

Exhibit A

Lease Disposition and Development Agreement Term Sheet Henry J. Kaiser Convention Center

<p>1. Proposed Project/Uses</p>	<p><u>A. Overview.</u></p> <p>The Developer proposes to redevelop the Henry J. Kaiser Convention Center (the “Property”) into a mixed-use project that may include performing arts, cultural, public access, office, food & beverage, retail and other uses consistent with the Lake Merritt Station Area Plan and as specified below (the “Project”).</p> <p>Developer will ensure the Property is registered as a National Historic Landmark and rehabilitated to the Secretary of the Interior’s standards for historic preservation (the “Secretary’s Standards”).</p> <p>The Project will have two distinct components: Project A will consist of the restoration of the Calvin Simmons Performing Arts Theatre and its ancillary spaces (the “Theatre”), and Project B will consist of the rehabilitation of all other areas of the Property including the former arena space, proposed outdoor podium, basement, and exterior improvements such as landscaping. The design of the Initial Improvements and final square footages of the Project components will be subject to approval of the Historic Rehabilitation Certification Application Part 2 by the California State Historic Preservation Officer (“SHPO”) and the National Park Service (“NPS”) prior to closing (the “Pre-Closing Historic Approvals”). The parties acknowledge that the Pre-Closing Historic Approvals will be subject to certain conditions imposed by SHPO or NPS that are to be addressed in subsequent submittals.</p>
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B. Project Breakdown by Component.

PROJECT A: Calvin Simmons Theatre--cultural and arts center.

The Theatre will be rehabilitated and reopened as a performing arts venue. Upper floors (including ballrooms) may be used as arts office, rehearsal spaces, community and other meeting rooms, food and beverage, retail and uses related to the operation of the Theatre and affiliated arts entities. The Developer will establish a Calvin Simmons Theatre Board/non-profit organization to manage and operate the Theatre (the “**Theatre Non-Profit**”). Changes to the Theatre will meet the Secretary’s Standards and will likely include modified seating for an improved viewing experience, among other changes. The Developer will operate and manage the Theatre at no cost to the City, except as specifically described below.

PROJECT B: Arena and Basement

1. Arena.

The Arena will include all or a portion of the Minimum Target User Office Space (as defined in Section 3 of Attachment B) and may include other office space (either general use or for additional Target Users as defined in Section 2 of Attachment B) food & beverage/restaurant uses, retail uses, as well as other uses consistent with the adopted Lake Merritt Station Area Plan and related zoning. The Arena may include a large anchor office or retail tenant and may include smaller retail along the north (Lake Merritt-facing) side of the Arena.

	<p>The Developer will comply with the leasing requirements for the Minimum Target User Office Space regarding leasing to Target User tenants as described in the HJK Community Benefits term sheet attached hereto as Attachment A.</p> <p>The LDDA / Lease (as defined in Section 2) will identify certain uses that will require prior review and approval by City staff in their sole discretion. These uses will include, but not be limited to, fast food and discount store uses.</p> <p>2. <u>Basement.</u></p> <p>The building’s basement will house office space for general use and up to 50% of the Minimum Target User Office Space and light industrial uses (if feasible) and/or other uses such as ancillary space for arena office, music studios, makers’ spaces, and storage space for Theatre tenants and/or other Project tenants. If there are office uses in the basement, unless specifically requested by the applicable office tenant(s), the cold shell office spaces and common areas in the basement applicable to such office uses will be consistent in quality with the cold shell office spaces and common areas in the Arena (subject to applicable limitations on floor height and natural light) and the office users in the basement will have equivalent access to common amenities and services available to other Project office tenants.</p>
<p>2 Agreements to be Negotiated</p>	<p>The parties intend to negotiate the form of a Lease Disposition and Development Agreement (“LDDA”) and a long-term lease (the “Lease”). The basic terms of these proposed agreements are set forth in Sections 3 and 4 below.</p>

3. LDDA TERMS	
3.1 Parties	The City of Oakland (as the “ City ”) and Oakland Civic, LLC, an affiliate of Orton Development, Inc. (via Eddie Orton’s common control of both entities) (as the “ Developer ”).
3.2 Project Payment	The Developer will deliver a payment in the amount of \$25,000 to the City on execution of the LDDA (the “ Project Payment ”). The Developer shall make additional Project Payments to the City in the same amount annually on the anniversary of the execution date of the LDDA, until such date as the Lease becomes effective.
3.3 Term	<p>A. <u>LDDA Commencement Date.</u> The term of the LDDA will commence upon the parties’ mutual execution of the LDDA (the “LDDA Commencement Date”).</p> <p>B. <u>LDDA Expiration Date.</u> The LDDA would expire on recordation of the certificate of completion following completion of construction of the Initial Improvements (the “LDDA Expiration Date”). The LDDA Expiration Date would be subject to extension for up to one (1) year at the City Administrator’s sole and absolute discretion and for up to one (1) year for force majeure events, including delays by the City in processing Developer’s government approvals that exceed the City’s normal processing time for a project of this type and complexity (i.e., up to six months with overtime plan check services or nine months without overtime plan check).</p>
3.4 Conditions Precedent to Closing on the Lease	A. <u>City Conditions Precedent:</u> Developer will be required to satisfy the City’s standard conditions of closing, as well as the following conditions precedent, prior to the dates that will be set forth in the Schedule of

	<p>Performance, as conditions precedent to City’s obligation to close escrow for the Lease:</p> <ol style="list-style-type: none">1. Developer shall have obtained all discretionary land use approvals from the City for the development of the Project, including satisfaction of environmental review pursuant to the California Environmental Quality Act (“CEQA”) (collectively, the “Discretionary Approvals”).2. Developer shall have obtained all regulatory approvals and permits for development of the Project, apart from any required subsequent approvals from SHPO and NPS, including satisfaction of any additional CEQA review (the “Regulatory Permits”).3. Developer shall submit a description of the specific financial structure and legal structure of the proposed nonprofit operating entity for the Theatre. Developer shall also submit a business plan and a management plan for the operation of the Theatre in a form that reasonably satisfies the City that the operation of the Theatre is feasible. This shall include a written description of the specific and general roles, responsibilities, and obligations of Developer and any other entity participating in the legal entity established by Developer or established separately for purposes of operating the Theatre. The business plan shall also include an annual itemized operating budget for the Theatre, including
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	<p>projections of revenues and operating expenses.</p> <p>4. Developer shall have provided the City with an itemized budget (including all hard and soft costs) for the development of the Initial Improvements (defined below showing all construction-related and non-construction-related costs including the funding sources for each item, which budget shall be based on the Design Development Documents, or if available at the Developer’s discretion, the Final Construction Documents and the General Contract, and include a contingency of fifteen percent (15%) (the “Budget”). The Budget shall also include all construction and non-construction related costs for tenant improvements, including the funding sources for said tenant improvements. As used herein, the term “Initial Improvements” means: (a) the site improvements; and (b) with respect to vertical improvements:</p> <ul style="list-style-type: none">(i) the structural components (foundation, structural walls and roof),(ii) building facades,(iii) primary components for building systems (HVAC components, electrical transformer and water heater be included but interior ducting/wiring/plumbing will not be included)(iv) elevators, and(v) a cold shell condition (interior face of structural walls in an unfinished condition and no interior (non-
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	<p>structural) walls, flooring materials, lighting, plumbing, HVAC or finished ceilings) for all interior spaces except the Theatre, which will include full interior/tenant improvements ready for operation and occupancy.</p> <p>5. Developer shall have provided an itemized operating budget and 10-year cash flow statement demonstrating project financial feasibility. The operating budget must include a full rent schedule, and reasonable replacement and operating reserves. Operating expenses shall include all customary and reasonable operating expenses, and include Common Area Maintenance charges. If the lease structure is a NNN lease, in which the tenant or lessee is responsible for paying a portion or all operating and common expenses related to the leased property in addition to base rent, then the Developer shall itemize said NNN items that will be the responsibility of the tenant/lessee.</p> <p>6. Developer shall have identified the committed funds/sources equal to 100% of the Budget (which funds/sources may include, without limitation, Historic Rehabilitation/New Market Tax Credit financing, equity, debt secured by Developer's leasehold interest and the City Theatre Contribution (defined below). Funds from equity contributions will be evidenced by the corporate documents requiring the applicable equity partner(s) to fund any remaining equity</p>
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	<p>contribution upon the execution of the Lease and recordation of the Memorandum of Lease (“Lease Closing”). Funds from secured debt will be evidenced by a binding loan agreement evidencing the availability of requisite funds. The tax credit and loan agreements may be subject to commercially reasonable conditions related to the initial funding, which include, without limitation, Lease Closing and prior expenditure of Developer equity. Developer shall have the right, but not the obligation, to satisfy this condition with Developer equity and subsequently replace all or a portion of such equity with tax credits or debt evidenced by the applicable binding agreement.</p> <p>7. Developer shall have provided the City with a financial statement for Developer compiled by an outside, independent accountant in a form reasonably acceptable to the City evidencing sources of capital sufficient to fund the Developer equity identified in Item (6) above.</p> <p>8. Developer shall have provided the City with the following with respect to Developer’s obligation to complete the Initial Improvements: (a) a completion guaranty in the form attached to the LDDA and (b) performance and payment surety bonds, which bonds shall be in an amount equal to 100% of the hard costs to complete the Initial Improvements (as evidenced by the approved Budget). The guarantor</p>
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	<p>under the completion guaranty will be Eddie Orton (subject to the City's verification that Mr. Orton has financial assets as of the Closing Date equal to or greater than 25% of the total estimated project costs, not including any investment in the Developer or the Project) or, at City's sole and absolute discretion, another credit worthy Developer affiliate: (i) not organized or operated for a primary purpose of serving as a guarantor under the LDDA and (ii) with a net worth equal to or greater than 25% of the total cost budget, not including any investment in the Developer or the Project.</p> <ol style="list-style-type: none">9. Developer shall have provided evidence of required insurance for the pre-construction period of the Lease.10. There is no third-party litigation challenging the Project or the City's authority to enter into the Lease.11. Developer has provided the City with the Lessee formation documents and evidence that such entity has a current City business license.12. Developer shall have submitted and secured City approval (in its proprietary capacity) of the Design Development Plans for the Initial Improvements prior to the deadline stated in the Schedule of Performance. Design Development Plans shall be based on the schematic design plans for the Project and define and describe all important aspects of the Project so that
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	<p>all that remains is the formal documentation step of construction contract documents. Design Development Drawings shall include, without limitation, the following components (to the extent the same apply to the finished condition of the Theatre or the cold shell condition of the balance of the Initial Improvements):</p> <p>A site plan, floor plans, a roof plan, exterior elevations, interior design, building sections, reflected ceiling plan, enlarged floor plans and sections (as applicable), structural drawings, mechanical drawings, plumbing drawings, HVAC drawings, electrical drawings, specification outline, technical specifications, tabulation of areas, an updated itemized statement of probable construction costs (appropriate amounts for contingency and inflation shall be included) broken down by trade, landscape design, and a schedule for construction.</p> <ol style="list-style-type: none">13. Developer shall have submitted for and secured the Pre-Closing Historic Approvals prior to closing.14. Developer shall have provided evidence that it has secured non-binding letters of intent with qualified tenants for at least 31,000 square feet of leasable area in the Project B space.15. Developer is not in default of its obligations under the LDDA.
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B. Developer Conditions Precedent:

The following items occurring prior to the dates set forth in the Schedule of Performance shall be conditions precedent to the Developer's obligation to close escrow on the Lease.

1. Developer shall have obtained the Discretionary Approvals, Regulatory Permits and the City's approval of the Final Construction Documents.
2. The Property shall be in the condition required by Section 3.5 below.
3. Developer shall have completed and approved its assessment of the feasibility of entering into the Lease with regards to the Developer's potential liability for transfer taxes and possessory interest taxes prior to the date that is three (3) months after the LDDA Commencement Date.
4. Developer shall have completed and approved its due diligence inspection of the Property prior to the date that is nine (9) months after the LDDA Commencement Date.
5. Developer shall have approved title to the Property (the "Permitted Exceptions") prior to the date that is three (3) months after the LDDA Commencement Date.
6. The title company shall be irrevocably committed to issue (upon payment of premium and execution of the Lease) a Lessee Title Policy subject only to the Permitted Exceptions.

	<ol style="list-style-type: none"> 7. There is no third-party litigation challenging the Project or the City’s authority to enter into the Lease. 8. Developer shall have secured non-binding letters of intent with qualified tenants for at least 31,000 square feet of leasable area in the Project B space. 9. Developer shall have submitted for and secured the Pre-Closing Historic Approvals prior to closing. 10. The City is not in default of its obligations under the LDDA.
<p>3.5 Property Condition at Closing</p>	<p>Subject to (a) the Permitted Exceptions and (b) the City’s obligation to deliver the Property at closing in a tenant-free condition and free of all material rubbish (the City shall have no obligation to remove any fixtures or provide a “broom-clean” condition), and (c) the City’s obligations under Section 4.10 below, the Property shall be delivered on the Effective Date of the Lease in an “as is” physical condition.</p>
<p>3.6 Remedies</p>	<p>A. The City’s remedies for the Developer’s failure to close escrow upon satisfaction of all Developer conditions precedent to closing shall be limited to termination of the LDDA, retention of any Project Payments and payment of liquidated damages in the amount of Two Hundred Thousand Dollars (\$200,000), secured by a letter of credit evidenced prior to the expiration of the due diligence period.</p> <p>B. The Developer’s remedies for the City’s failure to close escrow on the execution of the Lease shall be limited to (i) the termination of the LDDA and refund of a pro-rated portion (based on a 365-day</p>

	<p>year) of the most recent Project Payment and a return of the letter of credit, or (ii) at Developer’s election, specific performance of the City’s obligations under the LDDA.</p>
<p>3.8 Pre-Closing Work</p>	<p>Developer shall be permitted to perform exploratory/destructive testing at the Property as is reasonably necessary to complete the Project construction drawings. Such work shall be subject to the right of entry provisions of the LDDA.</p> <p>Further, Developer shall have the right, but not the obligation, to perform certain improvements to the Property to facilitate Developer’s pre-leasing efforts. Such improvements may include the build out of “model” office suites, landscaping or the opening/uncovering of windows or non-structural walls. Such work shall be subject to the right of entry provisions of the LDDA and shall be conditioned upon (a) Developer’s agreement to remove such improvements if Developer does not close escrow on the Lease (if requested by the City); (b) prior approval of the plans by the City (in its landowner capacity); (c) procurement of requisite permits; and (c) the City’s reasonable approval of security for Developer’s obligation to remove such improvements if the LDDA is terminated prior to closing on the Lease.</p>
<p>4. LEASE TERMS</p>	
<p>4.1 Parties</p>	<p>A. <u>Landlord</u>: City of Oakland, as the “City” or “Landlord.”</p> <p>B. <u>Tenant</u>: Oakland Civic, LLC, or a related entity, as the “Developer” or “Tenant.”</p>
<p>4.2 Premises</p>	<p>The Property.</p>
<p>4.3 Term</p>	<p>A. <u>Initial Term</u>. The Lease shall have an initial term of 34 years.</p>

	<p>B. <u>Options to Extend.</u> Developer shall have options to extend the Lease on the same terms in six 10-year increments and one 5-year increment up to an aggregate maximum term of 99 years.</p>
<p>4.4 Project Funding Sources; Developer Financing</p>	<p>A. <u>Theatre Contribution.</u> The anticipated Project funding sources would include Developer equity, bank debt, new market tax credits, Historic Tax Credits, and a City contribution of \$3,000,000 to the hard costs allocated to the Theatre (the “City Theatre Contribution”).</p> <p>The City Theatre Contribution will be used to fund costs allocated within the Theatre and shall be drawn by Developer in the form of reimbursement draws for approved costs.</p> <p>B. <u>Developer Financing.</u> The City shall have the right to review the material terms of any construction or permanent financing obtained by Developer. The City’s review of financing shall be limited to confirming that: (i) such financing is adequate to complete the Project, (ii) the terms of the financing are commercially reasonable, and (iii) such financing is being provided by an unaffiliated lender through a bona fide arms-length transaction.</p>
<p>4.5 Base Rent and Participation Rent; Proceeds from Refinancing.</p>	<p>A. <u>Base Rent:</u> Developer shall pay a Base Rent of \$1.00 per year.</p> <p>B. <u>Participation Rent:</u> Participation Rent would commence upon receipt of any gross revenues. The “Participation Rent” is defined as the City’s share of the Project Net Revenue (defined below), which shall be payable in any given Lease Year pursuant to the following priority:</p>

1. The first \$75,000 of Net Revenue (the “Annual Fund”) shall be paid to the Theatre Foundation (defined in Attachment B), which will expend such funds in grants to support Target Users (defined below) pursuant to Item 2 of Attachment B. The Annual Fund shall be increased every ten (10) years during the term of the Lease by the cumulative CPI during such period (not to exceed 20% in the aggregate for any adjustment period). If the Net Revenue for any Lease Year is insufficient to fully fund the Annual Fund, the shortfall shall be carried over to successive years (without interest) until fully paid.

2. The Developer Fee set forth in Section 4.12 below, or any balance thereof, to the extent that said Developer Fee has not been paid to Developer at the end of Project construction. The Developer Fee shall not be treated as equity and shall not be subject to any Applicable Preferred Return, as defined below.

3. Subject to the requirements of Section 4.6 below, Developer shall receive the Applicable Preferred Return (defined below) until Developer has been paid its accrued Applicable Preferred Return on outstanding Developer Equity.

“Developer Equity” means funds expended by Developer (a) for third-party Project costs that (i) cannot be funded through commercially reasonable construction financing secured by a first deed of trust against Developer’s leasehold interest (which financing is consistent with Paragraph 4.4(B) below) that charges a lower interest rate than the Applicable Preferred Return and (ii) is related to the design, permitting and construction of the Initial Improvements, initial common area improvements and any initial tenant improvements (or initial tenant

improvement allowances) required by a lease with a third party, (b) to fund Third Party Capital Costs (defined below) if there are no reasonable alternative financing methods secured by a first deed of trust on Developer's leasehold interest available that charge a lower interest rate than the Applicable Preferred Return, and (c) to fund any operating or capital reserves required by a lender to the extent not covered by the initial financing proceeds or cash flow.

Third party costs shall include the actual cost (wages, benefits and employer taxes) for construction supervision and labor that is "self-performed" by employees of Developer affiliates.

The parties acknowledge that (1) Developer may identify Developer equity as 100% of the Project funding sources to timely satisfy the condition precedent set forth in Paragraph 3.4(A)(6) prior to the closing of the construction loan and (2) the fact that Developer acquires a construction loan that satisfies the financing requirements of clause (a) above after the satisfaction of such condition shall not disqualify the Project, design, permitting and construction costs actually funded by Developer equity (and not reimbursed to the Developer or directly funded by the subsequent construction loan) from being credited towards the Developer Equity.

"Applicable Preferred Return" shall refer to either the "Return on Base Equity" or "Return on Additional Equity," as applicable.

"Return on Base Equity" means a fifteen percent (15%) simple, annual return on the first tier of up to \$10,000,000 of outstanding Developer equity ("Base Equity Contribution").

“Return on Additional Equity” means a nine percent (9%) simple, annual return on an additional second tier of up to \$10,000,000 of outstanding Developer equity (“Additional Equity Contribution”).

In no event shall Developer Equity exceed \$20,000,000. Any unpaid Applicable Preferred Return accumulates until paid without compounding.

“Third-Party Capital Costs” means third-party costs related to capital repairs and replacements (and not additional new improvements to the building) that (a) occur after the initial completion of the Project and are required pursuant to a capital improvement plan approved by the City and (b) cannot be funded by available operating revenue, capital reserves, or insurance proceeds.

The Lease will describe a process by which Developer may seek City approval for new improvements to the building during operation of the Project.

4. Subject to the requirements of Section 4.6 below, Net Revenue shall be paid to Developer as a return of all outstanding Developer equity (whether or not such equity is Developer Equity entitled to an Applicable Preferred Return) until Developer has been paid all of its outstanding Developer Equity. Developer shall continue to receive the Applicable Preferred Return on unreturned Developer Equity, subject to the restrictions set forth in Section 4.5(B)(3) above. Net Revenue shall be used to return Developer Equity in the following order: first, to return the Additional Equity Contribution; second, to return the Base Equity Contribution; and third, to return Developer Equity that was

	<p>not entitled to an Applicable Preferred Return.</p> <p>5. Thereafter, Net Revenue would be paid to the City and Developer, 50%/50% on a pari-passu basis.</p> <p>“Net Revenue” is generally defined as the gross revenue from Theatre operations, gross sublease rent for the balance of the Project, and gross proceeds from financing (excluding construction loans related to the initial construction of the Project), less the following (all as are reasonable and customary): (i) ownership and operating expenses, taxes (including any Special District assessments), utilities, maintenance and repairs, if applicable, lease commissions, sub-landlord tenant improvement expenses, etc.), (ii) debt service, (iii) cost of financing related to any refinancing of the project’s permanent debt on the project, (iv) lender-required or City-approved reserves except for such reserves funded by financing proceeds; (v) Theatre operating costs, to the extent such costs are to be paid by Developer or , if the Theatre Operator is retained on a sublease basis, the Theatre Operator, and (vi) reasonable and customary asset/property management fees.</p> <p>If Developer receives sublease rent in the form of any real or personal property in lieu of cash, the fair market value of such real or personal property would be included in the gross revenue.</p> <p>Developer would provide the City with an accounting of the Net Revenue for the prior year on or before May 1st of each year and deliver the required Participation Rent Payments with such accounting. City shall have the right to audit any such accounting.</p>
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<p>4.6 Refinancing</p>	<p>At the expiration of its construction loan, Developer will use commercially reasonable efforts to obtain permanent financing secured by a first deed of trust on Developer’s leasehold interest in a sufficient principal amount to pay down Developer’s outstanding Developer Equity to \$10,000,000 or, at Developer’s discretion, less, and its accrued but unpaid Applicable Preferred Return.</p> <p>Commencing on the first day of the sixteenth (16th) year of the Lease term (“Best Efforts Commencement Date”), Developer will use its best efforts to obtain permanent financing secured by a first deed of trust on Developer’s leasehold interest that refinances any then current Project loan and then returns all remaining Developer Equity. Notwithstanding the foregoing to the contrary, Developer shall not be required to do any of the following to increase the amount of the subject loan in order to return any or all of the remaining Developer Equity:</p> <ol style="list-style-type: none"> 1. Obtain a loan in a principal amount that exceeds a fifty percent (50%) loan to value ratio; 2. Obtain a loan that requires the payment of interest or fees/points that are greater than the prevailing interest rate or fees/points for loans secured by commercial real estate (i.e. a “hard-money” loan); 3. Provide any credit enhancements beyond a “bad boy” carve-out repayment guaranty; or 4. Provide any collateral for the subject loan beyond Developer’s leasehold interest, Project rents and Project cash
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accounts and reserves owned by Developer.

Developer will be deemed to have satisfied its obligation to use best efforts to obtain the required financing if it has either (i) obtained the required loan or (ii) obtained indications from at least two (2) regional or national banks stating that the required loan is not available at the required terms. Further, after the Best Efforts Commencement Date, Developer will not be required to seek financing more often than once per year and provided further that Developer will not be required to seek financing during the first five (5) years of any loan that closes after the Best Efforts Commencement Date.

Notwithstanding the provisions of Section 4.5(B)(3) and (4) to the contrary, Developer shall apply net proceeds from permanent financing and/or any refinancing of Project debt required by this Section 4.6 first to pay down outstanding Developer Equity (for the initial re-financing to \$10,000,000 or, at Developer's discretion, or less) (first applied to Additional Equity Contribution then to Base Equity Contribution) and then to pay Developer a return of accrued but unpaid Applicable Preferred Return. All other refinancing proceeds shall be distributed in accordance with the waterfall presented in Sections 4.5(B)(3) and (4), first being applied to payment of accrued Applicable Preferred Return.

<p>4.7 Prepayment of Sublease Rent</p>	<p>If Developer receives pre-paid sublease rent (in cash or real/personal property), Developer may, at its sole discretion, elect to apply all or a portion of the net proceeds towards the reduction of Project debt. Any amounts not applied to the reduction of Project debt would be applied as Net Revenue (along with all other Net Revenue for the applicable Lease year) and paid/applied pursuant to the Participation Rent waterfall set forth in Section 4.5(B) above.</p>
<p>4.8 Sale of Lease Position</p>	<p>If Developer, subject to City’s approval rights set forth in Section 4.14, below, sells its leasehold position to an approved buyer, the purchase price paid by the transferee for such sale (the “Transfer Price”) would be applied as follows:</p> <p>A. Any portion of the Transfer Price funded by the net proceeds (principal amount less origination fees and costs paid from the loan funds and less any required loan reserves) from a new loan secured by a collateral interest in the leasehold interest (“New Leasehold Loan Proceeds”) would be applied as follows:</p> <ol style="list-style-type: none"> 1. 100% of the New Leasehold Loan Proceeds would be applied to the repayment of any existing debt secured by the leasehold interest until the existing debt has been fully repaid; and 2. thereafter, the remaining New Leasehold Loan Proceeds would be applied as Net Revenue (along with all other Net Revenue for the applicable Lease year) and paid/applied pursuant to the Participation Rent waterfall set forth in Section 4.5(B) above. <p>If Developer sells its leasehold position to a third party who desires to increase the debt level of the</p>

	<p>Property to pay all or a portion of the Transfer Price, subject to the applicable limitations in the Ground Lease, such transferee may increase the debt level and thereafter, the calculation of subsequent Net Revenues shall be based on the amount of the new debt.</p> <p>B. Any portion of the Transfer Price not funded by New Leasehold Loan Proceeds would be paid 100% to Developer.</p> <p>Any subsequent owner of Developer’s leasehold position shall receive a Preferred Return on the amount of unreturned equity the initial Developer had in the deal at time of sale (subject to any subsequent return-of-equity payments and any additions of capital pursuant to Section 4.5 above).</p> <p>C. Nothing in the Lease shall prevent a transferee from assuming the existing Project debt.</p>
<p>4.9 Tax Assessment</p>	<p>The value of the premises for purposes of any transfer tax or assessment of the possessory interest therein shall be determined by the City’s tax administrator, the County Tax Assessor or other taxing agency with jurisdiction over the premises (each in accordance with applicable laws).</p>
<p>4.10 Construction of Initial Improvements</p>	<p>A. <u>Conditions Precedent to the Commencement of Construction</u>: Developer’s right to commence construction on all or any phase of the Initial Improvements (which phasing shall be subject to the building department’s prior approval) shall be subject to the prior satisfaction of the following conditions precedent:</p> <p>(1) Developer shall have received the City’s regulatory final plan check approval for the final construction plans for the Initial Improvements.</p>

	<p>(1) (2) Developer shall have received all Building Permits for the Initial Improvements (the “Building Permits”), which condition may be satisfied by (a) evidence that the City is prepared to issue the Building Permit upon payment of the applicable fees and (b) payment of such fees through the close of escrow under the LDDA. Developer shall provide City will all other Building Permits for all subsequent work required to complete the Initial Improvements as shown in the Schedule of Performance.</p> <p>(2) Developer shall have provided the City with a copy of the contract with the general contractor(s) showing the total hard construction costs for the Initial Improvements consistent with the Budget (the “General Contract”). Developer shall provide City will all addenda and/or amendments to the General Contract for all subsequent work required to complete the Initial Improvements.</p> <p>(3) Developer shall have provided evidence of required insurance for the construction period of the Lease.</p> <p>The foregoing conditions shall not apply to Pre-Closing Work.</p> <p>B. <u>Commencement of Construction:</u> Developer would commence construction of the Initial Improvements by the applicable date set forth in the Schedule of Performance.</p> <p>C. <u>Completion of Construction:</u> Developer would complete construction of the Initial Improvements by the applicable date set forth in the Schedule of Performance.</p>
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	<p>D. <u>Force Majeure</u>: All commencement/construction/ completion dates would be subject to extension for up to one (1) year due to force majeure events, including delays by the City in processing Developer’s government approvals that exceed the City’s normal processing time for a project of this type and complexity (i.e., up to six months with overtime plan check services or nine months without overtime plan check).</p> <p>E. <u>Changes to Plans</u>: Developer would have the right, with City’s prior approval (not to be unreasonably withheld, conditioned or delayed), to make changes to approved plans to address unforeseen conditions, meet the Secretary’s Standards, tenant requirements and to incorporate value engineering concepts upon receipt of all regulatory approvals and provision of evidence that the sources (debt/equity) have been secured to fund any cost increases.</p>
<p>4.11 Hazmat</p>	<p>The City will reimburse Developer for up to \$100,000 in third-party costs incurred in the remediation of any below-ground contamination. Developer agrees to not hold City liable for any additional remediation costs.</p> <p>In the event that Developer discovers any such below-ground contamination, Developer shall be entitled, subject to approval of the applicable regulatory agencies and prior consultation with and approval of the City’s designated hazardous materials experts, to remediate the condition using a risk-based, brown-fields approach based on the intended use of the Property. The City will cooperate with such efforts, including without limitation, executing and recording any required deed restrictions or consenting to required</p>

	<p>modifications to the construction plans as necessary to incorporate any required mitigation measures. If the City is named on any order with respect to such below-ground contamination and required to conduct any investigation or remediation by a third party regulatory agency, Developer shall reimburse City for third party costs for peer review or technical expertise retained by City in connection with the same.</p>
<p>4.12 Commission</p>	<p>In the event a properly licensed Developer affiliate brokers a lease or lease-sale agreement between itself and a subtenant/lease purchaser, Developer may take a commission in accordance with the below commission schedule. In the event Developer represents itself but not a Tenant/Buyer, Developer to receive 50% of Commission income outlined below. Commission income would not go through the Project Waterfall.</p> <p>Commission Payment Schedule:</p> <p>2% of base rental income for the first five (5) years in which base rent is to be paid.</p>
<p>4.13 Developer Fee</p>	<p>\$2,300,000, paid pursuant to Section 4.5.</p>
<p>4.14 Special Districts</p>	<p>During the term of the Lease, Developer shall be allowed a reasonable opportunity to meet and confer with the City prior to the City voting the property owner's interest with respect to the formation or amendment of any special taxes or districts (including any CFD, CSD or BID) that would affect the Property or impose a tax on Developer's possessory interest; provided, however, that the City shall cast any such vote in its sole and absolute discretion and shall have no liability to the Developer arising from any such vote or otherwise under this Section.</p>

<p>4.15 Transfers</p>	<p>A. <u>Prior to Completion of the Initial Improvements</u>: Any transfer of all or a portion of Developer’s interest in the Lease to an Affiliate would be a permitted transfer upon prior written notice to City. All other transfers would require the prior consent of the City Council, which may be withheld conditioned or delayed at the City Council’s sole and absolute discretion.</p> <p>B. <u>After Completion of the Initial Improvements</u>: Same as prior to Completion of Initial Improvements for transfers to Affiliates. All other transfers would require the prior consent of the City Administrator, which consent may not be unreasonably withheld, conditioned or delayed. LDDA will describe reasonable conditions of approval, including financial capacity and experience of transferee. City will not require any payment (beyond reimbursement of reasonable legal fees and staff costs) as a condition to approving any transfer.</p> <p>D. <u>Subleases</u>. Developer would have the right to sublease all or a portion of the Property to one or more non-Developer third parties upon prior written notice. The City would enter into non-disturbance agreements with such sublessees upon written request and subject to standard conditions, including a requirement that the subtenant and sublease are expressly subject to all terms and requirements of the Lease.</p> <p>E. <u>Tax Credits</u>. City shall reasonably approve any transfer(s) or sublease(s) solely for the purpose of obtaining</p>

	or selling tax credits to a tax credit investor(s) if a component of the Developer financing.
4.16 Condition of Premises at End of Lease	Lease provisions will require periodic updating of improvements. Condition at expiration of Lease: as constructed, well-maintained, minus reasonable wear and tear. Developer will leave the premises in a warm shell condition, meaning that the premises shall have finished well-maintained interiors, well-functioning heating and cooling (HVAC) system, drop ceilings, well-maintained plumbing and restrooms, and functioning interior lighting, with all structural improvements intact. Developer shall remove all furniture, fixtures, and equipment and trade fixtures at City's request, or, upon approval by the City, may leave premises occupied with subleases that extend beyond the term of the lease.
4.17 Community Benefits	See Attachment A.
4.18 Indemnification	Developer shall provide standard commercial hold harmless, defend, and indemnification provisions to the City of Oakland and its employees, officers, directors, shareholders, partners and agents, including environmental indemnification. Developer's obligations shall exclude any matters arising out of the existing condition of the Property, or the indemnified parties' sole active negligence or willful misconduct.
4.19 Schedule of Performance	See Attachment B.
4.20 Closing Costs	Developer shall pay all costs or expenses and other amounts necessary for the Close of Escrow, including, but not limited to escrow fees; recording fees, and transfer taxes, if any, and the cost of title insurance and necessary surveys.
4.21 Taxes and Assessments	Developer understands that the LDDA or the Lease may constitute a possessory interest and that

	<p>interest may be subject to property taxation. If for any reason imposed, ad valorem taxes and assessments levied, assessed or imposed for any period either before (as a result of the parties' execution of the LDDA) or after delivery of the Property, including but not limited to, possessory interest taxes, shall be the sole responsibility of the Developer (as an expense to be deducted in determining Net Revenue).</p> <p>The City shall not assert that the execution of the LDDA creates a taxable possessory interest in the Property.</p>
<p>4.22 City Approvals</p>	<p>The City Administrator, in consultation with the City Attorney, shall be authorized to provide City approvals or consents required under or contemplated by the LDDA without further approval from the City Council except for: (i) any Transfers requiring City Council approval pursuant to Section 4.14; (ii) outside dates for closing or completion of construction (iii) changes in community benefits; (iv) changes to the financial terms of the transaction or (v) as otherwise required by law.</p>
<p>4.23 Non-Binding Proposal</p>	<p>This term sheet sets forth a general summary of some of the material terms that would need to be negotiated and memorialized in a formal LDDA/ Lease approved by both parties in their respective sole and absolute discretion. Until that time,</p> <p>A. neither party shall have any obligation to the other party with respect to the Property,</p> <p>B. neither the expenditure of funds, the making of any commitments, nor the taking of any actions by any party to implement any of the terms and conditions of this submission or any such correspondence shall be regarded as part performance or otherwise effectuate any</p>

	<p>agreement prior to the full execution and delivery of the formal agreement and</p> <p>C. either party may terminate negotiations at any time for any or no reason.</p>
<p>4.24 Document Preparation Fee</p>	<p>Developer acknowledges and agrees that City may engage, in its sole discretion, outside counsel to assist with expedited preparation of the LDDA and Lease, after Council formally has approved the Term Sheet. City estimates that such amount shall approximate \$50,000 and shall inform Developer if billings are anticipated to exceed such amount. Developer shall reimburse the City for such legal fees within 5 days of execution of the LDDA.</p>

Attachment A

Project Site/Space Plan

[See attached.]

Attachment A
Community Benefits

[See attached.]

HJK Community Benefits

Orton Development commits to the following community benefits as part of the Henry J. Kaiser Convention Center rehabilitation project.

<p>Community Benefit Category, per ENA and RFP</p>	<p>Developer Proposal</p>
<p>1. Rehabilitation and reopening of the entire historic building with a mix of uses that allows for public access</p>	<p>The rehabilitation of this long vacant and deteriorating historic landmark, and allowing for its sustainable reuse and public enjoyment, is the primary outcome and benefit of the project. The building will be registered as a National Historic Landmark and rehabilitated to the Secretary’s Standards.</p> <p>Necessary seismic and life safety work will be done to return the currently vacant building to productive use.</p> <p>A. <u>Designated Public Access Areas.</u> The public will have access to designated portions of the building during regular business hours. The designated public access areas will include the following components (subject to Building Department and SHPO approvals), each as depicted on Attachment B(1): (i) the deck, (ii) exterior plaza area and (iii) the area of approximately 2,300 square feet on the first floor designated for a Public-Serving Use (defined below). As used herein, the term “Public Serving Use” means a use that is open to and serving the general public, including reasonable evening and weekend hours (in addition to Project tenants and their licensees) including, without limitation, restaurant, retail or museum uses. Public access to areas (i) and (ii) may be subject to (a) modification in response to requests related to subtenant requirements, subject to mutual agreement between Developer and City, or (b) reasonable restriction for special events held at the Project. Notwithstanding the foregoing to the contrary, Developer may sublease area (iii) for a use other than a Public-Serving Use at any time after another area of at least the square-footage indicated for the Public-Serving Use on Attachment B(1) within the Project has been subleased for a Public-Serving Use on the ground floor.</p>

	<p>B. <u>Scheduled Public Access.</u> Developer shall develop a program to permit the public to request and schedule access to tour/view the Arena portion of the Project. Such access shall be supervised by a Developer representative. The scheduled access program shall take into account the needs of the Arena subtenants and be subject to the City’s reasonable approval. The schedule access program will be based on a minimum of four hours (e.g. 9:00a – 1:00p) on three days a month (e.g. 1st, 10th and 15th) for each month of the year and for a minimum of 20-minute tour of Arena and Theatre during the access hours.</p>
<p>2. Restoration, reopening and operation of the Calvin Simmons Performing Arts Theatre and ancillary spaces including ballrooms</p>	<p>Developer will reopen the Theatre as a performing arts venue with affordable rates for local non-profit performing arts groups. Developer will propose to the City an entity to manage, operate and program the Theatre (the “Theatre Operator”). The Theatre Operator may be a newly established entity, or an existing entity that agrees to fulfill the required responsibilities. Developer will engage the proposed entity as the Theatre Operator only with written consent of the City.</p> <p>The contract between Developer and the Theatre Operator will be subject to City review and approval before initial execution and before any amendment or extension. Such contract will require that the Theatre cannot be booked by a non-Target User (defined below) for more than two hundred (200) days in any calendar year without the prior approval of the City Administrator. As used herein, the term “Target User” means local educational users (school districts, colleges and their sponsored groups), local non-profit organizations and local performance/arts groups.</p> <p>Ancillary spaces around the Theatre, such as the ballrooms, will also be made available to Target Users for rehearsal spaces, events, smaller performances, meeting space etc. The ballrooms will also be available for rental by the general public for private or community events for at least one hundred eighty (180) days in any calendar year.</p> <p>The Theatre Operator shall use commercially reasonable efforts to</p>

	<p>require non-Target Users to provide at least 10 tickets per show for free or at a discounted price to Target Users.</p> <p>The Theatre Operator will establish a private, charitable foundation (the “Foundation”) to administer the Annual Fund (as defined in the Term Sheet). The Foundation will establish a grant process for the allocation of 100% the prior year’s Annual Fund funds to a variety of Target Users for the following year. These grants will fund/support the following: grantees’ use of the Theatre and its ancillary spaces (e.g. the Gold Room and the Ballroom), artist fees, production expenses or marketing expenses. The grants will be determined by a panel consisting of three individuals, one appointed by the City Administrator, one appointed by the Theatre Operator and one jointly selected by the City Administrator and the Theatre Operator with experience working with from local performance/arts groups.</p>
<p>3. Office space for non-profit arts organizations</p>	<p>The Project B space will contain at least 13,000 leasable square feet that are designated for use by Target Users (the “Minimum Target User Office Space”). Up to fifty percent (50%) of the Minimum Target User Office Space may be located in the basement. The design for the Minimum Target User Office Space will allow for shared resources that may include conference rooms, equipment, kitchens, co-working spaces, reception areas, etc. to ensure that rents are affordable for individual Target Users. The Developer is also investigating ways to provide shared back office and other services for arts tenants such as HR and graphic design. These shared resources, along with the availability of event, rehearsal, office, and storage space under the same roof, are intended to create operational, economic efficiencies and affordable rents for the Target Users housed within the Project. The LDDA will provide with greater specificity for the design elements that are intended to provide operational and economic efficiencies, and affordable rents for Target Users.</p> <p>At least 3,000 square feet of the leasable square footage in the Minimum Target User Office Space (the “Local-Reserved Space”) will be leased to and reserved for Local Arts Organizations (defined below). The Local-Reserved Space shall be identified to City by the Developer and may “float” from one portion of the</p>

Minimum Target User Office Space to another, with prior notice to the City, as the parties anticipate the exact mix of tenants and uses may evolve over time. The Lease will include a provision that prohibits Developer from leasing the Minimum Target User Office Space (or any portion thereof) to a non-Target User, and prohibits Developer from leasing the Local-Reserved Space to a person or entity other than a Local Arts Organization, without the City Administrator’s prior written consent. The City Administrator will not unreasonably withhold such consent if the City Administrator in good faith determines Developer has been unable to obtain a credit-worthy Target User tenant for the available space, including Local Arts Organizations for the Local-Reserved Space, after having met the Marketing Requirement (defined below). Any City Administrator consent will be limited to the instant request and does not imply that the City Administrator will consent to subsequent requests.

As used herein, the term “**Local Arts Organization**” means a person or entity that meets the following criteria:

1. The organization’s primary purpose is to provide arts or cultural services or the organization has an ongoing, substantial, and integral arts or cultural program with a minimum of two (2), consecutive years providing art and cultural services in the City of Oakland.
2. The organization maintains an office physically located in Oakland with an Oakland street or P.O. Box address (postal box services that provide a street address do not qualify).
3. The organization is a nonprofit registered with the State of California and in good standing.
4. The organization is a tax-exempt organization under Section 501(c)3 of the federal tax code with an IRS Determination Letter listing a street address in Oakland. Alternatively, the organization can demonstrate that it has begun the process of securing 501(c)3 status.

As used herein, the term “**Marketing Requirement**” means that Developer has (a) provided the City with written notice that Developer has not been able to secure leases with Target Users for the Minimum Target User Office Space and (b) actively and professionally marketed such space in a commercially reasonable manner for a period of nine (9) months upon initial lease of the space and a period of sixty (60) days for re-rent of any leased space

	<p>previously, after providing such notice to the City at a rate that does not exceed \$2.75 per square foot per month of exclusive use space (which amount shall be adjusted annually by the CPI), under a NNN lease. Developer may not provide such notice prior to issuance of the temporary certificate of occupancy for the Project.</p> <p>Developer will provide the City with evidence to substantiate Developer’s satisfaction of part (b) of the Marketing Requirement, including but not limited to copies of Developer’s marketing materials, copies of contracts or other agreements with commercial brokers hired to market the available space and a copy of a correspondence log evidencing communications to/from potential Target User tenants, including Local Arts Organizations.</p>
<p>4. Improvements to, and the creation of new, on-site public spaces surrounding the building for public use and access</p>	<p>Developer, working with its landscape architect and in consultation with its neighbors, will design, fund, construct, and maintain new and improved public spaces immediately around the building on the project site including:</p> <ul style="list-style-type: none"> • Aesthetic and functional improvements to the parking lot to better link the building to Lake Merritt visually and physically • Improvements to 10th Street along the Project frontage as well as parking lot entrances. • Outdoor seating, trash receptacles, and exterior lighting etc. • Aesthetic and functional improvements to the public area between the Theatre and the OMCA to create a stronger link between these two buildings and a more pleasant visitor experience. <p>All improvements will be designed with input from Oakland Museum of California (“OMCA”), the City, and other neighbors and community stakeholders, including the Measure DD Community Coalition, and the Oakland Heritage Alliance.</p>
<p>5. Pedestrian, bike and other improvements to better link</p>	<p>Developer shall participate with Project neighbors such as OMCA, Laney College, BART, East Bay Asian Local Development Corporation (“EBALDC”), Urban Core, Oakland Unified School District (“OUSD”), and the City, in collaborative efforts to improve</p>

<p>the Project to BART and Lake Merritt</p>	<p>surrounding wayfinding, links from the Project to BART and the Lake, and the pedestrian experience in the larger neighborhood context.</p> <p>Developer commits to working with these partners on grant applications and other fundraising efforts, as well as participating in design processes, to help implement improvements.</p> <p>Cost splitting of these improvements beyond the Project site to be negotiated at a later point.</p>
<p>6. Wages</p>	<p>All construction jobs will be subject to payment of Prevailing Wages.</p> <p>Project employers covered by the Oakland Living Wage Ordinance (Oakland Municipal Code Ch. 2.28) shall provide compensation to employees as required by that ordinance.</p>
<p>7. Labor Peace</p>	<p>Any project labor agreement (“PLA”) or labor peace agreement entered into by Developer (in Developer’s sole and complete discretion) and one or more unions shall facilitate implementation of the Small/Local Business Enterprise Policy (“S/LBE”) (including the Local Employment Program) as incorporated into the LDDA, regardless of terms of existing collective bargaining agreements, including by requiring unions party to the PLA to refer local residents regardless of such workers’ place on hiring hall lists, and by permitting contractors to employ local residents referred by other sources when local residents who are union members are not available. Prior to execution of any such PLA or labor peace agreement, Developer shall provide a final draft to the City, and shall execute such draft only with the City’s consent, which shall be provided unless the text of the draft agreement does not comply with such requirements.</p> <p>Prior to Closing, Developer will execute and deliver to City a commercially reasonable labor peace agreement covering restaurant or other food uses that may be in the project with more</p>

	<p>than 50 full-time employees, as well as chain restaurants of any size with gross revenues exceeding \$50 million across all locations.</p>
<p>8. Educational opportunities, workforce training, apprenticeship programs etc.</p>	<p>The Theatre Operator shall work collaboratively with one or more local educational institutions such as Laney College, OUSD, and the Stagehands Union (I.A.T.S.E) to develop apprenticeship programs in fields such as hemp house operation, lighting, sound, etc., turning the Theatre into a “teaching theatre.” The City may require recipients of any portion of the Annual Fund to participate in the apprenticeship program, through provision of training and/or work opportunities.</p>
<p>9. Local Employment Policy and Small/Local business Contracting Policy</p>	<p>Developer and Project employers shall meet the requirements of:</p> <ul style="list-style-type: none"> • the City’s 2012 S/LBE Program, attached as Attachment B(2), which includes the City’s Local Employment Program and Oakland Apprenticeship Program; • the City’s Equal Benefits Ordinance; and • the City’s Living Wage Ordinance.

<p>10. Health and Environment</p>	<p>Orton (and City, where applicable) will comply with the following:</p> <ul style="list-style-type: none"> • Public Information: The City shall share information with the public regarding past soil testing and remediation and the existing requirements for truck routes surrounding public land parcels to those living in the surrounding; • Trees: Projects must incorporate and maintain trees on the site and adjacent street frontage (as specified by Oakland Municipal Code Chapter 17.124); there must be a net tree increase, so that trees that are cut must be replaced; • Renewable Energy: Project selection must consider on-site renewable energy infrastructure such as solar, wind, geothermal, or biomass with production capacity of at least 5% of the project's annual electrical and thermal energy cost; • Solar: Projects must maximize opportunities for solar panel installation, including, but not limited to, applying for grant or subsidy programs when available; • Low-VOC Paints: Projects must use paints that have low concentrations of volatile organic compounds; • Indoor Air Quality: Projects must incorporate measures to improve indoor air quality and reduce exposure to air pollution in new development projects, as required in Standard Conditions of Approval (SCA) 20 and 21.
<p>11. Historic Kiosk</p>	<p>Developer will place a kiosk inside the Kaiser Center in a publicly-accessible area that will provide historic background and photographs of the Kaiser Center.</p>

Attachment A
Schedule of Performance

Item No.	Developer Conditions Precedent to Lease Execution	Within Number of Calendar Days of the Execution of the LDDA	Within Number of Months of the Execution of the LDDA
1	Submit Good Faith Deposit to City	5	-
2	Submit Lessee's Formation Documents and evidence of Oakland Business License.	15	-
3	Submit the following regarding the operation and management of the Calvin Simmons Theatre: - A description of the financial and legal structure of the proposed operating entity for the Theatre. - Formation of draft documents for the entity operating the Theatre. - A business and management plan for the operation of the Theater, including an operating budget for the first five years of operation of the Theatre.	120	4
4	Submit Final Design Development Plans to City for approval.	300	10
5	Submit updated Financial Plan to City, which includes, but is not limited to: - Itemized Project development budget including all sources and uses - Ten-year Cash-flow projection	300	10
6(a)): Submit Final Project Construction Plans that the Developer intends to submit to the City's Building Department for Plan Check/Building Permit Issuance.	540	18
6(b)			
7	: City and Developer to conduct joint walk-through of Property to confirm that it is in the required condition for delivery at closing.	660	22
8	Submit Final Financial Plan to City, which includes, but is not limited to: - Binding commitment for construction financing from a reputable institutional lender - Certified financial statement evidencing sources of Developer equity	660	22

	- Certified financial statement from Eddy Orton evidencing financial capacity to satisfy Completion Guaranty requirements - Funding Agreements with investors evidencing the availability of Historic Rehabilitation Tax Credits and New Market Tax Credits when needed during the construction of the Project		
9	Submit final Construction Contract to City including - Construction schedule - Construction cash flow (draw down) projection	660	22
10	- Initial plan and schedule to incorporate public art	660	22
11	Submit evidence that it has secured non-binding letters of intent with qualified tenants for at least 31,000 square feet of leasable area in the Project B space. .	660	22
12	Certified Copies of Governmental Approval - regulatory permits and City final plan check for initial improvements	690	23
13	Completion Guaranty from Eddy Orton and performance and payment bonds.		
14	Lessee formation documents and current City business license (if different than LDDA party).		
15	Submit evidence of Pre-Closing Historic Approvals.	710	27
16	Items to be delivered at Conveyance/Close of Escrow	720	24
	Evidence that Developer has received all Building Permits for the Initial Improvements which condition may be satisfied by (a) evidence that the City is prepared to issue the Building Permits upon payment of the applicable fees, and (b) payment of such fees through the close of escrow.		
	Submit evidence of required insurance for Project.		
17	Commence Construction	750	25
18	Complete Construction of Initial Improvements	1,805	61