramento Waterfront Parcel and the Sand Cove Parcels.
- (h) "Public Trust" means the Common Law Public Trust Doctrine for protection and promotion of commerce, navigation, fisheries and other accepted public trust uses.
- (i) "Trust" means the provisions of this statutory trust, which also remains subject to the Public Trust.

SEC. 2. It is the intent of the Legislature, in enacting this act, to do all of the following:

- (a) To set forth the trust provisions, conditions, uses and purposes established for the City's government, management, and control of the public trust lands along the Sacramento River granted under this statute.
- (b) To convey in trust to the City the State's right, title and interest to the Sand Cove Parcels and the Waterfront Parcel.

SEC. 3. Since the admission of the State of California into the United States, certain tide and submerged lands have been, and are now held, in trust by the State for the benefit of all Californians for public trust purposes of commercial navigation, fisheries, water-oriented recreation and public access, and ecological preservation. The State has a trusteeship duty to govern, administer, and control those lands for public trust purposes. The State is authorized, when the interests of the public will benefit, to delegate, grant and convey in trust to local governments, limited and defined areas of public trust lands along with the authority and responsibility to govern, control, improve,

and develop those lands in the interests of all of the inhabitants of the State for public trust purposes.

SEC. 4. The State of California hereby grants and conveys in trust to the City all of the right, title, and interest of the State held by virtue of its sovereignty in and to the Sand Cove Parcels and the Waterfront Parcel.

SEC. 5. The Trust lands granted and conveyed to the City pursuant to this act shall be held by the City in trust for the benefit of all the people of the State for public trust purposes, as more particularly provided in this act. The City may use the Trust lands for the construction, reconstruction, repair, and maintenance of any transportation, utility, or other infrastructure that is incidental, necessary, or convenient to promote or accommodate uses consistent with the public trust. The Trust lands shall be held by the City, subject to the following conditions:

- (a) The City shall not grant, convey, or otherwise alienate the Trust lands, or any part thereof, to any individual, firm, or corporation for any purpose, except as provided in this act. However, the City may lease the Trust lands, or any part thereof, for limited periods not to exceed a maximum period of 49 years, for purposes consistent with the public trust. Those leases shall be subject to any terms or conditions that may be imposed by the City that are deemed to be appropriate for public trust purposes. The City shall collect and retain rents from those leases, and any and all rents and revenues received from the Trust lands and trust assets, hereinafter referred to as "trust revenues", shall be expended only for those uses and purposes consistent with the public trust. The purpose of this requirement is to provide for the segregation of funds derived from the use of the Trust lands in order to ensure that they are expended only to enhance the Trust lands in accordance with the trust uses and purposes upon which the Trust lands are held.
- (b) Pursuant to Public Resources Code Section 6306, on or before October 1 of each year, the City shall file with the Commission a detailed statement of all trust revenues and expenditures relating to its use of the Trust lands and trust assets, including obligations that have been incurred, but not yet paid, covering the fiscal year preceding submission of the statement. This statement shall be prepared according to generally accepted accounting principles and may take the form of an annual audit prepared by or for the City. Prior to Commission approval of a Trust lands use plan as referenced in subsection (d), the following requirements shall apply:
 - (1) At least 30 days before making a capital expenditure of trust revenues in excess of one hundred thousand (\$100,000), but not more than one million (\$1,000,000), in or on the Trust lands, as set forth in Section 8 of this act, the City shall give written notice of that proposed expenditure to the Commission. The notice shall set forth the trust purposes, as set forth in this act, for which the proposed expenditure will be made.
 - (2) The City shall not make a capital expenditure of trust revenues in excess of one million dollars (\$1,000,000) in or on the Trust lands, as set forth in Section 8 of this act, unless the Commission approves the expenditure

pursuant to Chapter 2 (commencing with Section 6701) of Part 2 of Division 6 of the Public Resources Code.

- (3) As to the commitment of trust revenues for capital improvements as described above, the Commission may request the opinion of the Attorney General on the matter; and if it does so, a copy of the opinion shall be delivered to the City with the notice of its determination. In the event the Commission notifies the City that the capital expenditure is not authorized, the City shall not disburse any trust revenues for, or in connection with, the capital improvement, unless and until it is determined to be authorized by a final order or judgment of a court of competent jurisdiction. The City is authorized to bring suit against the State for the purpose of securing such an order or judgment, which suit shall have priority over all other civil matters. Service shall be made upon the Executive Officer of the Commission and the Attorney General, and the Attorney General shall defend the State in that suit. If judgment is given against the State in the suit, no costs may be recovered.
- (c) Any property acquired by the City with trust revenues shall become an asset of the public trust and be subject to the terms and conditions of this act. In addition, the following obligations shall apply to trust revenues:
- (1) On June 30, 2013, and at the end of every third fiscal year thereafter, that portion of the City's trust revenues in excess of two hundred fifty thousand dollars (\$250,000) remaining after current and accrued operating costs and expenditures directly related to the operation or maintenance of trust activities shall be deemed excess revenues; provided, however, that any funds deposited in a reserve fund for future capital expenditures or any funds used to retire bond issues for the improvement or operation of the Trust lands shall not be deemed excess revenue. Any reserve fund for future capital expenditure must be for projects that are consistent with use plan referenced in Section (d) and have prior Commission approval to be deemed non-excess revenues. Capital improvements of the Trust lands made for purposes authorized by this act may be considered as expenditures for the purpose of determining excess revenues.
 - (2) The excess revenues, as determined pursuant to this section, shall be allocated as follows: 50 percent shall be transmitted to the State Treasurer for deposit in the General Fund in the State Treasury; 25 percent to the State Treasurer for deposit in the Land Bank Fund pursuant to Public Resources Code Section 8625(c); 25 percent to the City for expenditures consistent with the provisions of this act.
 - (3) Reimbursement for any and all expenditures by the City of non-trust revenues for improvements made to the Trust lands must be approved by the Commission in accordance with section (c) in advance of such expenditures or such expenditures shall be deemed a gift to the trust.
- (d) Upon Commission's request, the City shall submit to the Commission, a Trust lands use plan indicating details of intended development, preservation, or other use of the Trust lands. The City shall thereafter submit to the

Commission, for approval all changes of, amendments to, or extensions of, the Trust lands use plan. Any use of the Trust lands must be consistent with the Trust lands use plan as approved by the Commission. Any improvements of the Trust land undertaken by the City, pursuant to a prior lease of the Trust land, as authorized by the Commission prior to the passage of this Act shall be deemed an approved component of the Trust lands use plan.

(1) The Commission shall review with reasonable promptness the Trust lands use plan submitted by the City and any changes or amendments to determine that they are consistent with the public trust and the requirements of this act. Based upon its review, the Commission shall either approve or disapprove the Trust lands use plan. In the event the Commission disapproves the Trust lands use plan, the City must submit a revised plan to the Commission within 180 days. If that revised Trust lands use plan is determined by the Commission to be inconsistent with the Public Trust Doctrine and the requirements of this act, the Commission shall report the matter to the Governor, the Senate and the Assembly for their determination whether all right, title and interest of the City in and to the Trust lands and improvements thereon shall revert to the State.

- i. The Trust lands use plan may consist of any plan, program, or other document which includes all of the following:
 1. A general description of the type of uses planned or proposed for the Trust lands. The location of these land uses shall be shown on a map or aerial photograph.
 2. The projected statewide benefit to be derived from the planned or proposed uses of the Trust lands, including, but not limited to, the financial benefit and the furtherance of those purposes set forth in Section 1 of this act.
 3. The proposed method of financing the planned or proposed uses of the Trust lands, including estimated capital costs, annual operating costs, and anticipated annual trust revenues.
 4. Estimated timetable for implementation of the Trust lands use plan or any phase thereof.
 5. A description of how the City proposes to protect and preserve natural and manmade resources in connection with the use of the Trust lands.
 6. The governing body of the City shall submit to the Commission for its approval, procedures, rules, and regulations to govern the use of or development of any leases of the Trust lands. These rules and regulations shall include, but not necessarily be limited to lease rates, the bases upon which the rates are established, lease terms and conditions, provision for renegotiation of rates and terms and assignments, and such other information as may be required by the Commission.

7. All leases or similar agreements with a third party for use of the Trust lands proposed, or entered into, by City after the effective date of this section shall be consistent with the provisions of the Trust lands use plan submitted by the City and approved by the Commission.
 8. Upon request, the City shall submit to the Commission a copy of all leases and similar agreements entered into, renewed, or renegotiated for the Trust lands.
- (e) Upon the Commission's request, but not earlier than September 30, 2017, the City shall submit an updated report of its utilization of the Trust lands for each immediately preceding five-calendar-year period ending with June 30 of the calendar year in which the report is required to be submitted.
- (1) The update shall include all of the following:
- i. A general description of the uses to which the Trust lands have been placed during the period covered by the report.
 - ii. A list of the holders of all leases and permits granted or issued by the City for the Trust lands, which list shall specify, as to each such holder:
 1. The use to which the Trust lands have been placed by the lessee or permittee.
 2. The consideration provided for in each such lease or permit, and the consideration actually received by the City for the lease or permit granted or issued.
 3. An enumeration of the restrictions that the City has placed on the use of the Trust lands and each area thereof for the period covered by the report.
- (f) The City shall reimburse the Commission for staff costs related to the review of the Trust lands use plan and subsequent report updates described in subsections 5 (d) and (e) above.
- (g) The City shall demonstrate good faith in carrying out the provision of the approved Trust lands use plan.
- (h) The Commission may, from time to time, institute a formal inquiry to determine that the terms and conditions of this act, and amendments thereto, have been complied with, and that all other applicable provisions of law concerning the Trust lands are being complied with in good faith.
- (i) There is hereby reserved in the people of the State of California the right to fish in the waters on and from the Trust lands with the right of convenient access to those waters for fishing purposes.
- (j) The State shall have the right to use without charge, any transportation, landing, or storage improvements, betterments, or structures constructed upon the Trust lands by City for any vessel or other watercraft or railroad owned or operated by, or under contract to, the State as long as such use is consistent with the approved Trust lands use plan. The State's use of those facilities shall be governed by the City's rules and regulations.

- (k) The Trust lands granted and conveyed to the City are subject to the express reservation and condition that the State may at any time in the future use those lands, or any portion thereof, for highway purposes without compensation to the City, or its successors or assignees, or any person, firm, or public or private corporation claiming any right to those lands, except that in the event improvements have been placed with legal authority upon the property taken by the State for highway purposes, compensation shall be made to the person entitled thereto for the value of the interest in the improvements taken or the damages to that interest.
- (l) The State of California reserves all rights to any remains or artifacts of archaeological or historical significance and to all minerals and mineral rights in the Trust lands, whether now known to exist or hereafter discovered, including, but not limited to, oil and gas and rights thereto, together with the sole, exclusive, and the perpetual right to explore for, remove, and dispose of those minerals by any means or methods suitable to the State of California or to its successors and assignees. Notwithstanding section 6401 of the Public Resources Code, any mineral right retained pursuant to this section shall not include the right of the State or its successors or assignees in connection with any mineral reservation, removal, or disposal activity, to do either of the following:
 - (1) Enter upon, use, or damage the surface of the Trust lands or interfere with the use of the surface by the City or by the City's tenants.
 - (2) Conduct any mining activities of any nature whatsoever above a plane located five hundred feet below the surface of the Trust lands without permission of the City.
- (m) In the management, conduct, operation, and control of the Trust lands or any improvements, or structures on that land, the City shall make no discrimination in rates, tolls, or charges for any use or service in connection therewith nor shall the City discriminate against or unlawfully segregate any person or group of persons on account of sex, race, color, creed, national origin, ancestry, or physical handicap for any use or service in connection herewith.
- (n) The Trust lands shall be improved by the City without expense to the State of California, except that nothing contained in this act shall preclude the City from accepting and retaining any grant of funds or subvention from the State or other governmental agencies made available for the purpose of aiding in the development of those Trust lands for any public purpose consistent with the promotion and accommodation of commercial navigation, fisheries, water-oriented recreation and public access, or ecological preservation.

SEC. 7. Whenever the Commission finds that the City has violated or is about to violate the terms of its trust grant or any other principle of law relating to its obligation under the Public Trust Doctrine, it shall notify the City of these violations. The City shall have 30 days from receipt of such notice of violation to conform to the terms of its grant and the principles and laws under the Public Trust Doctrine. In the event the City fails or refuses to so conform, the Commission is authorized to bring such actions as are

necessary to enforce the rights of the State and people as beneficiary of the Public Trust Doctrine. The Attorney General shall represent the State and people in all such actions or proceedings. If the judgment is given against the State in any such action or proceeding, no costs can be recovered from the State and people.

SEC. 8. Lands granted pursuant to this act are:

- (a) The Sand Cove Parcels, being those parcels described in Exhibit C to the Sacramento Downtown Railyards Title Settlement and Exchange Agreement Recorded in the Official Records of Sacramento County on _____, 2010, at Bk _____, Page _____. (b) The Sacramento Waterfront Parcel, being that parcel described in Exhibit B to the Sacramento Downtown Railyards Title Settlement and Exchange Agreement Recorded in the Official Records of Sacramento County on _____, 2010, at Bk _____, Page _____.

SEC. 9. The City may resolve title and boundaries of the Trust lands, with the formal concurrence and approval of the Commission. The City may take and hold title, subject to the public trust and this statutory trust, to lands exchanged pursuant to Public Resources Code Section 6307, with the participation and formal approval of the Commission.

SEC. 10. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 11. The Legislature finds and declares that, because of the unique circumstances applicable only to the lands described in this act, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.