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Member, LLC; Capitol Station Holdings, LLC and
Township Nine Owners, LLC, Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION**

In re:	Case No.: 17-23627-B-11
CAPITOL STATION 65, LLC, A California Limited Liability Company	Chapter 11
Debtor.	DC No. NH-5

In re:	Case No.: 17-23629-B-11
CAPITOL STATION MEMBER, LLC	Chapter 11
Debtor.	

In re:	Case No.: 17-23628-B-11
CAPITOL STATION HOLDINGS, LLC	Chapter 11
Debtor.	

In re:	Case No.: 17-23630-B-11
TOWNSHIP NINE OWNERS, LLC	Chapter 11
Debtor.	

- Affects CS 65
- Affects CS Members
- Affects CS Holdings
- Affects T9 Owners
- Affects all DEBTORS

**CAPITOL STATION 65, LLC AND
AFFILIATED DEBTORS DISCLOURE
STATEMENT FOR JOINT PLAN OF
REORGANIZATION
(Dated August 28, 2017)**

Date: [to be set]
Time:
Place: 501 I Street, 6th Fl., Courtroom 32
Sacramento, CA 95814
Judge: Hon. Christopher Jaime

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1 **THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE**
2 **BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN**
3 **THE MEANING OF SECTION 1125(A) OF THE BANKRUPTCY CODE.**
4 **ACCORDINGLY, THIS IS NOT A SOLICITATION OF ACCEPTANCE OR**
5 **REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE**
6 **SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED THIS**
7 **DISCLOSURE STATEMENT. IN ADDITION, THIS DISCLOSURE STATEMENT MAY**
8 **BE REVISED TO REFLECT EVENTS THAT OCCUR AFTER THE DATE HEREOF**
9 **BUT PRIOR TO THE COURT'S APPROVAL OF THE DISCLOSURE STATEMENT.**

10 **I. INTRODUCTION AND PLAN OVERVIEW**

11 **A. EXECUTIVE SUMMARY**

12 This Disclosure Statement (“Disclosure Statement”) describes how Capitol Station 65,
13 LLC, Capitol Station Member, LLC, Capitol Station Holdings, LLC, and Township Nine
14 Owners, LLC (collectively “Debtors”) propose to pay their creditors pursuant to the proposed
15 Capital Station 65 LLC and Affiliated Debtors Joint Plan of Reorganization (Dated August 28,
16 2017)(“Plan”). The Disclosure Statement is intended to also provide creditors with information
17 to decide whether to vote to accept or reject the Plan.

18 The Debtors each filed a voluntarily Chapter 11 bankruptcy petition on May 30, 2017
19 (the “Petition Date”). The Debtors own the “Township Nine” project consisting of 65 acres of
20 undeveloped land, bound by North 5th Street on the West, North 7th Street on the East, Richards
21 Blvd. on the South and the American River on the North. The Township Nine project contains
22 approximately 25 parcels and offers the benefits of a master planned community within the
23 fabric of the downtown area. The Township Nine project is fully entitled and the second phase
24 of infrastructure (streets, parks, etc.) is substantially complete. The master plan accommodates
25 sales to individual developers to pursue development projects consistent with existing
26 entitlements.

27 The Township Nine property is encumbered by a loan in favor of Township Nine
28 Avenue, LLC (assignee of Copia Lending, LLC, and hereinafter “Copia”), with a current
29 asserted outstanding balance of approximately \$44 million. In March 2016, an appraisal valued
30 the Township Nine property at \$78,160,000 (including fee credits). The Debtors believe the
31 Township Nine project has a current value above \$90 million.

1 Copia’s loan matured in December 2015. The Debtors engaged Copia throughout 2016
 2 in an attempt to restructure the obligation, but those efforts were unsuccessful. Consequently, on
 3 January 31, 2017, Copia recorded a Notice of Default. On May 5, 2017, Copia recorded a Notice
 4 of Sale, setting a Trustee’s Sale for May 31, 2017. The Debtors filed the instant proceedings on
 5 May 30, 2017 to prevent foreclosure on the Township Nine project.

6 The Plan proposes to restructure Copia’s loan to allow the Debtors the time to negotiate
 7 sales to individual builders to develop projects within Township Nine consistent with existing
 8 entitlements and the master development plan. The Debtors believe these sales will generate
 9 sufficient funds to pay Copia and all other creditors in full, and provide a return for Interest
 10 Holders.

11 The Debtors have obtained an agreement from Serene Investments, LLC to provide up to
 12 \$10 million in DIP Financing to fund the Debtors’ pre-confirmation and post confirmation
 13 operating costs. In addition, the Debtors have signed a purchase and sale agreement (“Anthem
 14 Sale Agreement”) with Anthem United Homes, Inc. for the development of approximately 6
 15 parcels within the Township Nine project. The Anthem Sale Agreement will generate
 16 approximately \$21 million over the next 20 months. During this period, the Debtors believe they
 17 will be successful in reaching additional similar agreements with other developers, generating
 18 sufficient funds to pay all creditors in full and providing a recovery for Interest Holders.

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1 A summary of the how the Plan proposes to treat creditors' claims is set out in the
 2 following table:

<u>Type of Claim</u>	<u>Amount</u>	<u>Treatment</u>
Unclassified Administrative Claims	\$495,000.00	To the extent any remain outstanding, paid in full on effective date or due date under contract, unless holder of claim agrees otherwise.
Unclassified Professional Fees	\$975,000.00	Paid in full after court approval of allowed fees and costs.
Unclassified Real Property and Other Taxes	\$315,000.00	To the extent any remain outstanding, paid in full on the effective date.
Unclassified Assumed Contract Liabilities -Lund Construction (\$300,796.00); -Teichert Construction (\$228,462.00); -Capitol Utilities (\$3,700.00)	\$569,999.00	Paid in full on effective date.
Class 1 Unsecured Non-Priority Claims (excluding assumed contracts)	\$1,585,626.00	Paid in full at 6.5% interest over 36 months. The repayment period may be shorter if the Court approves use of DIP loan for this purpose, or out of proceeds of unencumbered assets.
Class 2 Unsecured Claims > \$2,500	\$16,680.00	Paid in full on effective date.
Class 3 Serene Investment Management, LLC	\$10,000,000.00	Paid in full at 10% interest over 12-24 months.
Class 4 Township Nine Avenue, LLC (assignee of Copia Lending, LLC)	\$43,739,412.00 (amount disputed)	Paid in full at 5% interest over 36 months.
Class 5(a) The Growing Company	\$24,909.00	Paid in full at 5% interest over 36 months.
Class 5(b) Teichert Construction	\$228,462.00	Paid in full on effective date due to assumption of contract.
Class 5(c) Studebaker Brown Elec., Inc.	\$33,434.00	Paid in full at 5% interest over 36 months.
Classes 6(a)-(d) Member Interests	n/a	Retained

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1

2 **B. PURPOSE OF THE DISCLOSURE STATEMENT**

3 This Disclosure Statement contains information with respect to the Debtors and the Plan.
4 Except as otherwise provided herein, capitalized terms used in this Disclosure Statement shall
5 have the meanings set forth in the Plan, which is attached hereto as **Exhibit A**. If there is any
6 conflict between this Disclosure Statement and the Plan, the Plan controls. This Disclosure
7 Statement is being distributed to you for the purpose of enabling you to make an informed
8 judgment about whether to support or oppose the Plan. Debtors have examined various
9 alternatives and, based on information contained in this Disclosure Statement, and for the
10 reasons set forth below, have concluded that the Plan provides the best prospect for maximizing
11 creditor recoveries.

12 The Disclosure Statement describes the Plan and contains information concerning, among
13 other matters: (1) the history, business, results of operations, management, and liabilities of the
14 Debtors; (2) the transactions entered into by the Debtors thus far during these proceedings; and
15 (3) the cash, claims and other assets that are available for distribution under the Plan. The
16 Debtors urge you to review carefully the contents of this Disclosure Statement and the Plan
17 (including the exhibits to each) before making a decision to accept or reject the Plan. Particular
18 attention should be paid to the provisions affecting or impairing your rights as a Creditor or
19 Interest Holder.

20 Generally speaking, creditors who are not getting paid in full when the Plan becomes
21 “effective” are entitled to vote to accept or reject the Plan. Your vote on the Plan is important.
22 In order for the Plan to be accepted by a Class of Claims, the holders of two-thirds (2/3) in dollar
23 amount and more than one-half (1/2) in number of Allowed Claims in such Class who vote on
24 the Plan must vote for acceptance.

25 Non-acceptance of the Plan may lead to conversion of the case to a proceeding under
26 chapter 7 of the Bankruptcy Code, to the confirmation of another plan, or a dismissal of these
27 proceedings. The Debtors believe these alternatives will result in a distribution that is less than
28 the distribution projected through the Plan. Accordingly, the Debtors strongly encourage all

1 creditors and interest holders to accept the Plan by completing and returning the enclosed ballot
2 no later than 4:00 p.m. on _____, 2017.

3 **C. INFORMATION REGARDING THE PLAN**

4 **1. Exclusive Source of Information.**

5 No representations concerning the Debtors are authorized by the Debtors other
6 than as set forth in this Disclosure Statement.

7 **2. Plan Governs Disclosure Statement.**

8 Although the Debtors believe that this Disclosure Statement accurately describes the
9 Plan, all summaries of the Plan contained in this Disclosure Statement are qualified by the Plan
10 itself and the documents described therein which are controlling.

11 **3. Source of Information.**

12 Factual information contained in this Disclosure Statement has been provided by the
13 Debtors and has been obtained from the Debtors' records, except where otherwise specifically
14 noted. All financial information contained in this Disclosure Statement has been prepared by the
15 Debtors. None of the Debtors' attorneys, accountants, or other professionals make any
16 representation regarding that information. The Debtors, however, cannot and do not represent or
17 warrant that the information contained in this Disclosure Statement is free from any inaccuracy.
18 The Debtors have made great efforts to present the information accurately and fairly and believes
19 that the information is substantially accurate. The assumptions underlying the projections
20 contained in this Disclosure Statement concerning sources and amounts of payments to creditors
21 represent the Debtors' best estimates. Because these are only assumptions about or predictions
22 of future events, many of which are beyond the Debtors' control, there can be no assurance that
23 the assumptions will in fact materialize or that the projected realizations will in fact be met.
24 Except as otherwise provided herein, this Disclosure Statement does not reflect any events which
25 occurred subsequent to the date that the Debtors submitted the Disclosure Statement to the
26 Bankruptcy Court for approval.

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28

1 **4. Tax Consequences**

2 (a) Tax Consequences to Debtor

3 With respect to the tax consequences of the Plan to the Debtors, they do not expect
4 confirmation of the Plan to have a material impact. The Plan does not seek to avoid payment of
5 any valid claims, and therefore, the Plan will not affect the Debtors' net operating loss carry
6 forwards, which will remain available to offset any post-bankruptcy income. Because of this, the
7 Debtors do not anticipate having to recognize or pay state or federal taxes on any significant
8 portion of its income and post-petition activities.

9 (b) Potential Tax Consequences to Creditors

10 A few generalizations can be made as to the basic tax consequences, although none of the
11 following statements can be treated as advice on the tax treatment to a specific creditor.

12 The Plan contemplates repayment in full to all holders of unclassified, secured, priority
13 and unsecured "allowed" claims. Therefore, the Debtors are not of the view that any holder of
14 these types of claims would be permitted to deduct the amount owed by the Debtors from the
15 creditor's gross income on the basis that it constitutes an uncollectable debt.

16 In the event the Plan does not pay a creditor in full, the extent to which a creditor would
17 be able to recognize loss on repayment of principal amounts owed by the Debtors depends upon
18 the creditor's tax basis in the debt and overall financial situation. For example, if a creditor
19 provided credit of \$10,000 and had a tax basis of \$10,000 in the credit advanced, repayment of
20 25% the principal amount would trigger a 75% loss. In general, such a loss may be credited
21 against income. Each Holder of an Allowed Claim is urged, however, to consult his, her, or its,
22 own tax advisors as to the consequences and treatment of any loss, if any.

23 (c) Potential Tax Consequences to Interest Holders

24 The Plan provides Interest Holders shall retain their investment in the Debtors. As a
25 general matter, this treatment should not trigger a taxable event. Each Equity Holder is urged to
26 consult its own tax advisors as to the consequences and treatment of its investment.

27 *The foregoing discussion is intended to give general information, but each creditor and*
28 *equity holder must be advised that the tax consequences of the Plan will vary based on the*

1 individual circumstances of each holder of a Claim. Accordingly, each creditor is strongly
2 urged to consult with its own tax advisor regarding the federal, state, local and foreign tax
3 consequences of the Plan.

4 **5. Bankruptcy Court Approval.**

5 The Bankruptcy Court approved this Disclosure Statement as containing information of a
6 kind and in sufficient detail adequate to enable a hypothetical, reasonable investor, to make an
7 informed judgment about the Plan. Under section 1125 of the Bankruptcy Code, this approval
8 enabled the Debtors to send you this Disclosure Statement and solicit your acceptance of the
9 Plan. The Bankruptcy Court has not, however, passed on the Plan itself, nor conducted a
10 detailed investigation into the content of this Disclosure Statement.

11 **D. VOTING INSTRUCTIONS**

12 **1. How to Vote.**

13 A ballot is enclosed herewith for creditors entitled to vote on the Plan. To vote on the
14 Plan, indicate on the enclosed ballot that you accept or you reject the Plan and sign your name
15 and mail the ballot in the envelope provided for this purpose.

16 In order to be counted, ballots must be completed, signed and returned so that they are
17 received no later than 4:00 P.M. prevailing Pacific Time on _____, 2017 at the following
18 address:

19 **By U.S. Mail, By Overnight or Hand Delivery:**

20 NUTI HART LLP
21 411 30TH Street, Suite 408
22 Oakland, CA 94609-3311
23 Re: In re Capitol Station 65, LLC, et. at.

24 Do not send your ballot via facsimile or e-mail.

25 If your ballot is not properly completed, signed and returned as described, it will not be
26 counted. If your ballot is damaged or lost, you may request a replacement by sending a written
27 request to the foregoing address.

28 //

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1 **2. Who May Vote.**

2 The Plan divides creditors' claims into Classes:

- 3 • Class 1, consisting of unsecured non-priority claims (typically, vendor or
- 4 contractor claims or other liabilities based upon goods, services, or other value
- 5 provided to the Debtors where the debt is not secured by a lien on the Debtors'
- 6 assets).
- 7 • Class 2, consisting of unsecured non-priority claims that are in an amount less
- 8 than \$2,500.00.
- 9 • Class 3 consists of the debt owed to Serene Investment Management, LLC
- 10 secured by a first priority lien on substantially all of the Debtors' assets.
- 11 • Class 4 consists of the claim held by Township Nine Avenue, LLC (assignee of
- 12 Copia Lending, LLC) secured by a lien on substantially all of the Debtors' assets
- 13 junior in priority to Serene.
- 14 • Classes 5(a), 5(b), and 5(c) are claims held by parties that recorded mechanics
- 15 liens against the Township Nine property (The Growing Company, Teichert
- 16 Construction, and Studebaker Brown Elec.).
- 17 • Classes 6(a), 6(b), 6(c), and 6(d) consist of the holders of member interests in
- 18 each of the Debtors.

19 Classes of creditors which are impaired by the Plan are entitled to vote. A Class is

20 impaired if legal, equitable or contractual rights attaching to the claims or interest of the Class

21 are modified, other than by curing defaults and reinstating maturities. Holders of Claims in

22 Classes 1 (Unsecured Non-Priority Claims), 4 (Copia Lending) and 5(a) (The Growing

23 Company), and 5(c) (Studebaker Brown Electric, Inc.) are impaired and entitled to vote on the

24 Plan.

25 In determining acceptances of the Plan, the vote of a creditor will only be counted if

26 submitted by a creditor whose claim is an "allowed" claim. Generally speaking, a creditor holds

27 an allowed claim if such claim is duly scheduled by the Debtor as other than disputed, contingent

28 or unliquidated, or the Creditor has timely filed with the Bankruptcy Court a proof of Claim

1 which has not been objected to or disallowed prior to computation of the votes on the Plan. The
2 Ballot form that you received does not constitute a proof of Claim.

3 **3. Confirmation**

4 “Confirmation” is the technical term for the Bankruptcy Court’s approval of a Chapter 11
5 plan of reorganization/liquidation. At the Confirmation Hearing, in order to confirm the Plan,
6 the Debtor must demonstrate that the Plan satisfies the requirements of section 1129 of the
7 Bankruptcy Code. If the Bankruptcy Court determines that all of the requirements of section
8 1129 have been met, the Bankruptcy Court will enter an order confirming the Plan. The Debtors
9 believe that the Plan satisfies all statutory requirements of Chapter 11 of the Bankruptcy Code
10 for Confirmation of the Plan.

11 Voting is tabulated by class. As discussed above, a class of creditors has accepted a plan
12 of reorganization if the plan has been accepted by 2/3 in dollar amount and more than 1/2 in
13 number of creditors holding allowed claims in that class who actually vote to accept or reject
14 such plan. Even if a class of creditors or interests votes against a plan of reorganization, that
15 plan may nevertheless be confirmed by the Bankruptcy Court, notwithstanding the negative vote
16 of that class, so long as certain statutory requirements are met by the plan. This is called a “cram
17 down.” If necessary, the Debtor is prepared to seek confirmation of the Plan through a cram
18 down.

19 The Bankruptcy Court has set a hearing on _____, 2017 to determine whether
20 the Plan has been accepted by the requisite number of Creditors and whether the other
21 requirements for Confirmation of the Plan have been satisfied. The hearing may be continued
22 from time to time and day to day without further notice. If the Bankruptcy Court confirms the
23 Plan, it will enter the Confirmation Order. Any objections to Confirmation of the Plan must be
24 in writing and must be filed with the Clerk of the Bankruptcy Court and served on counsel for
25 the Debtors, the Official Committee of Unsecured Creditors, the Office of the United States
26 Trustee and any other party in interest entitled to service on or before _____, 2017.

27 //

28

1 Counsel on whom objections must be served are:

2 **Counsel for the Debtors**

3 Nuti Hart LLP

4 Attn: Gregory C. Nuti, Esq./Kevin W. Coleman, Esq.

5 411 30th Street, Suite 408

6 Oakland, CA 94609

7 **Counsel for the Official Committee of Unsecured Creditors**

8 Felderstein Fitzgerald Willoughby & Pascuzzi LLP

9 Att: Donald W. Fitzgerald, Esq.

10 400 Capitol Mall, Suite 1750

11 Sacramento, CA 95814

12 and

13 **Office of the United States Trustee**

14 Office of the United States Trustee

15 Attn: Allen C. Massey, Esq.

16 501 I Street, Suite 7-500

17 Sacramento, CA 95814

18 **E. Disclaimers**

19 This Disclosure Statement contains information which may bear upon your decision to
20 accept or reject the proposed Plan. Please read this document with care. The purpose of this
21 Disclosure Statement is to provide “adequate information” of a kind, and in sufficient detail, as
22 far as is reasonably practicable in light of the nature and history of the Debtors and the condition
23 of the Debtors’ books and records, that would enable a hypothetical reasonable investor typical
24 of holders of claims or interests of the relevant Class to make an informed judgment concerning
25 the Plan. *See* 11 U.S.C. § 1125(a).

26 For the convenience of creditors, this Disclosure Statement summarizes the terms of the
27 Plan, but the Plan itself qualifies any summary. If any inconsistency exists between the Plan and
28 this Disclosure Statement, the terms of the Plan are controlling.

No representations concerning the Debtors’ financial condition or any aspect of the Plan
are authorized by the Debtors other than as set forth in this Disclosure Statement. Any
representations or inducements made to secure your acceptance other than as contained in or
included with this Disclosure Statement should not be relied upon by you in arriving at your
decision.

1 The contents of this Disclosure Statement should not be construed as legal, business or
2 tax advice. Each Creditor or Interest Holder should consult his or her own legal counsel and
3 accountant as to legal, tax and other matters concerning his or her Claim.

4 II. PLAN SUMMARY

5 A. The Plan Classifies Claims

6 The following is a brief summary of the Plan, which is qualified in its entirety by
7 reference to the Plan, attached as Exhibit A to this Disclosure Statement.

8 All assets of the Estate shall be administered and distributed to creditors as set forth
9 under the terms of the Plan. Under the Plan, claims other than Administrative Claims and Tax
10 Claims entitled to priority are divided into several classes. The several classes of claims fall into
11 two general categories: (i) secured claims, and (ii) general unsecured non-priority claims. There
12 is also one class of Interests consisting of holders of membership, stock, or other equity interests
13 in the Debtors, with four sub classes – one for each debtor.

14 B. Actual Recoveries to Creditors Are Uncertain.

15 At this time, the Debtors cannot predict precisely the timing of additional development
16 transactions and the proceeds generated therefrom with any certainty, success inherently depends
17 on facts not currently known and circumstances that may be beyond their control. The net
18 amount of funds currently available, expected to be generated from the DIP Financing and
19 Anthem Sale Agreement, and from subsequent sales and refinancing activities is set forth in the
20 Plan Confirmation Budget attached as Exhibit B. As set forth in the Plan Confirmation Budget,
21 the Debtors believe that there will be sufficient funds to pay all administrative claims, secured
22 claims, priority claims and general unsecured claims in full with interest over a 36-month period.
23 Interest Holders shall receive distributions consistent with their ownership rights in the Debtors
24 after satisfaction of all higher priority claimants.

25 III. OVERVIEW OF CHAPTER 11 CASE

26 This section of the Disclosure Statement discusses the significant events in the Chapter
27 11 case to date, including events leading up to the commencement of the case. Copies of all
28 relevant court papers are on file with the Bankruptcy Court.

1 **A. EVENTS LEADING UP TO THE FILING OF THE CHAPTER 11**
2 **CASE**

3 **1. The River District**

4 Over the past 14 years, the State of California, Sacramento Regional Transit, Sacramento
5 Housing and Redevelopment Agency and the City of Sacramento have invested over \$100
6 million in federal and local public dollars to transition the area adjacent to downtown
7 Sacramento from an industrial area to a diverse, urban, mixed-use area dubbed the “River
8 District”. The River District bounded roughly by the American River to the north; Sacramento
9 River to the west; Union Pacific rail berm and C/D streets to the south; and 27th Street to the
10 east, comprising approximately 830 acres and 538 parcels (see **Exhibit C**). Township Nine is
11 but one project within the broader River District Specific Plan (see <http://www.riverdistrict.net/>).

12 The River District has already finished numerous projects in its master plan, including
13 new headquarters for California Highway Patrol and California Lottery, a new Greyhound
14 Terminal, the Green Line Light Rail Station on Richards Boulevard at N. 7th Street, and
15 associated infrastructure and street improvements. Among other projects, there are plans for a
16 new Discovery Museum, Science and Space Center, additional office, retail and residential units
17 in addition to Township Nine, and eventual expansion of the Green Line Light Rail to the
18 Sacramento airport.

19 **2. The Township Nine Project**

20 The Township Nine project encompasses 65 acres, bound by North 5th Street on the
21 West, North 7th Street on the East, Richards Blvd. on the South and the American River on the
22 North. It is a mixed-use, transit-oriented development that does, and will include, high density
23 rental and for sale housing, retail space, office space, and community open space and parks.
24 More specifically, this includes 2,201 residential units, including apartments, condominiums,
25 hotel and hospitality, and both attached and detached townhome projects. Further the Township
26 Nine project contains 840,000 square feet of possible office space, 150,000 square feet of future
27 retail and 20 acres of open space and parks, including an amphitheater.
28

1 As further described below, the Township Nine project is currently encumbered by a loan
 2 in favor of Copia with a current asserted outstanding balance of approximately \$44 million
 3 (which amount the Debtors dispute). In March 2016, an appraisal valued the property at
 4 \$78,150,000 (including development fee credits). The Debtors believe the Township Nine
 5 project has a current value above \$90 million against debts of approximately \$56 million.¹

6 3. Township Nine Grants

7 The existing Township Nine project improvements have been funded by a combination of
 8 loan funds and government grants. The Debtors acquired 10 grants totaling approximately \$42
 9 million. The first grant was in the amount of \$19.1 million. This came from Housing and
 10 Community Development (“HCD”), a department of the State of California, pursuant to
 11 Proposition 1-C, known as the “Infill Infrastructure Grant.” The City of Sacramento applied to
 12 HCD on the Debtors behalf. The application was granted and the City was the grantee of the
 13 funds, which were then transferred to CS 65. Other significant grants include a second HCD
 14 Infill Infrastructure Grant for \$10.9 million. Approximately \$3 million in grant funds remain
 15 unused and available to fund certain road and related improvements for the project.

16 4. Debtors’ Previous History

17 NCRF Holdings (“NCRF”) and Invision Holdings, Inc (“Invision”) (Invision and NCRF,
 18 collectively “Original Owners”) formed CS 65 in 2000. Steven M. Goodwin was the president.
 19 That same year, CS 65 purchased the Township Nine project property.

20 On or about December 23, 2008, CS 65 entered into a loan with Copia in the amount of
 21 \$20 million (the “Original Note” or “Loan”). At or prior to the closing of the Loan, Scott
 22 Syphax (“Syphax”) became an additional owner and third member of CS 65. The Loan was
 23 secured by a deed of trust against the Township Nine project property. Nehemiah Corporation of
 24 America provided a guarantee to Copia (“Original Guarantor”). Nfinit Solutions, Inc.
 25 (successor-by-merger to NCRF), Invision, and Syphax (collectively, “Revised Ownership
 26
 27

28 ¹ This includes \$44 million for Copia, \$10 million for DIP Financing (yet to be approved) and \$2 million in other priority and other unsecured claims.

1 Group”), pledged their respective membership interests in CS 65 (“Original Pledge Agreement”)
2 to Copia as further security. The Loan had a 24-month term.

3 On August 1, 2011, the Revised Ownership Group entered the First Amendment to Loan
4 Agreement (“First Amendment”), which extended the maturity date of the Loan to February 31,
5 2013. (This date is obviously a typographical error in the First Amendment). At that time, CS
6 65 became the wholly-owned subsidiary of CS Member. CS Member, in turn, became the
7 wholly-owned subsidiary of CS Holdings. The Revised Ownership contributed all interests in
8 CS 65, and became the owners of CS Holdings, and added as additional owners Nehemiah
9 Community Reinvestment Fund (“Nehemiah Reinvestment”) and Nehemiah Corporation of
10 America (“Nehemiah Corp.”) (collectively, “2nd Revised Ownership Group”). All entities again
11 pledged their membership interests to Copia as security for the Loan.

12 On June 20, 2012 and December 26, 2014, respectively, the 2nd Revised Ownership
13 Group executed the Second Amendment to Loan Agreement (the “Second Amendment”) and
14 Third Amendment to Loan Agreement (“Third Amendment”). The Second and Third
15 Amendments modified various loan terms and ultimately extended the maturity date of the Loan
16 to December 31, 2015.

17 As set forth above, in or about February 2016, the 2nd Revised Ownership Group entered
18 into a transaction with FCRE OP that created T9 Owners resulting in the current ownership
19 structure. FCRE OP and T9 Owners were unable to reach agreement with Copia to further
20 restructure the Loan or for the sale of any parcels for development to generate operating funds.
21 Copia declared the Loan in default in early 2017, and on May 5, 2017 recorded a notice of sale
22 setting a foreclosure sale for May 31, 2017. The Debtors filed their petitions on May 30, 2017 to
23 preserve the Township Nine project and avoid foreclosure.

24 **5. Construction/Development to Date**

25 The Debtors completed the first phase of development (“Phase 1”) in 2013 at an
26 approximate cost of \$27 million. This phase of infrastructure construction included street
27 improvements and underground utilities stubbed to parcels, relocation and rehabilitation of the
28 historic Old Cannery Scalehouse, and the North 7th Street transit station. With its own light rail

1 stop, the Township Nine project provides employees and residents with easy access to downtown
2 Sacramento. The Project is just two stops away from Golden 1 Center basketball arena. Portions
3 of Township Nine Avenue, Scalehouse Street, Cannery Avenue and Riverine Way were
4 completed as part of Phase 1.

5 Phase 1 also included the first housing constructed at the Township Nine project. The
6 Cannery Place Apartments were built on Parcel 11 and opened in May 2015. The housing
7 project was developed by a partnership group of UrbanCore, the Integral Group, and the John
8 Stewart Company, dba T9 Affordable Housing Partners, LP (“T9 AHP”) at a cost of \$40 million.
9 This fulfilled the 180-unit affordable housing requirement for the project.

10 At present, Phase 2 street work is nearly complete at a cost of \$5 million. This phase of
11 infrastructure construction includes various surface and underground improvements and
12 extensions of Cannery Avenue, North 6th Street and Chill Avenue, as well as, construction of
13 Victory (central) Park and Victory Promenade Park.

14 Phase 3 infrastructure construction remains in the design stage. The net cost is projected
15 at \$16 million with the focus on parcels 1, 10, 8, 12 and 15.

16 The Township Nine project is entitled to permit concurrent marketing and development
17 of project parcels for various uses. Specifically, as development occurs, values should be
18 enhanced for all parcels and uses, causing sales to become more profitable. Developers will pay
19 more when there is a track record of successful projects and colocation of complimentary uses.
20 The last appraisal done on the property is over a year old. The appraised value was \$78,160,000,
21 including \$13,211,494 in fee credits. This value does not include an additional \$7 million in
22 park development fee credits plus remaining grant funds. Adding in these additional assets
23 brings the total “as-is” value of the Town Nine project to approximately \$89.5 million. In the
24 last year, commercial real estate values in the Sacramento region have increased significantly in
25 the downtown area. Among other things, the old appraisal does not account for the full impact
26 of the completion of Golden 1 Arena, which is 2 light rail stops from the Township Nine project.
27 The Debtors’ recent agreement with Anthem for the development of approximately one third of
28

1 the Township Nine project (discussed below) confirms the Debtors’ valuation of the overall
2 project.

3 **B. SIGNIFICANT POST-BANKRUPTCY DEVELOPMENTS**

4 **1. DIP Financing**

5 On August 1, 2017, the Debtors filed their Motion to Approve Post Petition Financing,
6 Grant Priming Lien and Related Relief (“DIP Financing”) which is set for hearing on August 29,
7 2017. The DIP Financing will provide the Debtors the funds necessary to preserve and
8 maximize the value of the Debtors’ estates, and make certain plan payments while the Debtors
9 continue development efforts.

10 Although parcel maps have been approved for the majority of the T9 development, the
11 Debtors will be required to make additional expenditures to complete mapping and obtain final
12 parcel map approval for certain sections of the Township Nine project (currently identified as
13 Remainder Parcel 1 and Remainder Parcel 2), in order to sell those parcels. The DIP Financing
14 will allow the Debtors to obtain approval of the final parcel map, complete other development
15 activities, and thereby significantly enhance the overall value of the project. Stated simply,
16 developers will pay more when there is a track record of successful projects and colocation of
17 complimentary uses

18 The Debtors must also fund operating expenses and other administrative expenses, e.g.
19 professional fees, property maintenance, and potentially make adequate protection payments to
20 Copia. CS 65’s ultimate parent company, First Capital Real Estate Trust, Inc. has been making
21 capital contributions to fund the Debtors’ development costs and operating expenses up to this
22 point, it does not anticipate that it will have the ability to continue doing so, particularly if it
23 becomes necessary to commence making adequate protection payments to Copia on account of
24 its asserted \$44 million lien.

25 //

26 //

27 //

28

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1 **2. Anthem Sale Agreement**

2 CS 65 has entered into a Purchase and Sale Agreement with Anthem United Homes, Inc.
3 (“Anthem”) under which Anthem will pay \$21,480,085.00 (including fee credits) for a subset of
4 parcels in the Township Nine project comprising a total of 11.27 net developable acres in three
5 phases over a period of 20 months. A copy of the Anthem Sale Agreement is attached as
6 **Exhibit D**. \$17.677 million of the purchase price under the Anthem Sale Agreement is
7 attributable to the land. The land purchase price under the Anthem Sale Agreement is \$3.2
8 million *higher* than the March 2016 appraised value for the same parcels.

9 In summary, apart from conveying the property, the Debtors’ obligations under
10 the Anthem sale Agreement consist of:

11 a. Obtaining approval for and recording the final map for parcels that are the
12 subject of phase 1 (the “8/15 Final Map”) within ninety (90) days after the sale is
13 approved (Anthem Sale Agreement, at Recital D, ¶7.1(h) - p. 17, ¶10.4 – p.21);

14 b. Assigning grant funding from the City of Sacramento in the approximate
15 amount of \$700,000.00 to complete construction of parks (“Park Work Grant”) to
16 Anthem (Anthem Sale Agreement, at Recital F, ¶7.1(g) – p.17, ¶7.2.6 - p. 16, ¶10.5 - p.
17 21);

18 c. Assigning grant funding from the City of Sacramento in the approximate
19 amount of \$2,250,000.00 to complete construction of streets (“Street Grant”) to Anthem
20 (Anthem Sale Agreement, at Recital G, ¶7.1(g) – p.17, ¶10.6 - p. 21);

21 d. Assigning its rights to certain development fee credits related to the
22 parcels Anthem is purchasing (Anthem Sale Agreement, at ¶2.2 – p. 6); and

23 e. Assigning its plans and construction contracts related to the parcels
24 Anthem is purchasing (Anthem Sale Agreement, at ¶10.7.3(a)).

25 Anthem in turn is undertaking to construct the parks and streets that are the subject of the
26 Park Work Grant and the Street Grant, to pay for the construction of an extension of Chill
27 Avenue, and to assume all other costs of readying the parcels it is purchasing for development.
28 (Anthem Sale Agreement, at Recital H, ¶10.3 – p. 21). Anthem is also undertaking to pay the

1 cost of obtaining final maps for phases 2 and 3 of the development. *Id.* Altogether, Anthem will
2 be absorbing an estimated \$4.4 million in future development costs over and above amounts
3 offset by the assignment of grant funding.

4 Anthem has a 45-day period to conduct due-diligence to ascertain, among other things,
5 whether the City of Sacramento will require construction of additional offsite improvements or
6 the payment of additional fees as a condition to approving the final maps for phases 2 and 3
7 and/or issuing building permits that could make the project financially infeasible. (Anthem sale
8 Agreement, at Recital I, ¶1.11 – p. 4). The diligence period runs through September 10, 2017.
9 CS 65 of course has extensive knowledge of the condition of the parcels Anthem is purchasing
10 and the development requirements of the City of Sacramento. It is aware of no fact or
11 circumstance suggesting that Anthem will determine that development at this site is infeasible.

12 The implications of the Anthem Sale Agreement are clear. First, it confirms that the
13 March 2016 appraisal is a reliable basis to determine the value of the Township Nine project.
14 Again, A.G.I. valued the parcels Anthem is purchasing at \$14.469 million, which represents 22%
15 of the total land value of the March 2016 appraisal. Anthem is paying \$17.664 million for the
16 land, and it is absorbing the vast majority of development costs going forward (some of which
17 will be offset by assignment of grant funding).

18 **3. Transactions Subject to On Going Negotiations**

19 The revenue projections set forth in Exhibit B are based on the executed purchase
20 and sale agreement with Anthem United Homes and also on expressions of interest that the
21 Debtors have received from prospective buyers in recent months. The cash flow projection
22 incorporates the scheduled closings included in the purchase and sale agreement and assuming
23 Plan Confirmation in December 2017.

24 Parcel 1 (1A/1B/1C) has been of interest to national and regional apartment
25 builders for the development of high density apartments. The value for Parcel 1 in the
26 projections is assumed to be \$12.6 million. The Debtors believe that this value is moderately
27 conservative in that it is the valuation attributed to this parcel for the land alone in March 2016,
28 and does not account for the value of any associated development fee credits. As noted above,

1 the purchase price under the Anthem Sale Agreement is \$3.2 million higher than the March 2016
2 land valuation, plus it is also paying dollar-for-dollar value for the fee credits. Nevertheless,
3 while there is reason to think the actual sale price for Parcel 1 would be much higher, the
4 projections forecast a recovery of \$12.6 million. The Debtors estimate closing in April 2019,
5 allowing for an adequate due diligence period and land use entitlement processing.

6 Parcels 13, 14 and 17 have been of interest to a hotel developer, an unrelated
7 office developer, and an unrelated apartment developer. It is assumed that these parcels will be
8 sold at a value of \$20 million in December 2019, allowing for an adequate due diligence period
9 and land use entitlement processing. (These parcels were appraised for \$16.3 million in March
10 2016, without fee credits.)

11 Parcels 3 and 4 are considered prime parcels for condominium or luxury
12 apartment development. It is assumed that these parcels will be sold for \$10.38 million in June
13 2020. (These parcels were appraised in March 2016 for \$10.5 million, without fee credits.)

14 Remaining parcels (5 and 10) are assumed to be sold in December 2020 for
15 \$15.57 million. Alternatively, it is anticipated that the aggregate of these parcels could be
16 refinanced in 2020, thereby generating proceeds sufficient to pay any outstanding debt at that
17 time.

18 In addition to pursuing sales of the various parcels to developers, the Debtors are also in
19 discussion with at least two different investors interested in the Township Nine project at the
20 ownership level. The Debtors expect a term sheet from one investor within the next few weeks.
21 The preliminary negotiations focused on an equity investment in exchange for an ownership
22 interest in the Debtors.

23 A second similar transaction is being discussed with a second investor familiar with the
24 Township Nine project and the above described signed and pending transactions. This investor
25 has expressed willingness to provide equity financing in exchange for ownership interests, with
26 the amount of financing dependent upon the value of the remaining parcels owned by the
27 Debtors at the time of the transaction.

28

1 The Debtors believe that either transaction would yield sufficient cash to pay off existing
2 secured debt in full and provide working capital for on-going development costs. The
3 projections attached hereto as Exhibit B, however, are based upon the assumption that no equity
4 financing will occur.

5 IV. DESCRIPTION OF THE PLAN

6 A discussion of the principal provisions of the Plan as they relate to the treatment of
7 Classes of Allowed Claims is set forth below. The discussion of the Plan which follows
8 constitutes a summary only, and should not be relied upon for voting purposes. You are urged to
9 read the Plan in full in evaluating whether to accept or reject the Plan proposed by the Debtors.
10 If any inconsistency exists between this summary and the Plan, the terms of the Plan shall
11 control.

12 A. DESCRIPTION OF CLASSES

13 The Plan divides Creditors into seven (7) Classes. Creditors with similar Claims are
14 placed in the same Class. There are four (4) Classes of Interests under the Plan (one for each
15 debtor entity).

16 Unsecured Non-Priority Claims

17 Class 1 consists of all Allowed Unsecured Claims not entitled to priority under a
18 provision of Section 507 of the Bankruptcy Code in which a Claimholder provided goods,
19 services, or other value to the Debtors, and the where the underlying debt is not secured by a lien
20 on the Debtors' assets. Class 1 is impaired.

21 Convenience Class – Claims Less Than \$2,500.00

22 Class 2 consists of Allowed Unsecured Claims which are in an amount less than
23 \$2,500.00, or any other Allowed Unsecured Claim that elects to be treated as a Class 2 Claim
24 Holder. Class 2 is unimpaired.

25 Secured Claim of Serene Investment Management, LLC

26 Class 3 consists of the Secured Claim held by Serene. Class 3 is unimpaired.

27 Secured Claim of COPIA

28 Class 4 consists of the Secured Claim asserted by COPIA. Class 4 is impaired.

Secured Claim of The Growing Company, Inc.

Class 5(a) consists of the mechanics lien claim of The Growing Company, Inc. Class 5(a) is impaired.

Secured Claim of Teichert Construction

Class 5(b) consists of the mechanics lien claim of Teichert Construction. Class 5(b) is unimpaired because the Debtors will assume the construction contract with Teichert. As a condition to assumption, the Debtors will be required to pay approximately \$228,000.00 to Teichert to cure monetary defaults under that contract.

Secured Claim of Studebaker Brown Elec., Inc.

Class 5(c) consists of the mechanics lien claim of Studebaker Brown Elec., Inc. Class 5(c) is impaired.

Interests- Township Nine Owner, LLC

Class 6(a) consists of the member interests in Township Nine Owner, LLC. Class 6(a) is unimpaired.

Interests- Capitol Station Holdings, LLC

Class 6(b) consists of the member interests in Capitol Station Holdings, LLC. Class 6(b) is unimpaired.

Interests- Capitol Station Member, LLC

Class 6(c) consists of the member interests in Capitol Station Member, LLC. Class 6(c) is unimpaired.

Interests- Capitol Station 65, LLC

Class 6(d) consists of the member interests in Capitol Station 65, LLC. Class 6(d) is unimpaired.

B. TREATMENT OF UNCLASSIFIED CLAIMS**1. Administrative Claims.**

Administrative Claims fall into one of three categories: (1) administrative claims that arise in the ordinary course of the Debtors' business, (2) administrative claims that do not arise in the ordinary course of business (other than professional fee claims), and (3) administrative

1 claims held by professionals employed by the Debtor in these proceedings. All administrative
 2 claims arising in the ordinary course will be paid on the Effective Date of the Plan or when the
 3 payment is due, unless the holder of the administrative claim agrees otherwise. The holders of
 4 any other non-ordinary course administrative claim (for example, a claim based upon personal
 5 injury allegedly caused by the Debtors) will be required to file a request for payment of that
 6 claim with the Bankruptcy Court within 60 days after the Effective Date of the Plan. Failing to
 7 timely assert the claim will bar the claim (unless the Court excuses the late-filing). If the
 8 Administrative Claim is held by a professional employed by the Debtor in this case, a Fee
 9 Application must be filed no later than sixty (60) days after entry of the Confirmation Order. An
 10 Administrative Claim for professional fees will be paid if and to the extent that it is Allowed by
 11 the Bankruptcy Court.

12 Aggregate unpaid Administrative Claims as of July 31,2017 are currently estimated be
 13 approximately \$176,920². See CS 65 Monthly Operating Report for July 2017 [Docket No. 85.]

14 2. Priority Tax Claims

15 To the extent not paid prior to the Effective Date, all Tax Claims against the Debtors that
 16 are entitled to priority under Section 507(a)(8) shall be paid in full with interest at the applicable
 17 rate determined under non-bankruptcy law pursuant to 11 U.S.C. §511 out of proceeds of the
 18 DIP Loan on the later of: (a) the Effective Date, or (b) the date the Tax Claim is allowed by a
 19 Final Order. Aggregate unpaid Priority Tax Claims and Asserted Secured Tax Claims is
 20 approximately \$315,000.00. If, however, the Bankruptcy Court does not authorize draws on the
 21 DIP Loan for this purpose, all Priority Tax Claims will be paid in full with interest at the rate
 22 dictated by 11 U.S.C. §511 within three (3) years after the Effective Date on a schedule that
 23 maintains distributional parity with amounts paid to unsecured non-priority claim holders in
 24 Class 1.

25 //

26
27
28 ² Sum of Administrative Costs (\$37,395) and post-petition accrued Professional Fees (\$139,525).

1 **3. U.S. Trustee Fees**

2 The Debtors shall pay in cash in full on the Effective Date any statutory fees then owing
3 and unpaid to the U.S. Trustee, or to the Bankruptcy Court. After the Effective Date, the Debtors
4 shall pay a quarterly fee to the U.S. Debtor, for deposit into the U.S. Treasury, for each quarter
5 (including any fraction thereof) until this chapter 11 case is converted, dismissed, or closed by
6 entry of a final decree, pursuant to Section 1930(a)(6) of Title 28, United States Code.

7 **C. TREATMENT OF CLASSIFIED CLAIMS**

8 The Plan contemplates repayment to most classes of creditors out of the proceeds of sale
9 of the Township Nine parcels over a 36-month period after the Effective Date.

10 **1. Class 1 - Unsecured Non-Priority Claims**

11 The Debtors will seek Bankruptcy Court approval to pay Class 1 creditors in full
12 following the Effective Date by drawing on the \$10 million loan from Serene Investment
13 Management, LLC for that purpose, and they will also explore whether any assets not subject to
14 Copia's security interest can provide a source of funding to Class 1 creditors. But even if no
15 other funding source is found and the Bankruptcy Court does not approve use of the loan
16 proceeds for that purpose, the Plan alternatively provides for payments to Class 1 creditors out of
17 proceeds realized from Parcel sales.

18 If that provision of the Plan is triggered, so long as a Parcel can be sold for a minimum
19 price, two (2%) percent of the net sale proceeds realized from sale of a parcel will be deposited
20 into a fund from which payments to unsecured non-priority creditors will be made. The
21 minimum prices are set forth in Schedule 1.1.33 to the Plan. The minimum prices on Schedule
22 1.1.33 have been set to ensure that the lienholder against the Township Nine development
23 (Copia, the holder of the Class 4 secured claim) will be paid in full with interest. Class 1 claim
24 holders will receive periodic distributions from the general unsecured creditor fund until the
25 claims are paid in full. After the Effective Date, claims in Class 1 will earn interest at the rate of
26 6.5% until paid in full.

27 //

28

1 As described in Part III.B.3 above, the Debtors have forecasted the sales they expect to
2 close within the 36-month period after the Effective Date, and believe that all allowed Class 1
3 claims will be paid within that time frame. The projections attached hereto as Exhibit B are
4 based upon the assumption that the Bankruptcy Court does not authorize any draws on the
5 Serene loan to pay Class 1 claims, and no unencumbered assets are available, and hence,
6 repayment of Class 1 claims will be made solely out of Parcel sale proceeds.

7 **2. Class 2 - Claims Less Than \$2,500.00**

8 Class 2 consists of Allowed Unsecured Claims which are in an amount less than
9 \$2,500.00, or any other Allowed Unsecured Claim that elects to be treated as a Class 2 Claim
10 Holder. All claims falling into this category will be paid in full on the Effective Date.

11 **3. Class 3 - Secured Claim of Serene Investment Management, LLC**

12 The terms of the DIP Credit Agreement and DIP Loan approved by the Bankruptcy Court
13 on _____ are incorporated in full into the Plan. Serene will be repaid out of sales of
14 Parcels on or before twenty-four (24) months after the DIP Loan was approved.

15 **4. Class 4 - Secured Claim of COPIA**

16 The pre-bankruptcy loan agreements between the Debtors and Copia will be cancelled
17 and replaced by the terms of the Plan. On and after the Effective Date, the Class 4 claim will
18 accrue simple interest at five (5%) percent until the claim is satisfied.

19 Copia will retain its lien on the Debtors' assets, but it will be compelled to release that
20 lien as Parcels sell in exchange for a payment equal to 75% of the Gross Sales Price. In
21 connection with each Parcel sale, Copia will be required to execute an instrument of
22 reconveyance (recording of which will be conditioned upon payment of the Parcel release price)
23 to release its lien on the sold Parcel and ensure that clear title can be conveyed to a buyer. If it
24 fails to do so, the Bankruptcy Court will be empowered to issue an appropriate order *ex-parte*
25 approving the Parcel sale to the buyer free and clear of Copia's lien.

26 Since the Debtors dispute the amount owed to Copia, the Plan also gives the Debtors
27 sixty (60) days after the Effective Date to object to the Class 4 Claim.
28

1 **5. Class 5(a) – Mechanics Lien Claim of The Growing Company, Inc.**

2 So long as a parcel can be sold for a minimum price, one (1%) percent of the net sale
3 proceeds realized from sale of a parcel will be deposited into a fund from which payments to The
4 Growing Company and Studebaker Brown Electric, Inc. (the holder of the Class 5(c) Claim) will
5 be paid. The minimum prices are set forth in Schedule 1.1.33 to the Plan. The minimum prices
6 on Schedule 1.1.33 have been set to ensure that the lienholder against the Township Nine
7 development (Copia, the holder of the Class 4 secured claim) will be paid in full with interest.
8 The Growing Company and Studebaker Brown Electric will receive pro-rata periodic
9 distributions from the mechanics lien claimant fund until the claims are paid in full. After the
10 Effective Date, claims in Classes 5(a) and 5(c) will earn interest at the rate of 6.5% until paid in
11 full.

12 As described in Part III.B.3 above, the Debtors have forecasted the sales they expect to
13 close within the 36-month period after the Effective Date, and believe that The Growing
14 Company and Studebaker Brown Electric will be paid within that time frame.

15 **6. Class 5(b) – Mechanics Lien Claim of Teichert Construction.**

16 The Debtors ability to qualify for certain park-related development fee credits depends
17 upon completion of parks Teichert is under contract to construct. For that reason, the Debtors
18 have concluded that the construction contract with Teichert should be assumed. As required by
19 the Bankruptcy Code, the Debtors must pay all amounts owed to Teichert in order to cure the
20 Debtors' monetary defaults under that agreement (a sum of approximately \$228,000.00).
21 Accordingly, Teichert Construction will be paid in full on the Effective Date, and its mechanics
22 lien against the Township Nine property will be released.

23 **7. Class 5(c) - Mechanics Lien Claim of Studebaker Brown Elec., Inc.**

24 So long as a parcel can be sold for a minimum price, one (1%) percent of the net sale
25 proceeds realized from sale of a parcel will be deposited into a fund from which payments to
26 Studebaker Brown Electric, Inc. and The Growing Company (the holder of the Class 5(a) Claim)
27 will be paid. The minimum prices are set forth in Schedule 1.1.33 to the Plan. The minimum
28 prices on Schedule 1.1.33 have been set to ensure that the lienholder against the Township Nine

1 development (Copia, the holder of the Class 4 secured claim) will be paid in full with interest.
 2 The Growing Company and Studebaker Brown Electric will receive pro-rata periodic
 3 distributions from the mechanics lien claimant fund until the claims are paid in full. After the
 4 Effective Date, claims in Classes 5(a) and 5(c) will earn interest at the rate of 6.5% until paid in
 5 full.

6 As described in Part III.B.3 above, the Debtors have forecasted the sales they expect to
 7 close within the 36-month period after the Effective Date, and believe that The Growing
 8 Company and Studebaker Brown Electric will be paid within that time frame.

9 **8. Classes 6(a), 6(b), 6(c), and 6(d) – Interests**

10 Because the Debtors’ Plan pays all creditors in full, all member interests in Township
 11 Nine Owner, LLC, Capitol Station Holdings, LLC, Capitol Station Member, LLC, and Capitol
 12 Station 65, LLC will be retained. No provision of this Plan will alter or affect the rights of any
 13 equity holder in the Debtors, with the exception that there will be a moratorium on any
 14 distributions to equity owners on account of their interests until after all creditors are paid in full.

15 **D. IMPLEMENTATION OF THE PLAN**

16 The Plan will be implemented as follows:

17 **1. Assets Shall Re-vest in the Debtors**

18 On the Effective Date, all assets of the Debtors and the Debtors’ Estate shall re-vest in
 19 the Debtors free and clear of all liens, claims, or interests, except to the extent such lien, claim,
 20 or interest is preserved through a specific provision of this Plan. The Debtors shall be entitled to
 21 operate their business and/or dispose of its assets free of any restrictions or limitations contained
 22 in 11 U.S.C. §§ 345, 361, 363, 364, 365, and 366, and Rule 9019 of the Federal Rules of
 23 Bankruptcy Procedure. Entry of the Confirmation Order shall discharge the Debtors from all
 24 debts that arose prior to confirmation to the fullest extent permitted by 11 U.S.C. § 1141(d).

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2. Approval of the Anthem Sale Agreement

The Plan incorporates the Anthem Sale Agreement described in Part III.B.2 above, and authorizes the Debtors to enter into and perform all obligations under the Anthem Sale Agreement. Title to all Parcels sold to Anthem under the Anthem Sale Agreement shall be conveyed free and clear of any liens asserted by Copia and/or the holders of claims in Classes 5(a), 5(b), and 5(c).

3. Authorization to Sell Other Parcels

After the Effective Date, the Debtors will be authorized to sell any Parcel to a Buyer free and clear of any liens asserted by Copia and/or the holders of claims in Classes 5(a), 5(b), and 5(c), subject to distribution of the proceeds of such Parcel sales in accordance with Articles 4.1, 4.4 and 4.5 of the Plan.

All transfers of Parcels under this Plan (including the Anthem Sale Agreement) shall be exempt from taxes to the extent provided in 11 U.S.C. § 1146(a).

4. Cancellation of Pre-Petition Loan Documents

On the Effective Date, all agreements between the Debtors and Copia which form the basis of Copia’s Class 4 Claim, and all rights of Copia thereunder shall be cancelled. Thereafter, such agreements shall be of no force and effect, and Copia’s rights under such agreements shall be replaced by the rights conferred upon it by this Plan.

5. Preservation of All Causes of Action

Except as otherwise provided in the Plan or in any contract, instrument, release or agreement entered into in connection with the Plan, the Debtors will retain and may exclusively enforce and prosecute any Litigation Claims that the Debtors or the Estate may have against any person or entity in accordance with section 1123(b) of the Bankruptcy Code. The Debtors may pursue such retained Litigation Claims in accordance with the best interests of the creditors or the Estate.

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1 **E. CLAIMS AND DISTRIBUTIONS**

2 **1. Administrative Reserve**

3 On the Effective Date, the Debtors will establish a reserve for all Allowed and Contested
4 Administrative Claims to the extent such Claims are not paid on the Effective Date (the
5 Administrative Claims Reserve”). The Debtors will make payments from the Administrative
6 Claims Reserve to holders of Administrative Claims as soon as contested claims become
7 Allowed Administrative Claims.

8 **2. Estimation of Claims**

9 In order to effectuate distributions pursuant to this Plan and avoid undue delay in the
10 administration of the Chapter 11 cases, the Debtors after notice and a hearing (which notice may
11 be limited to the holder of such Contested Claim), can seek an order of the Bankruptcy Court to
12 estimate or limit the amount of property that must be withheld from distribution on account of
13 Contested Claims; if the Bankruptcy Court first determines whether such Claims can be
14 estimated under the Bankruptcy Code and establish the timing and procedures for this estimation.

15 **3. Distribution Procedures**

16 Notwithstanding any provision to the contrary in the Plan, distributions may be made in
17 full or on a pro rata basis depending on (i) the amount of the Allowed Claims in a class, (ii) the
18 cash available to Allowed Claims in the class, and (iii) the Debtors’ projection of reserves
19 necessary to fund disputed claims and pay future costs of administration.

20 **4. Setoffs and Recoupment**

21 The Debtors may, but will not be required to, set off against or recoup from the payments
22 to be made pursuant to the Plan in respect of a Claim, any claim of any nature whatsoever the
23 Debtors or the Estate may have against the holder, but neither the failure to do so nor the
24 allowance of any Claim will constitute a waiver or release by the Debtors or the Estate of any
25 such claim.

26 **5. Full and Final Satisfaction**

27 On the Effective Date, all Debts of the Debtors will be deemed fixed and adjusted
28 pursuant to the Plan and the Debtors will have no further liability on account of Claims or

1 Interests as set forth in the Plan. All payments and all distributions made by the Debtors under
 2 the Plan will be in full and final satisfaction, settlement and release of all Claims; provided,
 3 however, that nothing contained in the Plan will be deemed to constitute or result in a discharge
 4 of the Debtors under Bankruptcy Code section 1141(d).

5 **6. Objections to Claims**

6 After the Effective Date, the Debtors will have the authority to file, settle, compromise,
 7 withdraw or litigate to judgment objections to Claims. Unless otherwise provided in the Plan or
 8 ordered by the Bankruptcy Court, all objections to Claims will be filed no later than ninety (90)
 9 days after the Effective Date, unless that deadline is extended by the Court.

10 Notwithstanding any other provision of the Plan, no payment or distribution will be made
 11 with respect to any Claim until it becomes an Allowed Claim. Unless a Claim is specifically
 12 Allowed under the Plan, the Debtors reserve any and all objections to Claims, whether secured or
 13 unsecured, including any objection to the validity or amount of alleged liens and security
 14 interests, whether under the Bankruptcy Code, other applicable law or contract.

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F. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Under section 365 of the Bankruptcy Code, a debtor may assume or reject executory contracts and unexpired leases. Pursuant to the Plan, the Debtors will seek to assume the following Executory Contracts and Unexpired Lease as follows:

Executory Contract	Counterparty	Cure Amount
HCD Infill Infrastructure Grant, Round 1 <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated October 20, 2009 <i>Standard Agreement Amendment No. 1</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated April 13, 2012 <i>Infill Infrastructure Grant Program Disbursement Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated March 8, 2011 <i>Assignment and Assumption Agreement</i> by and between the City of Sacramento and Capitol Station 65 LLC, dated March 17, 2010 <i>Declaration of Restrictive Covenants for the Development of Market Rate Housing and Affordable Housing</i> , by Capitol Station 65 LLC, recorded May 14, 2010	City of Sacramento	\$0
HCD Infill Infrastructure Grant, Round 2 <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated March 30, 2011 <i>Standard Agreement Amendment No. 1</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated July 16, 2013 <i>Infill Infrastructure Grant Program Disbursement Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated March 30, 2011 <i>First Amendment to Assignment and Assumption Agreement</i> by and between the City of Sacramento and Capitol Station 65 LLC, dated September 13, 2011. <i>First Amendment to Declaration of Restrictive Covenant for the Development of Market Rate Housing and Affordable Housing</i> , by Capitol Station 65 LLC, recorded October 3, 2011	City of Sacramento	\$0

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Executory Contract	Counterparty	Cure Amount
HCD Catalyst Grant <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated April 24, 2013 <i>Assignment and Assumption Agreement</i> by and between the City of Sacramento and Capitol Station 65 LLC, dated April 30, 2013	City of Sacramento	\$0
HCD Transit Oriented Development Grants <i>Assignment and Assumption Agreement</i> by and between the City of Sacramento and Capitol Station 65 LLC, dated June 4, 2015. Phase 2B - <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento, dated September 16, 2015. Phase 2A - <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento, dated September 16, 2015.	City of Sacramento	\$0
Agreement for Design and Construction of Park Improvements For Township 9 Park and Park Development Impact Fee Waivers, dated May 1, 2014.	City of Sacramento	\$0
Construction Contract	Teichert Construction	\$228,462.38
Construction Contract	Lund Construction	\$300,796.64
Construction Management Agreement	Project Mgmt. Applications Inc.	\$25,283.00
Labor Compliance Monitor Agreement	DCM Group	\$11,758.05
Service Agreement	Capitol Utilities	\$3,700.00

The Debtors will be fully obligated on such assumed contracts from and after the Effective Date, and all counterparties shall be likewise obligated on such assumed contracts under section 365 of the Bankruptcy Code. The Debtors are financially stable and fully capable to operate as a going concern as reflected in the Plan and this Disclosure Statement and as will be proven to the extent any party with standing seeks such a demonstration with evidence at the Confirmation Hearing.

1 **ANY NON-DEBTOR PARTY TO ANY EXECUTORY CONTRACT OBJECTING**
2 **TO THE ABOVE CURE AMOUNTS OR ADEQUATE ASSURANCE OF FUTURE**
3 **PERFORMANCE AND THE ASSUMPTION AND ASSIGNMENT OF SUCH**
4 **EXECUTORY CONTRACT OR UNEXPIRED LEASE MUST FILE AN OBJECTION IN**
5 **THE BANKRUPTCY COURT AND SERVE IT ON THE DEBTORS AS SET FORTH IN**
6 **THE ACCOMPANYING NOTICE OF HEARING ON PLAN CONFIRMATION.**

7 Any counterparty to the above executory contracts or unexpired leases who fails to file an
8 objection to the proposed cure amounts, adequate assurance, assumption or assignment as set
9 forth above will be deemed to have accepted such cure amount in full satisfaction and cure of all
10 defaults and other amounts due through and including the Effective Date, and will have no
11 further claim against the Debtors therefor; further such counterparties are deemed to accept the
12 assumption and have adequate assurance of future performance of their executory contract or
13 unexpired lease by the Debtors.

14 In the event of a dispute regarding (i) the amount of any payments to cure such a default,
15 (ii) the ability of Debtors to provide “adequate assurance of future performance,” within the
16 meaning of Bankruptcy Code section 365, under the executory contract or unexpired lease to be
17 assumed, or (iii) any other matter pertaining to assumption, the cure payments required by
18 Bankruptcy Code section 365(b)(1) shall be made following the entry of a Final Order or orders
19 resolving the dispute and approving the assumption. Assumption of any executory contract or
20 unexpired lease pursuant to the Plan or otherwise shall result in the full release and satisfaction
21 of any Claims or defaults, whether monetary or nonmonetary, arising under any assumed
22 executory contract or unexpired lease at any time before the effective date of the assumption.

23 If any executory contract has been inadvertently omitted from the above list of executory
24 contracts to be assumed, the Debtors reserve their rights to modify the Plan to assume any such
25 executory contract on appropriate notice to the counterparty to such contract, by filing an
26 amended list of assumed executory contracts at any time up to and including the Effective Date.

27 Any other executory contracts or unexpired leases for which the Debtors have not filed a
28 motion to assume or reject before the Confirmation Date, is rejected. Entry of the Confirmation

1 Order by the Bankruptcy Court will constitute approval of such rejections pursuant to section
2 365(a) of the Bankruptcy Code.

3 Notwithstanding the preceding paragraph, on the Effective Date, each Non-Disclosure
4 Agreement and Common Interest and Joint Defense Agreement that exists between the Debtors
5 and any person, to the extent that it constitutes an executory contract, is assumed pursuant to the
6 Plan. Entry of the Confirmation Order by the Bankruptcy Court will constitute approval of such
7 assumptions pursuant to section 365(a) of the Bankruptcy Code.

8 **G. CONDITIONS TO EFFECTIVENESS**

9 The Plan will not become Effective unless and until the Bankruptcy Court has entered the
10 Confirmation Order approving the Plan in all respects.

11 **H. RETENTION OF JURISDICTION**

12 The Plan will in no way limit the Bankruptcy Court's post-confirmation jurisdiction as
13 provided under the Bankruptcy Code. Pursuant to sections 105(a) and 1142 of the Bankruptcy
14 Code, the Bankruptcy Court will retain and have exclusive jurisdiction (to the extent granted by
15 applicable law, including any provisions permitting mandatory or discretionary withdrawal of
16 such jurisdiction) over any matter (i) arising under the Bankruptcy Code, (ii) arising in or related
17 to the Chapter 11 Cases or the Plan, or (iii) that relates to the following:

- 18 • Allowance, disallowance, reconsideration, estimation, compromise, settlement,
19 adjustment, treatment, or liquidation of claims and objections thereto;
- 20 • Allowance of Claims and requests for payment of Administrative Expenses of the
21 Estate;
- 22 • The rights, title, or interest of the Debtors, as modified or specified under the
23 Plan, in any property, including liens thereon;
- 24 • Resolution of controversies and disputes, including disputes regarding
25 interpretation of the Plan and the Confirmation Order, and the correction of any
26 mistake, defect, or omission regarding interpretation or enforcement of the Plan
27 and the Confirmation Order;
- 28 • Modification(s) of the Plan pursuant to Section 1127 of the Bankruptcy Code;

- 1 • Adjudication of any actions brought by the Debtors or on behalf of the Debtors to
- 2 enforce any right or recover any claim created, granted, or preserved under the
- 3 Plan, including, but not limited to, Independent Claims and Causes of Action;
- 4 • Entry of orders in aid of implementation of this Plan;
- 5 • Entry of orders authorizing sale of the Debtors' assets free and clear of liens;
- 6 • Such other matters for which jurisdiction is provided under the Bankruptcy Code,
- 7 the Plan the Confirmation Order, or other applicable law; and,
- 8 • Entry of a final decree closing the Chapter 11 Case.

9 I. POST CONFIRMATION ISSUES

10 1. Payment of Statutory Fees

11 All fees payable through the Effective Date pursuant to section 1930 of Title 28 of the
12 United States Code will be paid on or before the Effective Date. All fees payable after the
13 Effective Date pursuant to section 1930 of Title 28 of the United States Code shall be paid by the
14 Liquidating Debtor.

15 2. Exculpation

16 Neither the Debtors, nor any of their employees, attorneys, advisors, members,
17 shareholders, fiduciaries or agents (including any professionals retained by such persons), nor
18 any of their respective predecessors or successors, will have or incur any liability as set forth in
19 11 U.S.C §1125(e) to any holder of a Claim or Interest or any other entity for any act or omission
20 in connection with, or arising out of, the Chapter 11 case, the pursuit of approval of the
21 Disclosure Statement or the solicitation of votes for or confirmation of the Plan or consummation
22 or administration of the Plan or the property to be distributed under the Plan.

23 3. Distributions in Satisfaction and Binding Effect of Plan

24 Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after
25 the Confirmation Date, the provisions of the Plan will bind any holder of a Claim against, or
26 Interest in, the Debtors, the Estate and their respective successors or assigns, whether or not the
27 Claim or Interest of such holders is impaired under the Plan and whether or not such holder has
28 accepted the Plan. The rights, benefits and obligations of any entity named or referred to in the

1 Plan, whose actions may be required to effectuate the terms of the Plan, shall be binding on and
2 shall inure to the benefit of any heir, executor, administrator, successor or assign of such entity
3 (including, without limitation, any trustee appointed for the Debtors under Chapters 7 or 11 of
4 the Bankruptcy Code). All creditors will continue to be barred from commencing or continuing
5 legal action to collect the debts owed to them, however, all creditors will retain the right to
6 commence legal actions in the Bankruptcy Court to enforce the rights granted to them under the
7 Plan.

8 **4. Final Order**

9 Except as otherwise expressly provided in the Plan, any requirement in the Plan for a
10 Final Order may be waived by the Debtors upon written notice to the Bankruptcy Court. Such
11 waiver will not prejudice the right of any party in interest to seek a stay pending appeal of any
12 order that is not a Final Order.

13 **5. Amendments and Modifications**

14 To the fullest extent permitted under section 1127 of the Bankruptcy Code, the Plan may
15 be altered, amended or modified at any time prior to the Effective Date by the Debtor. At any
16 time after the Effective Date, the Debtors may amend or modify the terms of the Plan if such
17 amendment or modification is approved by the Bankruptcy Court.

18 **6. Withholding and Reporting Requirements**

19 In connection with the Plan and all instruments issued in connection therewith and
20 distributions thereon, the Debtors will comply with all withholding and reporting requirements
21 imposed by any federal, state, local or foreign taxing authority, and all distributions pursuant to
22 the Plan will be subject to any such withholding and reporting requirements.

23 **7. Tax Exemption**

24 Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of
25 any security under the Plan, or the execution, delivery or recording of an instrument of transfer
26 pursuant to, in implementation of or as contemplated by the Plan, including, without limitation,
27 any transfers to or by the Liquidating Debtor of the Debtors' property in implementation of or as
28 contemplated by the Plan will not be taxed under any state or local law imposing a stamp tax,

1 transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar
2 official for any county, city or governmental unit in which any instrument hereunder is to be
3 recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such
4 instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp
5 tax, transfer tax, intangible tax or similar tax.

6 V. LIQUIDATION ANALYSIS

7 Pursuant to Bankruptcy Code section 1129(a)(7), unless there is unanimous acceptance of
8 the Plan by an impaired Class, the Plan proponents must demonstrate that, and the Bankruptcy
9 Court must determine that, with respect to such Class, each holder of a Claim or Interest will
10 receive property of a value, as of the Effective Date of the Plan that is not less than the amount
11 that such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy
12 Code on the Effective Date of the Plan. This requirement is commonly referred to as the “best
13 interests test.” For the reasons set forth below, the Debtors submit that the proposed Plan
14 satisfies the “best interests test” and therefore should be approved.

15 In a Chapter 7 liquidation, a trustee would be required to make interest payments to
16 Copia almost immediately, failing which, Copia would be granted relief from the automatic stay
17 allowing it to foreclose on the Township Nine property. The Debtors believe that it is highly
18 unlikely (but not impossible) for a Chapter 7 trustee to arrange the financing that would be
19 necessary to make those payments. Consequently, the Debtors believe that the most likely
20 outcome if the cases converted to Chapter 7 is that the Township Nine property would be lost to
21 foreclosure.

22 In a foreclosure scenario, there are significant questions about whether creditors other
23 than Copia would receive anything. In a foreclosure, all of the Parcels would be sold as one lot
24 at one time. While the Debtors believe that there is significant value to selling the Parcels
25 separately based upon the level of interest shown by developers to date, it is unclear whether a
26 buyer of the entire project would be willing to step in to acquire the whole property. In light of
27 the fact that a foreclosure sale would likely take place within a few months after a conversion to
28 Chapter 7, any parties who would be interested in purchasing the whole project would have very

1 little time to conduct due diligence. For these reasons, the Debtors believe that if the case
 2 converted to Chapter 7, no creditor other than Copia would receive anything on account of the
 3 money owed to them.³

4 In contrast, the Plan would pay all creditors in full, with interest. Accordingly, the
 5 Debtors believe the Plan satisfied the best interest of creditors test.

6 VI. CONFIRMATION OF THE PLAN

7 A. Best Interests of Creditors

8 As addressed in the section V above, the Debtors believe that confirmation of the Plan is
 9 in the best interest of the holders of Claims because it provides to holders of Impaired Claims
 10 distributions having a present value as of the Effective Date of not less than the value such
 11 holders would likely receive if the Debtor were liquidated under chapter 7 of the Bankruptcy
 12 Code.

13 In sum, the Plan proponents believe that the holders of Claims would realize less value if
 14 the case were converted to a chapter 7 case at this point. Conversion would only create
 15 unnecessary additional administrative expenses.

16 B. Feasibility

17 In order to confirm a plan, the Bankruptcy Code requires the Bankruptcy Court to find
 18 that confirmation of the Plan is not likely to be followed by liquidation or the need for further
 19 financial reorganization of the debtor, unless that liquidation is contemplated by the plan
 20 (“Feasibility Test”). The Debtors believe that the Plan meets the Feasibility Test because the
 21 Township Nine property is conservatively worth in excess of \$80 million if the Parcels can be
 22 sold separately under a normal marketing process. Even this conservative sum is well over the
 23 amount owed to creditors.

24 The success of the Plan depends upon the ability to move forward with development and
 25 selling individual Parcels, and the Debtors submit that they have shown an ability to do that.
 26 Again, the Debtors are in contract to sell several of the Parcels to Anthem – notably at price
 27

28 ³ Liens senior to Copia’s likely would get paid in full, however.

1 significantly above the March 2016 appraised value. The Debtors are also in negotiations with
2 other serious potential purchasers of other parcels. Given the level of interest in Township Nine
3 (and the generally improving market conditions in the Sacramento Area), the Debtors are
4 confident that a sufficient number of Parcel sales can be closed within 36 months to pay all
5 creditors in full, with interest.

6 Finally, the projections attached as Exhibit B allow for accumulation of cash reserves
7 over and above what is paid to creditors. For example, in September 2020, Copia is expected to
8 have been paid down to approximately \$7.4 million, and the Debtors will at that time have a
9 \$14.3 million cash reserve. The Debtors believe that these funds will provide additional liquidity
10 in order to meet unanticipated expenses, and these funds could also be used to satisfy any
11 remaining obligations to creditors under the Plan.

12 C. Acceptance By Impaired Classes

13 Section 1129(a) of the Bankruptcy Code requires that each class of claims or interests
14 that is impaired under a plan accept the plan subject to the “cramdown” exception contained in
15 section 1129(b) of the Bankruptcy Code. Under section 1129(b) of the Bankruptcy Code, if at
16 least one but not all impaired classes do not accept the Plan, the Court may nonetheless confirm
17 the Plan if the non-accepting classes are treated in the manner required by the Bankruptcy Code.
18 The process by which non-accepting classes are forced to be bound by the terms of the Plan is
19 commonly referred to as “cramdown.” The Bankruptcy Code allows the Plan to be “crammed
20 down” on non-accepting classes of claims or interests if (i) the Plan meets all confirmation
21 requirements except the requirement of section 1129(a)(8) of the Bankruptcy Code that the Plan
22 be accepted by each class of claims or interests that is impaired and (ii) the Plan does not
23 “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted
24 to accept the Plan, as referred to in section 1129(b) of the Bankruptcy Code and applicable case
25 law.

26 A class of claims under a plan accepts the plan if the plan is accepted by creditors that
27 hold at least two-thirds in amount and more than one-half in number of the allowed claims in the
28 class that actually vote on the plan. A class of interests accepts the plan if the plan is accepted by

1 holders of interests that hold at least two-thirds in amount of the allowed interests in the class
2 that actually vote on a plan.

3 A class that is not “impaired” under a plan is conclusively presumed to have accepted the
4 plan. Solicitation of acceptances from such a class is not required. A class is “impaired” unless
5 (i) the legal, equitable and contractual rights to which a claim or interest in the class entitles the
6 holder are not modified or (ii) the effect of any default is cured and the original terms of the
7 obligation are reinstated.

8 Under the Plan, Class 1 (General Unsecured Claims) and Class 4 (Copia), Class 5(a) (The
9 Growing Company), and 5(c) (Studebaker Brown Electric, Inc.) are impaired under the Plan and
10 entitled to vote to accept or reject the Plan.

11 If any impaired Class fails to accept the Plan, the Debtors intend to request that the
12 Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code with
13 respect to those Classes.

14 **VII. CONCLUSION**

15 **THE DEBTORS URGE YOU TO VOTE TO ACCEPT THE PLAN AND TO**
16 **RETURN YOUR BALLOTS SO THAT THEY WILL BE RECEIVED AT THE**
17 **ADDRESS AND PURSUANT TO THE PROCEDURES DESCRIBED IN SECTION IN**
18 **THIS DISCLOSURE STATEMENT, NO LATER THAN 4:00 p.m. PACIFIC TIME ON**
19 _____, 2017.

20 Dated: August 28, 2017

NUTI HART LLP

21 By: /s/ _____

22 Gregory C. Nuti
23 Kevin Coleman

24 Attorneys for Capitol Station 65, LLC; Capitol
25 Station Member, LLC; Capitol Station Holdings,
26 LLC and Township Nine Owners, LLC,
27 Debtors-in-Possession
28

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EXHIBIT A

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98 PAGES

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Member, LLC; Capitol Station Holdings, LLC and
Township Nine Owners, LLC, Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION**

In re:	Case No.: 17-23627-B-11
CAPITOL STATION 65, LLC, A California Limited Liability Company	Chapter 11
Debtor.	DC No. NH-5

In re:	Case No.: 17-23629-B-11
CAPITOL STATION MEMBER, LLC	Chapter 11
Debtor.	

In re:	Case No.: 17-23628-B-11
CAPITOL STATION HOLDINGS, LLC	Chapter 11
Debtor.	

In re:	Case No.: 17-23630-B-11
TOWNSHIP NINE OWNERS, LLC	Chapter 11
Debtor.	

- Affects CS 65
- Affects CS Members
- Affects CS Holdings
- Affects T9 Owners
- Affects all DEBTORS

**CAPITOL STATION 65, LLC AND
AFFILIATED DEBTORS JOINT PLAN
OF REORGANIZATION
(Dated August 28, 2017)**

Date: [to be set]
Time:
Place: 501 I Street, 6th Fl., Courtroom 32
Sacramento, CA 95814
Judge: Hon. Christopher Jaime

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1 Capitol Station 65, LLC, Capitol Station Member, LLC, Capitol Station Holdings, LLC,
 2 and Township Nine Owner, LLC (collectively “Debtors”) propose this plan of reorganization
 3 (the “Plan”) for the restructuring of the Debtors’ outstanding claims and interests. If confirmed,
 4 the Plan will bind all creditors provided for in the Plan, whether or not they file a proof of claim
 5 or accept the Plan, and whether or not their claims are allowed. All creditors should refer to
 6 Articles 2 - 4 of the Plan for information regarding the precise treatment of their claims. The
 7 Disclosure Statement that is circulated with the Plan provides additional information about the
 8 Debtors’ history, business, assets, operations, and events leading up to this restructuring. **Your**
 9 **rights may be affected. You should read these papers carefully and discuss them with your**
 10 **attorney, if you have one.**

11 **ARTICLE I -**
 12 **DEFINITIONS AND RULES OF INTERPRETATION**

13 **1.1 Definitions**

14 Unless the context requires otherwise, the following definitions apply in this Plan:

15 **1.1.1 “Administrative Claim”** means a claim for any cost or expense of administration
 16 of a kind specified in Section 503(b) of the Bankruptcy Code that is entitled to priority over general
 17 unsecured claims under Section 507(a)(2) of the Bankruptcy Code, including, without limitation,
 18 (i) any actual or necessary costs and expenses of preserving the bankruptcy estate incurred on or
 19 after the Petition Date and through and including the Effective Date of the Plan, (ii) any cure
 20 amounts that must be paid in connection with the assumption of any executory contract or
 21 unexpired lease under Section 365 of the Bankruptcy Code, (iii) fees payable to the court system
 22 or the U.S. Trustee under Section 1930 of Title 28, United States Code, and (iv) allowed
 23 compensation for fees and reimbursable expenses for legal and other services under Sections 330
 24 and 331 of the Bankruptcy Code, or otherwise allowed by the Bankruptcy Court under Section 503
 25 of the Bankruptcy Code (defined below as “Professional Fee Claims”).

26 **1.1.2 “Administrative Claim Bar Date”** means the date that is sixty (60) days after the
 27 Effective Date, which shall be the deadline for all parties to file with the Court any requests for
 28 payment or any other means of preserving and obtaining payment of an Administrative Claim to

1 the extent such Claim (i) arose or was incurred between May 30, 2017 and the Effective Date and
2 (ii) has not been paid, released, or otherwise settled, excluding all requests for payment of
3 Professional Fee claims and Ordinary Course Administrative Claims that are subject to Article
4 3.1.2. Any request for payment of an Administrative Claim (other than a Professional Fee claim
5 or Ordinary Course Administrative Claim) that is not timely filed either as set forth above shall be
6 forever barred, and holders of such Administrative Claims shall not be able to assert such Claims
7 in any manner against the Debtor, the Estate, or the Reorganized Debtor

8 **1.1.3 “Agent”** means TDA Investment Group, agent for Township Nine Avenue, LLC
9 (assignee of Copia Lending, LLC).

10 **1.1.4 “Allowed Administrative Claim”** means all or any portion of an Administrative
11 Claim that has either been (i) allowed by a Final Order or (ii) has not been objected to within the
12 time period established by the Plan or by an order of the Bankruptcy Court.

13 **1.1.5 “Allowed Claim”** means a claim against any of the Debtors, other than an
14 Administrative Claim, as to which:

15 a. A proof of claim was (i) timely filed not later than the Claims Bar Date, or
16 any other applicable claim filing deadline, or (ii) deemed filed under 11 U.S.C. §1111(a), or (iii)
17 filed late pursuant to an Order of the Bankruptcy Court after notice and an opportunity for
18 hearing appropriate in the circumstances; and

19 b. Such claim is not a Disputed Claim, or if a Disputed Claim, such claim has
20 been allowed in whole or in part by a Final Order, provided that any such claim shall be an
21 Allowed Claim only to the extent stated in any such Final Order. Unless otherwise provided in
22 the Plan or ordered by the Bankruptcy Court, no distributions shall be made under the Plan with
23 respect to the disputed portion of any Disputed Claim until there is a Final Order specifying the
24 allowed amount of such claim.

25 No disputed portion of any claim shall be considered as an Allowed Claim if an
26 objection to the allowance of such claim is made by the Debtors or another party in interest and
27 such objection to claim has not been denied by a Final Order.

28

1 **1.1.6 “Allowed Secured Claim”** means any Allowed Claim that is secured by a lien on
2 assets owned by any of the Debtors, subject to the limitations set forth in 11 U.S.C. § 506(a)(1).

3 **1.1.7 “Allowed Unsecured Claim”** means any Allowed Claim that is an unsecured claim
4 not entitled to priority under 11 U.S.C. §§ 503 or 507, including an allowed Rejection Claim, but
5 does not include Allowed Secured Claims, Allowed Administrative Claims, Allowed Priority Tax
6 Claims, or Disputed Claims.

7 **1.1.8 “Anthem”** means Anthem United Homes, Inc.

8 **1.1.9 “Anthem Sale Agreement”** means that certain Purchase and Sale Agreement and
9 Joint Escrow Instructions between Capitol Station 65, LLC and Anthem dated for reference
10 purposes July 25, 2017, a copy of which is appended hereto as **Appendix 1**.

11 **1.1.10 “Avoidance Actions”** means any rights, claims or causes of action (and any
12 litigation thereon) which a trustee or Debtors in possession is authorized to assert under or based
13 upon the provisions of Bankruptcy Code §§ 542 through 551 and 553.

14 **1.1.11 “Bankruptcy Code” or “Code”** means Title 11 of the United States Code, as it was
15 in effect on the date of filing of the Plan, as amended by any amendments applicable to this Chapter
16 11 Case, and also includes Sections 157, 158, 1334, 1408-1412, and 1452 of Title 28 of the United
17 States Code.

18 **1.1.12 “Bankruptcy Court” or “Court”** means the United States Bankruptcy Court for
19 the Eastern District of California, Sacramento Division, having jurisdiction over the Chapter 11
20 Cases, and any other courts or panels of courts having competent jurisdiction over the Chapter 11
21 Cases or appeals from orders entered in the Chapter 11 Case.

22 **1.1.13 “Bankruptcy Rules”** means the rules of practice and procedure in cases under Title
23 11 of the United State Code, as promulgated under 28 U.S.C. §2075.

24 **1.1.14 “Buyer”** means a purchaser of a Parcel that is not an affiliate of the Debtors or any
25 of the Debtors’ equity holders or subsidiaries in which the terms of the sale of a Parcel are
26 negotiated at arm’s length. Without limiting the generality of the foregoing, Anthem shall be
27 deemed a Buyer.

28 **1.1.15 “Cash”** means cash and cash equivalents.

1 **1.1.16 “Chapter 7”** means Chapter 7 of the Bankruptcy Code.

2 **1.1.17 “Chapter 11”** means Chapter 11 of the Bankruptcy Code.

3 **1.1.18 “Chapter 11 Case”** means the cases pending in the Bankruptcy Court commenced
4 by the Debtors filing voluntary petitions under Chapter 11 of the Bankruptcy Code on May 30,
5 2017.

6 **1.1.19 “Claim”** means a Claim against the Debtors or, if the context otherwise requires,
7 against other persons or entities, whether or not asserted, as defined in Section 101(5) of the
8 Bankruptcy Code.

9 **1.1.20 “Claimholder”** means the holder of a Claim.

10 **1.1.21 “Claims Bar Date”** means October 3, 2017, the deadline for filing proofs of claims
11 or interests, other than Administrative Claims, by non-government creditors and interest holders
12 against Debtor. In the case of governmental entities, Claims Bar Date means November 26, 2017.

13 **1.1.22 “Confirmation”** means the entry by the Bankruptcy Court of an order (the
14 “Confirmation Order”) confirming the Plan.

15 **1.1.23 “COPIA”** means Township Nine Avenue, LLC (assignee of Copia Lending, LLC)
16 and the Agent, or any Claimholder who asserts a Claim based upon that certain Deed of Trust
17 originally recorded by ISIS Lending, LLC on December 24, 2008, and a lien on personal property
18 of the Debtors filed with the Secretary of State of the State of California on December 24, 2008,
19 or any related agreements or amendments to any of the foregoing.

20 **1.1.24 “Current Entitlements”** means all discretionary approvals and permits in effect
21 for the Township Nine Development, including but not limited to the Tentative Map, the approved
22 plans processed by Capitol Station 65, LLC, and any other entitlements that were previously
23 processed applicable to the Township Nine Development.

24 **1.1.25 “Debtors”** means Capitol Station 65, LLC, Capitol Station Member, LLC, Capitol
25 Station Holdings, LLC, and Township Nine Owners, LLC, the Debtors in the Chapter 11 Case.

26 **1.1.26 “Disclosure Statement”** means the Disclosure Statement approved by the
27 Bankruptcy Court in the Chapter 11 Case on _____.

1 **1.1.27 “DIP Credit Agreement”** means that certain Secured Super-Priority Post-Petition
2 Credit Agreement attached as Exhibit B to the Motion to Approve Post-Petition Financing, Grant
3 Priming Lien and Related Relief [DC No. NH-3, DN 59] filed in the Chapter 11 Case.

4 **1.1.28 “DIP Loan”** means the funds borrowed by the Debtors from Serene pursuant to the
5 Bankruptcy Court’s order dated _____.

6 **1.1.29 “Disbursing Agent”** means the Reorganized Debtor, or such other person or entity
7 designated by the Reorganized Debtors to make distributions to holders of Allowed Claims under
8 this Plan.

9 **1.1.30 “Disputed Claim”** means any Claim, proof of which has been filed or deemed filed
10 against the Debtor, as to which an objection or adversary proceeding has been timely filed and has
11 not been withdrawn or disposed of by a Final Order of the Bankruptcy Court, or any claim which
12 is designated as a Disputed Claim in this Plan or the Debtors Schedules filed in the Bankruptcy
13 Case. Without limiting the generality of the foregoing, Disputed Claim shall include all claims
14 held by Township Nine Avenue, LLC.

15 **1.1.31 “Effective Date”** means the business day designated as such by the Debtors which
16 is not later than 30 days following the entry of the Confirmation Order, unless such order is stayed
17 by order of a court with original or appellate jurisdiction over this Chapter 11 Case, in which event
18 such date shall be the first business day on or after the fifteenth calendar day after such stay expires.

19 **1.1.32 “Estate”** means the estate of any of the Debtors created under Section 541 of the
20 Bankruptcy Code by the commencement of the Chapter 11 Case.

21 **1.1.33 “Excess Net Sale Proceeds”** Excess Net Sale Proceeds shall mean the product of
22 .03 multiplied by the Net Sale Proceeds received from any sale in which the Gross Sales Price for
23 any Parcel (or the aggregate Gross Sales Price if multiple Parcels are sold in a single transaction)
24 equals or exceeds the Minimum Parcel Sale Price set forth in Schedule 1.1.33.

25 **1.1.34 “Fee Credits”** means all development building permit fee credits granted by
26 Sacramento County, the City of Sacramento and/or any governmental entity relating to Parcels in
27 the Township Nine Development.
28

1 **1.1.35 “Final Order”** means an order of the Bankruptcy Court as to which the appeal
2 period has expired without an appeal having been timely taken or, if an appeal is timely taken,
3 such order has been affirmed on appeal and any time for further appeal or petition has expired
4 without any such further appeal or petition having been filed.

5 **1.1.36 “General Unsecured Creditors Fund”** means 2/3 of all Excess Net Sale Proceeds
6 deposited into a segregated account out of which distributions to Allowed Class 1 Claim Holders
7 will be made.

8 **1.1.37 “Gross Sales Price”** means the total consideration paid to the Debtors by a buyer
9 to purchase a Parcel and all rights and interests of the Debtors (including Fee Credits) related to
10 the purchased Parcel.

11 **1.1.38 “Insider”** means any person or entity meeting the definition of 11 U.S.C. § 101(31)
12 with respect to the Debtor.

13 **1.1.39 “Interest”** means the limited liability company member interests in each of the
14 Debtors.

15 **1.1.40 “Mechanics Lien Claimant Fund”** means 1/3 of all Excess Net Sale Proceeds
16 deposited into a segregated account out of which distributions to holders of Allowed Claims in
17 Classes 5(a) and 5(c) will be made.

18 **1.1.41 “Net Sale Proceeds”** means the Gross Sales Price minus (a) any applicable costs
19 of sale (including any brokers or other real estate commission), and (b) any real property taxes and
20 other assessments by governmental entities that constitute a lien on the parcel.

21 **1.1.42 “Ordinary Course Administrative Claim”** means an Administrative Claim
22 subject to the terms of Article 3.1.2.

23 **1.1.43 “Parcel”** means a parcel of land identified on the Tentative Map (or such final
24 map(s) as may subsequently be processed and recorded for the Township Nine Development that
25 defines parcels in substantially the same manner as the Tentative Map), together with all rights
26 associated with such land, including any Fee Credits.

27 **1.1.44 “Parcel Release Price”** shall mean the product of .70 multiplied by the Gross Sales
28 Price for a Parcel.

1 **1.1.45 “Petition Date”** means May 30, 2017, the date on which the Debtors filed their
2 voluntary petitions commencing the Chapter 11 Case.

3 **1.1.46 “Plan”** means this Capitol Station 65, LLC and Affiliated Debtors Joint Chapter 11
4 Plan of Reorganization Dated August 28, 2017, and filed by the Debtors with the Bankruptcy
5 Court, including any modification(s) or amendment(s) thereto.

6 **1.1.47 “Priority Claim”** means any Allowed Claim entitled to priority pursuant to Section
7 507(a) of the Bankruptcy Code, but not including Administrative Claims.

8 **1.1.48 “Priority Tax Claim”** means any Allowed Unsecured Claim entitled to priority
9 under Section 507(a)(8) of the Bankruptcy Code.

10 **1.1.49 “Professional Fee Claim”** means the Claim of any professional retained under
11 Sections 327 or 1102 of the Bankruptcy Code seeking compensation and expense reimbursement
12 from the assets of the Debtors’ estate or Reorganized Debtors under Section 330(a) of the
13 Bankruptcy Code.

14 **1.1.50 “Reorganized Debtor”** means Capitol Station 65, LLC on and after the Effective
15 Date.

16 **1.1.51 “Rejection Claim”** means an allowed unsecured claim arising from Debtors’
17 rejection of an unexpired lease or executory contract pursuant to the Plan or pursuant to a prior or
18 subsequent order of the Bankruptcy Court.

19 **1.1.52 “Secured Claim”** means any Claim secured by property of the Debtors.

20 **1.1.53 “Serene”** means Serene Investment Management, LLC or its assignee.

21 **1.1.54 “Tentative Map”** means the approved Tentative Map Subdivision Modification
22 for the Township Nine Development dated March 3, 2015 attached hereto as **Appendix 2**.

23 **1.1.55 “Township Nine Development”** means the parcels of land identified on the
24 Tentative Map including all common area driveways and park paseos appurtenant thereto
25 (“Land”), together with: (i) all improvements, equipment, fixtures and any and all other articles of
26 personal property attached or affixed to the Land, (ii) all assignable intangible personal property
27 to the extent owned by Capitol Station 65, LLC and arising directly out of or in connection with
28

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1 its ownership of the Land and pertaining only to the Land, (iii) all Fee Credits, (iv) any and all
 2 remaining grant money pertaining to the Land, and (v) the Current Entitlements.

3 **1.1.56 “Unclaimed Property”** means any distribution that cannot be delivered to, or is
 4 not accepted by, the holder of an Allowed Claim, and shall include, without limitation, checks (and
 5 the funds represented thereby) that are returned as undeliverable without proper forwarding
 6 address, are not cashed, or are not delivered because of the absence of a proper address to which
 7 to deliver the distribution.

8 **1.1.57 “Unclassified Claims”** means a Claim of a kind specified in Sections 507(a)(2),
 9 507(a)(3), or 507(a)(8) of the Bankruptcy Code.

10 **1.1.58 “Unsecured Claims”** shall mean all unsecured claims against the Debtor, and
 11 where the context of a provision of this Plan requires, may include a Tax Claim, and an
 12 Administrative Expense Claim.

13 **1.1.59 “U.S. Trustee”** means the Office of the United States Trustee for Region 17.

14 **1.2 Rules of Interpretation**

15 All capitalized terms not otherwise defined herein have the meanings ascribed to
 16 them in this Article 1 of the Plan. A term used in the Plan that is not defined in the Plan shall
 17 have the meaning assigned to such term in the Bankruptcy Code, the Bankruptcy Rules, or the
 18 Uniform Commercial Code, if defined therein, unless the context of the Plan clearly requires
 19 otherwise.

20 In computing any period of time prescribed or allowed by the Plan, the provisions
 21 of Rule 9006(a) of the Federal Rules of Bankruptcy Procedure shall apply.

22 **ARTICLE II -**
 23 **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**
 24 **AND SPECIFICATION OF STATUS AS IMPAIRED**

25 The Claims against Debtors and the equity interests in Debtors held as of the
 26 Petition Date are designated and classified as follows in this Article 2. Only claims in a class
 27 that is designated as impaired are entitled to vote to accept or reject the Plan.

27 **2.1 Unsecured Claims (Classes 1 and 2)**

28 **2.1.1 (Unsecured Non-Priority Claims)**

1 Class 1 consists of all Allowed Unsecured Claims not entitled to priority under a
2 provision of Section 507 of the Bankruptcy Code in which a Claimholder provided goods and/or
3 services to the Debtor. Class 1 is impaired.

4 **2.1.2 (Convenience Claims – Less Than \$2,500.00)**

5 Class 2 consists of Allowed Unsecured Claims which are in an amount less than
6 \$2,500.00, or any other Allowed Unsecured Claim that elects to be treated as a Class 2 Claim
7 Holder. Class 2 is unimpaired.

8 **2.2 Secured Claims (Classes 3, 4 and 5(a)-(c))**

9 **2.2.1 (Secured Claim of Serene Investment Management, LLC)**

10 Class 3 consists of the Secured Claim held by Serene. Class 3 is unimpaired.

11 **2.2.2 (Secured Claim of COPIA)**

12 Class 4 consists of the Secured Claim asserted by COPIA. Class 4 is impaired.

13 **2.2.3 (Secured Claim of The Growing Company, Inc.)**

14 Class 5(a) consists of the The Growing Company, Inc. Class 5(a) is impaired.

15 **2.2.4 (Secured Claim of Teichert Construction)**

16 Class 5(b) consists of the Secured Claim asserted by Teichert Construction. Class
17 5(b) is unimpaired.

18 **2.2.5 (Secured Claim of Studebaker Brown Elec., Inc.)**

19 Class 5(c) consists of the Secured Claim asserted by Studebaker Brown Elec., Inc.
20 Class 5(c) is impaired.

21 **2.3 Interests- (Classes 6(a)-(d))**

22 **2.3.1 (Township Nine Owner, LLC)**

23 Class 6(a) consists of the member interests in Township Nine Owner, LLC. Class
24 6(a) is unimpaired.

25 **2.3.2 (Capitol Station Holdings, LLC)**

26 Class 6(b) consists of the member interests in Capitol Station Holdings, LLC.
27 Class 6(b) is unimpaired.

28 **2.3.3 (Capitol Station Member, LLC)**

1 Class 6(c) consists of the member interests in Capitol Station Member, LLC.

2 Class 6(c) is unimpaired.

3 **2.3.4 (Capitol Station 65, LLC)**

4 Class 6(d) consists of the member interests in Capitol Station 65, LLC. Class 6(d)
5 is unimpaired.

6 **ARTICLE III -**
7 **TREATMENT OF UNCLASSIFIED CLAIMS**

8 **3.1 Administrative Claims**

9 Administrative Claims (including Professional Fee Claims), Priority Tax Claims,
10 and obligations arising under 28 U.S.C. § 1930(a)(6) against the Debtors are not classified for
11 purposes of voting on, or receiving distributions under, the Plan. Holders of such Claims are not
12 entitled to vote on the Plan. All such Claims are instead treated separately in accordance with
13 this Article 3 and the requirements set forth in Section 1129(a)(9) of the Bankruptcy Code.

14 **3.1.1 Non-Ordinary Course Administrative Claims**

15 On or before ten (10) days after the Effective Date, the Debtors shall serve notice
16 of the Administrative Claim Bar Date on all creditors. All requests for payment of an
17 Administrative Claim (other than Professional Fee Claims and Ordinary Course Administrative
18 Claims) shall be filed in the Bankruptcy Court on or prior to the Administrative Claims Bar Date.
19 No Administrative Claim shall be deemed Allowed unless either: (a) the Bankruptcy Court has
20 entered a Final Order allowing such claim, or (b) the Debtors has stipulated to the validity of
21 such claim (except for Professional Fee Claims, which remain subject to Bankruptcy Court
22 approval in all instances). Each Allowed Administrative Claim (except for Professional Fee
23 Claims which shall be treated as set forth in Section 3.4 of the Plan) shall, unless the holder of
24 such Claim shall have agreed to different treatment of such Claim, be paid in full in Cash by the
25 Reorganized Debtors on the latest of: (a) the Effective Date; (b) such date as may be fixed by the
26 Bankruptcy Court; (c) the tenth (10th) Business Day after such Claim is Allowed; or (d) the date
27 such Claim is otherwise due according to its terms.

28 **3.1.2 Ordinary Course Administrative Claims**

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1 Notwithstanding anything in Section 3.1.1 to the contrary, holders of
2 Administrative Claims based on liabilities incurred in the ordinary course of the Debtors'
3 business following the Petition Date by (i) a current or former employee of the Debtors for
4 wages, benefits, or expense reimbursement, (ii) a utility providing services to the Debtor, (iii) a
5 carrier providing insurance coverage to the Debtors or for the benefit of the Debtors' employees
6 to the extent that the claim is for policy premiums, (iv) a seller of goods, raw materials, or
7 inventory to the Debtor, and (v) a provider of services to the Debtors (but excluding any entity
8 that holds a Professional Fee Claim) shall not be subject to the Administrative Claims Bar Date.
9 Holders of an Ordinary Course Administrative Claim shall submit their invoice, billing statement
10 or other evidence of indebtedness to the Debtors in the ordinary course of business. In the event
11 the Debtors and/or the Reorganized Debtors dispute the asserted Ordinary Course Administrative
12 Claim, it may file an objection as if the claimant had filed an Administrative Claim with the
13 Bankruptcy Court.

14 **3.1.3 "Cure" Obligations Under Assumed Executory Contracts**

15 All amounts that the Debtors owe to cure defaults as a condition for assumption of
16 executory contracts in accordance with Article VI shall be paid in full on the Effective Date.

17 **3.2 *Priority Tax Claims***

18 Allowed Priority Tax Claims not previously satisfied will be paid on the Effective
19 Date out of proceeds of the DIP Loan. In the event the Bankruptcy Court does not authorize
20 draws on the DIP Loan for this purpose, then Allowed Priority Tax Claims shall receive deferred
21 cash payments that shall satisfy such Allowed Priority Tax Claim in full on or before May 30,
22 2023, with interest on the unpaid portion of such Claim at the statutory rate determined under
23 applicable non-bankruptcy law as of the calendar month in which this Plan is confirmed. Each
24 Allowed Priority Tax Claim shall be paid in quarterly installments with the first installment due
25 on the latest of: (i) the first business day following the end of the first full calendar quarter
26 following the Effective Date (January 2, April 1, July 1, October 1, as applicable), (ii) the first
27 business day following the end of the first full calendar quarter following the date an order
28 allowing such claim becomes a Final Order, and (iii) such other time or times as may be agreed

1 with the holder of such claim. Each installment shall be in an amount sufficient to pay accrued
2 interest (but not any additional penalty based upon the failure to pay such tax at when due in the
3 absence of filing this Case) plus one-twentieth (1/20) of the principal amount of such Allowed
4 Priority Tax Claim until such Claims are paid in full, provided however, that the balance due and
5 all accrued interest shall be paid in full on or before May 20, 2023. However, the Reorganized
6 Debtors shall be permitted to pre-pay without premium or penalty a pro rata amount of Allowed
7 Priority Tax Claims. In addition, if the Reorganized Debtors make distributions to Allowed
8 Class 1 holders, the Debtors shall pay an amount necessary to amortize the Allowed Priority Tax
9 Claims at a rate not less favorable than Allowed Class 1 Claim holders.

10 **3.3 United States Trustee Fees**

11 The Reorganized Debtors shall file timely quarterly reports in the form prescribed
12 by the U.S. Trustee; such reports shall be filed within 30 days following the end of each calendar
13 quarter until the case has been converted, dismissed or closed by entry of a final decree. The
14 Reorganized Debtors shall pay in cash in full when due any statutory fees imposed under section
15 1930(a)(6) of Title 28, United States Code. After the Effective Date, the Debtors shall pay a
16 quarterly fee to the U.S. Trustee, for deposit into the U.S. Treasury, for each quarter (including
17 any fraction thereof) until this chapter 11 case is converted, dismissed, or closed by entry of a
18 final decree, pursuant to section 1930(a)(6) of Title 28, United States Code.

19 **3.4 Professional Fees**

20 Professionals employed under Bankruptcy Code section 327 shall file applications
21 for compensation and expense reimbursement for all fees and costs incurred between the Petition
22 Date and the Effective Date. Professionals who have had their compensation agreements
23 approved by the Bankruptcy Court under Bankruptcy Code section 328 shall be required to file
24 applications for compensation only to the extent that: (a) such professional seeks reimbursement
25 for costs incurred between the Petition Date and the Effective Date, or (b) such professional is
26 entitled under the terms of the retention agreements approved by the Court to payment of a fee
27 prior to the Plan Effective Date. The Reorganized Debtors shall pay the amount awarded by the
28 Bankruptcy Court pursuant to Section 330 of the Bankruptcy Code on account of a Professional

1 Fee Claim promptly after the order approving such payment becomes a Final Order, unless the
2 Reorganized Debtors and the applicable professional agree otherwise.

3 **ARTICLE IV -**
4 **TREATMENT OF IMPAIRED CLASSES OF CLAIMS AND INTERESTS**

5 The classified claims and interests designated in this Article of the Plan will
6 receive the following treatment:

7 **4.1 Class 1 – Unsecured Non-Priority Claims**

8 The Debtors shall deposit 2/3 of all Excess Net Sale Proceeds into the General
9 Unsecured Creditors Fund. Allowed Class 1 Claim Holders shall be entitled to pro-rata
10 distributions of all funds deposited into the General Unsecured Claim Fund until such claims are
11 paid in full. From and after the Effective Date, the principal amount of each Allowed Claim
12 within Class 1 shall accrue simple interest at the rate of six and one-half (6.5%) percent.

13 Distributions to Allowed Class 1 Claim Holders shall be applied first to accrued interest, and
14 then principal. Distributions from the General Unsecured Claim Fund may be made at any time
15 at the discretion of the Disbursing Agent, provided however, that the Disbursing Agent shall
16 make a distribution to Allowed Class 1 Claim Holders whenever the General Unsecured Claim
17 Fund holds sufficient funds to permit a pro-rata distribution of twenty-five (25%) percent to all
18 Class 1 Claims.

19 The Debtors shall also be permitted to deposit into the General Unsecured Claim
20 Fund: (a) any other funds it receives that are not subject to the lien and security interest asserted
21 by COPIA; and (b) any other sums that are subject to the lien and security interest asserted by
22 COPIA if either (x) COPIA consents, or (y) the Bankruptcy Court authorizes the Debtors to use
23 such sums for that purpose. Any motion seeking authorization to use assets subject to COPIAs
24 lien and security interest shall be set on regular notice and served upon COPIA.

25 All Allowed Class 1 Claim Holders shall be paid in full, with interest on or before
26 the last calendar day of the thirty-sixth (36) month after the Plan Effective Date.

27 **4.2 Class 2 – Convenience Class (Claims Less Than \$2,500.00)**

28

1 Each holder of an Allowed Class 2 Claim shall be paid in full within thirty (30) days after
2 the Effective Date.

3 **4.3 Class 3 - Serene Secured Claim**

4 **4.3.1 Incorporation of DIP Credit Agreement.**

5 All terms and conditions of the DIP Credit Agreement are hereby incorporated
6 into and made a part of this Plan. The Class 3 Claim Holder shall retain all rights and lien
7 priority granted in the Bankruptcy Court's order approving the DIP Loan, and the Class 3 Claim
8 Holder shall be paid in accordance with the terms of the DIP Credit Agreement.

9 **4.4 Class 4 – COPIA Secured Claim**

10 **4.4.1 Determination of Amount.**

11 The Class 3 Claim shall be deemed fully secured. The Debtors shall have until
12 sixty (60) days after the Effective Date to object to the allowable amount of the Class 4 Claim
13 (“Objection”). The Debtors and COPIA shall retain all of their respective rights, claims, and
14 defenses to the Class 4 Claim and may assert them in the Objection notwithstanding entry of the
15 Confirmation Order. Without limiting the generality of the foregoing, the Debtors shall retain
16 and may assert in the Objection all defenses to allowance of such claim held under non-
17 bankruptcy law, and/or any provision of Chapter 5 of Title 11 of the United States Code.

18 The Allowed amount of COPIA's Class 4 Claim shall be determined by a Final
19 Order and treated in accordance with the provisions of this Article 4.4.

20 **4.4.2 Treatment.**

21 In full satisfaction, settlement, release and discharge of, and in exchange for its
22 Allowed Class 4 Claim, COPIA shall receive the following:

23 **4.4.2.1 Interest.**

24 From an after the Effective Date, the Allowed Class 4 Claim shall accrue simple
25 interest at the rate of five (5.0%) percent, or such other rate as the Court shall determine is
26 appropriate at the Confirmation Hearing (“Post-Confirmation Interest Rate”). Interest shall
27 begin accruing on the Allowed amount of the Class 4 Claim on the Effective Date and continue
28 until paid in full.

1 **4.4.2.2 Class 4 Payments.**

2 The Debtors shall pay COPIA an amount equal to the Parcel Release Price out of
3 the Gross Sales Proceeds received from each Parcel sale. Such payments shall be applied first to
4 accrued interest, and then to principal, until the Allowed Class 4 Claim is paid in full.

5 **4.4.2.3 Maturity Date.**

6 Unless satisfied prior to that date, the Class 4 Claim shall be paid in full, with
7 interest on or before the last calendar day of the thirty-sixth (36) month after the Plan Effective
8 Date (the “Maturity Date”).

9 **4.4.2.4 Pre-Payment.**

10 The Debtors shall be permitted to pre-pay the Allowed Class 4 Claim at any time
11 without penalty or other premium.

12 **4.4.2.5 Escrow of Payments Pending Allowance.**

13 In the event an Objection is filed within the time permitted by Article 4.4.1,
14 pending a determination of whether the Class 4 Claim should be Allowed, the Debtors shall
15 deposit into a segregated account at Wells Fargo Bank all payments that would be due to COPIA
16 under Article 4.4.2.2 if the Class 4 Claim were an Allowed Claim on the Effective Date, and the
17 funds deposited into said escrow account shall not be disbursed by the Debtors except as
18 provided in this Article 4.4.2.5. All deposits made to the escrow account at Wells Fargo shall be
19 deemed received by COPIA such that interest will cease accruing on the amount of any principal
20 reduction in the Class 4 Claim.

21 The Debtors shall provide instructions to Wells Fargo Bank not to permit any
22 withdrawals from the escrow account except upon receipt of joint written instructions from the
23 Class 4 Claim holder and the Debtors, or a Final Order of the Bankruptcy Court. If a Final Order
24 is entered Allowing the Class 4 Claim, all funds in the escrow account shall be promptly remitted
25 to COPIA up to the Allowed Amount of the Class 4 Claim. If the Allowed Amount of the Class
26 4 Claim is less than the funds on deposit in the escrow account, any excess over what is required
27 to be paid to COPIA under this Article 4.4.2.5 may be remitted to the Debtors.

28 **4.4.3 Retention of Lien.**

1 COPIA shall retain a lien on the Debtors' assets in the same amount, and with the
2 same priority and validity, that such lien held in the Debtors' assets on the Effective Date. Such
3 lien shall be governed by and COPIA shall have all of the rights of a secured party under
4 Division 9 of the California Commercial Code, Cal. Comm. Code § 9101, *et seq.*, and the rights
5 of a beneficiary under a deed of trust under California Civil Code § 2924, *et seq.* (as the case
6 may be), except that whenever a provision of Division 9 of the California Commercial Code
7 makes reference to or incorporates an agreement between the secured party and debtor, such
8 agreement shall be deemed to be exclusively this Plan.

9 COPIA shall release its lien on a Parcel (and all assets associated with a Parcel,
10 including Fee Credits) upon tender by the Debtors of the Parcel Release Price realized upon sale
11 of such Parcel. COPIA shall, subject to closing and payment of the Parcel Release Price,
12 promptly provide all documentation reasonably required by a title company for recording with
13 the Sacramento County Recorder's Office to effect a release of such lien on a Parcel, and allow
14 title to such Parcel to be conveyed to a Buyer free and clear of such lien. In the event COPIA
15 fails or refuses to execute an instrument of reconveyance confirming the release of its lien on a
16 Parcel when required to do so under this Article 4.4.3, the Bankruptcy Court may issue an order
17 *ex-parte* authorizing the sale of said Parcel to the Buyer free and clear of the COPIA lien.

18 **4.4.4 Rights Upon Default.**

19 In the event of a default by the Debtors under the Plan, and in the event Debtors
20 fail to cure such default within thirty (30) days after delivery of notice to the Debtors and to
21 Debtors' counsel, COPIA shall be entitled to enforce all rights available under Division 9 of the
22 California Commercial Code and California Civil Code sections 2924 through 2924I.

23 **4.5 Classes 5(a), 5(b), and 5(c) – Mechanics Lien Claims**

24 **4.5.1 Teichert Construction.**

25 The holder of the Class 5(b) Claim (Teichert Construction) will be paid in full on the
26 Effective Date because the Debtors will assume the construction contract with Teichert in order
27 to facilitate completion of the work contemplated by that contract.
28

1 **4.5.2 The Growing Company and Studebaker Brown Electric, Inc.**

2 The holders of claims in Classes 5(a) (The Growing Company), and 5(c) (Studebaker
3 Brown Elec., Inc.) shall retain their liens in the same amount, and with the same priority and
4 validity held as of the Effective Date. The holders of claims in Classes 5(a), and 5(c) shall
5 release their respective liens on a Parcel in connection with any sale of such Parcel to a Buyer,
6 and shall promptly provide all documentation reasonably required by a title company for
7 recording with the Sacramento County Recorder's Office to effect a release of their liens on the
8 Parcel in order to allow title to such Parcel to be conveyed to a Buyer free and clear of such lien.
9 In the event the holder of a claim in Class 5(a), and 5(c) fails or refuses to execute an instrument
10 of reconveyance confirming the release of its lien on a Parcel when required to do so under this
11 Article 4.5.1, the Bankruptcy Court may issue an order *ex-parte* authorizing the sale of said
12 Parcel to the Buyer free and clear of such lien.

13 Following the closing of a Parcel sale, the Debtors shall deposit 1/3 of all Excess Net
14 Sale Proceeds received into the Mechanics Lien Claim Fund. Holders of Allowed Claims in
15 Classes 5(a), and 5(c) shall be entitled to pro-rata distributions of all funds deposited into the
16 Mechanics Lien Claim Fund until such claims are paid in full. From and after the Effective
17 Date, the principal amount of each Allowed Claim within Classes 5(a), and 5(c) shall accrue
18 simple interest at the rate of five (5%) percent. Distributions to Allowed Claims in Classes 5(a),
19 and 5(c) shall be applied first to accrued interest, and then principal. Distributions from the
20 Mechanics Lien Claim Fund may be made at any time at the discretion of the Disbursing Agent,
21 provided however, that the Disbursing Agent shall make a distribution to Class 5(a), and 5(c)
22 Claim Holders whenever the Mechanics Lien Claim Fund holds sufficient funds to permit a pro-
23 rata distribution of twenty-five (25%) percent to all Class 5 Claims.

24 The Debtors shall also be permitted to deposit into the Mechanics Lien Claim
25 Fund: (a) any other funds it receives that are not subject to the lien and security interest asserted
26 by COPIA; and (b) any other sums that are subject to the lien and security interest asserted by
27 COPIA if either (x) COPIA consents, or (y) the Bankruptcy Court authorizes the Debtors to use
28

1 such sums for that purpose. Any motion seeking authorization to use assets subject to COPIAs
2 lien and security interest shall be set on regular notice and served upon COPIA.

3 All Allowed Class 5(a), and 5(c) Claim Holders shall be paid in full, with interest on or
4 before the last calendar day of the thirty-sixth (36) month after the Plan Effective Date.

5 **4.6 Classes 6(a), 6(b), 6(c), or 6(d) – Limited Liability Company Member Interests**

6 No provision of this Plan shall affect the rights of any Holder of a member
7 interest in any of the Debtors, and such Holders shall retain all of their interests and all of their
8 legal and equitable rights with respect to such interests. Provided however, no holder of an
9 interest in Classes 6(a), 6(b), 6(c), or 6(d) shall receive any dividends or any other form of
10 distribution on account of such interest from the Debtors until all creditors in Classes 1, 2, 3, 4,
11 5(a), 5(b), and 5(c) have been paid in full.

12 **ARTICLE V -**
13 **MEANS FOR IMPLEMENTATION OF THE PLAN**

14 **5.1 Re-Vesting of Assets**

15 On the Effective Date, all assets of the Debtors and the Debtors' Estate shall re-
16 vest in the Reorganized Debtors free and clear of all liens, claims, or interests, except to the
17 extent such lien, claim, or interest is preserved through a specific provision of this Plan. The
18 Debtors shall be entitled to operate their business and/or dispose of its assets free of any
19 restrictions or limitations contained in 11 U.S.C. §§ 345, 361, 363, 364, 365, and 366, and Rule
20 9019 of the Federal Rules of Bankruptcy Procedure. Entry of the Confirmation Order shall
21 discharge the Debtors from all debts that arose prior to confirmation to the fullest extent
22 permitted by 11 U.S.C. § 1141(d).

23 **5.2 Approval of the Anthem Sale Agreement**

24 The Debtors are authorized to enter into and perform all obligations under the
25 Anthem Sale Agreement. All of the terms and conditions set forth in the Anthem Sale
26 Agreement are incorporated into and deemed a part of this Plan. Title to all Parcels sold to
27
28

1 Anthem under the Anthem Sale Agreement shall be conveyed free and clear of any liens asserted
2 by COPIA and/or the holders of claims in Classes 5(a), 5(b), and 5(c).

3 **5.3 Authorization to Sell Other Parcels**

4 Notwithstanding Article 5.1, after the Effective Date, the Debtors are authorized
5 to sell any Parcel to a Buyer free and clear of any liens asserted by COPIA and/or the holders of
6 claims in Classes 5(a), 5(b), and 5(c), subject to distribution of the proceeds of such Parcel sales
7 in accordance with Articles 4.1, 4.4 and 4.5.

8 All transfers of Parcels under this Plan (including the Anthem Sale Agreement)
9 shall be exempt from taxes to the extent provided in 11 U.S.C. § 1146(a).

10 **5.4 Cancellation of Pre-Petition Loan Documents**

11 On the Effective Date, all agreements between the Debtors and COPIA which
12 form the basis of COPIA's Class 4 Claim, and all rights of COPIA thereunder shall be cancelled.
13 Thereafter, such agreements shall be of no force and effect, and COPIA's rights under such
14 agreements shall be replaced by the rights conferred upon it by this Plan.

15 **5.5 Disbursing Agent**

16 The Reorganized Debtor, or such entity as it may designate, shall act as the
17 Disbursing Agent from and after the Effective Date. The Disbursing Agent shall serve without
18 bond, and shall not be compensated for distribution services.

19 **5.6 Treatment of Disputed Claims**

20 **5.6.1 Deadline for Filing Claim Objections**

21 Except with respect to COPIA's Class 4 claim, any objections to Claims must be
22 filed within ninety (90) days after the Effective Date.

23 **5.6.2 Distribution on Allowed Claims.**

24 The Debtors will make distributions only on account of Allowed Claims. No
25 distributions will be made to holders of Disputed Claims.

26 **5.6.3 Reserves for Disputed Claims.**

27 The Debtors shall retain in a segregated account for the benefit of each holder of a
28 Disputed Claim, an amount equal to the distributions that would have been made to the holder of

1 such Disputed Claim if it were an Allowed Claim in an amount equal to the lesser of (i) the
2 liquidated amount set forth in the filed proof of claim relating to such Disputed Claim, (ii) the
3 amount in which the Disputed Claim was estimated by the Bankruptcy Court pursuant to Section
4 502 of the Bankruptcy Code, which constitutes and represents the maximum amount in which
5 such Claim may ultimately become an Allowed Claim, or (iii) such other amount as may be
6 agreed upon by the holder of such Disputed Claim and the Reorganized Debtor.

7 **5.6.4 Settlement of Disputed Claims.**

8 The Reorganized Debtors are authorized to settle and compromise the Allowable
9 amount of a Disputed Claim without court approval or notice to other Claim holders.

10 **5.7 *Addresses for Transmitting Payments***

11 Except as otherwise agreed with the holder of an Allowed Claim in respect
12 thereof or as provided in this Plan, any property to be distributed on account of an Allowed
13 Claim shall be distributed by mail, upon compliance by the holder with the provisions of this
14 Plan, to (a) the latest mailing address filed for the holder of an Allowed Claim entitled to a
15 distribution under the Plan, (b) the latest mailing address filed for a holder of a filed power of
16 attorney designated by the holder of such Claim to receive distributions, (c) the latest mailing
17 address filed for the holder's transferee as identified in a filed notice served on the Debtors
18 pursuant to Bankruptcy Rule 3001(e), or (d) if no such mailing address has been filed, the
19 mailing address reflected on the Schedules or in the Debtors' books and records.

20 **5.8 *Unclaimed Distributions***

21 The Reorganized Debtors shall make commercially reasonable efforts to contact
22 by telephone or email any Creditor which has failed to negotiate any distribution within one
23 hundred twenty (120) days from the date upon which such distribution is made to verify that it
24 has received the distribution and determine if a replacement distribution should be made. If the
25 Reorganized Debtors are unable to contact such Creditor because it has moved and not provided
26 the Reorganized Debtors with a forwarding address, the Reorganized Debtors' efforts shall be
27 deemed commercially reasonable if it diligently searches publically available information
28 (including internet searches), in order to locate the Creditor. The Reorganized Debtors, however,

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1 shall not be required to incur costs to an outside vendor or investigator to ascertain current
 2 contact information for the Creditor. If the Reorganized Debtors are unable to contact such
 3 Creditor after making commercially reasonable efforts, the Creditor shall forfeit all rights to any
 4 distribution under the Plan and the Reorganized Debtors will be authorized to cancel any
 5 distribution that is not timely claimed. Pursuant to Section 347(b) of the Bankruptcy Code, upon
 6 forfeiture, such Cash (including interest thereon, if any) will revert to the Reorganized Debtor,
 7 free of any restrictions under the Plan, the Bankruptcy Code or the Bankruptcy Rules.
 8 Notwithstanding any federal or state escheat laws to the contrary, upon forfeiture, the claim of
 9 any Creditor with respect to such funds will be discharged and forever barred, and neither such
 10 Creditors or any other entity will have any claim whatsoever with respect to such forfeited
 11 distribution against the Debtors and the Reorganized Debtors or any holder of an Allowed Claim
 12 to whom distributions are made by the Reorganized Debtor.

13 **5.9 Corporate Organization**

14 From and after the Effective Date, the Reorganized Debtors shall operate in
 15 accordance with the by-laws and articles of organization of Capitol Station 65, LLC, Capitol
 16 Station Member, LLC, Capitol Station Holdings, LLC, and Township Nine Owner, LLC in effect
 17 as of the Petition Date. Each of the Debtors’ by-laws and articles of organization shall be
 18 deemed amended to prohibit issuance of non-voting securities and providing for an appropriate
 19 distribution of voting power among the various classes of securities.

20 **5.10 Retention Agreements With Court Appointed Professionals**

21 Confirmation or the effectiveness of the Plan shall not affect any retention
 22 agreements between the Debtors and any professional retained under 11 U.S.C. §§ 327 or 328.
 23 Except as provided in Article 3.4, all such professionals shall not be required to seek approval
 24 from the Bankruptcy Court for any compensation or expense reimbursement after the Effective
 25 Date.

26 **ARTICLE VI -**
 27 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**
 28

1 **6.1 Executory Contracts/Leases Assumed.**

2 The Debtors assume the following executory contracts and/or unexpired leases
 3 (including any modifications and amendments thereto) effective upon the date of the entry of the
 4 order confirming this Plan and shall perform all obligations thereunder, both pre-confirmation
 5 and post-confirmation. Post-confirmation obligations will be paid as they come due.

Executory Contract	Counterparty	Cure Amount
8 HCD Infill Infrastructure Grant, Round 1 9 i. <i>Standard Agreement</i> 10 by and between the 11 State of California 12 Housing and 13 Community 14 Development 15 Department and the 16 City of Sacramento 17 dated October 20, 18 2009 19 ii. <i>Standard Agreement</i> 20 <i>Amendment No. 1</i> by 21 and between the 22 State of California 23 Housing and 24 Community 25 Development 26 Department and the 27 City of Sacramento 28 dated April 13, 2012 iii. <i>Infill Infrastructure</i> <i>Grant Program</i> <i>Disbursement</i> <i>Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated March 8, 2011 iv. <i>Assignment and</i> <i>Assumption</i> <i>Agreement</i> by and between the City of	City of Sacramento	\$0

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Executory Contract	Counterparty	Cure Amount
<p>Sacramento and Capitol Station 65 LLC, dated March 17, 2010</p> <p>v. <i>Declaration of Restrictive Covenants for the Development of Market Rate Housing and Affordable Housing</i>, by Capitol Station 65 LLC, recorded May 14, 2010</p>		
<p>HCD Infill Infrastructure Grant, Round 2</p> <p>i. <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated March 30, 2011</p> <p>ii. <i>Standard Agreement Amendment No. 1</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated July 16, 2013</p> <p>iii. <i>Infill Infrastructure Grant Program Disbursement Agreement</i> by and between the State</p>	<p>City of Sacramento</p>	<p>\$0</p>

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Executory Contract	Counterparty	Cure Amount
<p>of California Housing and Community Development Department and the City of Sacramento dated March 30, 2011</p> <p>iv. <i>First Amendment to Assignment and Assumption Agreement</i> by and between the City of Sacramento and Capitol Station 65 LLC, dated September 13, 2011.</p> <p>v. <i>First Amendment to Declaration of Restrictive Covenant for the Development of Market Rate Housing and Affordable Housing</i>, by Capitol Station 65 LLC, recorded October 3, 2011</p>		
<p>HCD Catalyst Grant</p> <p>i. <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento dated April 24, 2013</p> <p>ii. <i>Assignment and Assumption</i></p>	<p>City of Sacramento</p>	<p>\$0</p>

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Executory Contract	Counterparty	Cure Amount
<p style="text-align: center;"><i>Agreement</i> by and between the City of Sacramento and Capitol Station 65 LLC, dated April 30, 2013</p> <p style="text-align: center;">vi.</p>		
<p>HCD Transit Oriented Development Grants</p> <p style="padding-left: 40px;">i. <i>Assignment and Assumption Agreement</i> by and between the City of Sacramento and Capitol Station 65 LLC, dated June 4, 2015.</p> <p style="padding-left: 40px;">ii. Phase 2B - <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento, dated September 16, 2015.</p> <p style="padding-left: 40px;">iii. Phase 2A - <i>Standard Agreement</i> by and between the State of California Housing and Community Development Department and the City of Sacramento, dated September 16, 2015.</p>	<p>City of Sacramento</p>	<p style="text-align: center;">\$0</p>
<p>Agreement for Design and Construction of Park Improvements For Township 9 Park</p>	<p>City of Sacramento</p>	<p style="text-align: center;">\$0</p>

Executory Contract	Counterparty	Cure Amount
and Park Development Impact Fee Waivers, dated May 1, 2014.		
Construction Contract	Teichert Construction	\$228,462.38
Construction Contract	Lund Construction	\$300,796.64
Construction Management Agreement	Project Mgmt. Applications Inc.	\$25,283.00
Labor Compliance Monitor Agreement	DCM Group	\$11,758.05
Service Agreement	Capitol Utilities	\$3,700.00

6.2 Executory Contracts/Leases Rejected.

The Debtors reject the following executory contracts and/or unexpired leases and surrenders any interest in property securing these executory contracts and/or unexpired leases. The Debtors waive the protection of the automatic stay and allows the affected creditor to obtain possession and dispose of its collateral, without further order of the court. Upon the date of the entry of the order confirming this Plan, the Debtors will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not previously assumed or listed in paragraph (a) above.

Name of Lessor/Counterparty	Property Address or Description	Lease Contract Arrears as of the Effective Date
N/A		

Notwithstanding the preceding paragraph, on the Effective Date, each Non-Disclosure Agreement and Common Interest and Joint Defense Agreement that exists between the Debtors and any person, to the extent that it constitutes an executory contract, is assumed pursuant to the Plan. Entry of the Confirmation Order by the Bankruptcy Court will constitute approval of such assumptions pursuant to section 365(a) of the Bankruptcy Code.

**ARTICLE VII -
CONDITIONS TO CONFIRMATION AND EFFECTIVENESS**

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1 **7.1** *Conditions to Confirmation.*

2 The following are conditions precedent to confirmation of this Plan:

3 (a) The Bankruptcy Court shall have entered a Final Order finally approving
4 the Disclosure Statement with respect to this Plan in form and substance satisfactory to the
5 Debtor; and

6 (b) The Bankruptcy Court shall have entered the Confirmation Order.

7 **7.2** *Conditions to Effectiveness.*

8 The following are conditions precedent to the occurrence of the Effective Date:

9 (a) The Bankruptcy Court shall have conducted the hearing on Confirmation
10 of this Plan; and

11 (b) The Confirmation Order shall be a Final Order.

12 **ARTICLE VIII -**
13 **EFFECTS OF CONFIRMATION, RE-VESTING**
14 **OF TITLE, RELEASES, AND RELATED PROVISIONS**

14 **8.1** *Discharge.*

15 Pursuant to Section 1141(d) of the Bankruptcy Code, and except as otherwise
16 specifically provided in the Plan, the rights afforded under this Plan and the Confirmation Order
17 and the treatment of Claims and Interests thereunder shall be in exchange for, and in complete
18 satisfaction, discharge and release of, all Claims. Except as otherwise expressly provided in the
19 Plan or the Confirmation Order, upon the occurrence of the Effective Date, the Debtors shall be
20 discharged, effective immediately, from any Claim and any "debt" (as that term is defined in
21 Section 101(12) of the Bankruptcy Code), and the Debtors' liability in respect thereof shall be
22 extinguished completely, whether reduced to judgment or not, liquidated or unliquidated,
23 contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed
24 or undisputed, legal or equitable, known or unknown, that arose from any agreement of the
25 Debtors entered into or obligation of the Debtors incurred before the Effective Date, or from any
26 conduct of the Debtors prior to the Effective Date, or that otherwise arose before the Effective
27 Date, including, without limitation, all interest accrued and expenses incurred, if any, on any
28 such debts, whether such interest accrued or such expenses were incurred before or after the

1 Petition Date, and including, without limitation, any liability of a kind specified in Sections
2 502(g), 502(h) and 502(i) of the Bankruptcy Code, whether or not a proof of Claim was Filed or
3 is deemed Filed under Section 501 of the Bankruptcy Code, such Claim is allowed under Section
4 502 of the Bankruptcy Code or the Person holding such Claim has accepted the Plan. The
5 discharge granted under this Section shall void any judgment obtained against the Debtors or the
6 Post-Effective-Date Debtors at any time, to the extent that such judgment relates to a discharged
7 Claim.

8 **8.2 Vesting of Property.**

9 On the Effective Date, all property of the estate will vest in the Reorganized
10 Debtors pursuant to Section 1141(b) of the Bankruptcy Code free and clear of all claims and
11 interests except as provided in this Plan; subject to revesting to the estate upon conversion of the
12 Debtors' Case to chapter 7 as provided in Article 8.4 below.

13 **8.3 Plan Creates New Obligations.**

14 The obligations to creditors that Debtors undertakes in the confirmed Plan replace
15 those obligations to creditors that existed prior to the Effective Date of the Plan. Debtors'
16 obligations under the confirmed Plan constitute binding contractual promises that, if not satisfied
17 through performance of the Plan, create a basis for an action for breach of contract under
18 California law.

19 **8.4 Effect of Conversion to Chapter 7.**

20 If the case is at any time converted to one under chapter 7:

21 (i) All property of the Debtors as of the date of conversion, whether acquired
22 pre-confirmation or post-confirmation, shall vest in the chapter 7 bankruptcy estate and such
23 remaining property shall be administered by the chapter 7 trustee as prescribed in chapter 7 of
24 the Bankruptcy Code.; and

25 (ii) All creditors, whether their claims arose pre-confirmation or post-
26 confirmation, are prohibited from taking action against the chapter 7 bankruptcy estate or
27 property of the estate by Section 362 of the Bankruptcy Code.
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**ARTICLE IX -
RETENTION AND ENFORCEMENT OF CLAIMS**

Debtors retain, and may seek to enforce, all claims against all persons or entities, including claims arising under non-bankruptcy law and claims arising under Chapter 5 of the Bankruptcy Code. Without limiting the generality of the foregoing, the Debtors shall retain the right to prosecute any Avoidance Actions, and any other claim for relief against any other person or entity.

**ARTICLE X -
MODIFICATION OF PLAN**

The Debtors, as Plan proponent, may modify the Plan prior to Confirmation if the Plan, as modified, meets the requirements of the Bankruptcy Code. Such modification shall be deemed accepted or rejected by a holder of a Claim that has previously accepted or rejected the Plan.

The Reorganized Debtors shall also be permitted to modify this Plan to alter the treatment of Class 1 Claims, Class 2 Claims, Class 4 Claim, and Class 5 Claims provided that each creditor holding such Claim consents to such modification, and the modification does not violate the rights of any Allowed Claim holders that are equal to or senior in priority to such Claims.

**ARTICLE XI -
RETENTION OF JURISDICTION**

The Bankruptcy Court shall retain jurisdiction notwithstanding Confirmation of this Plan or the occurrence of the Effective Date, over proceedings including, without limitation:

11.1 To resolve controversies and disputes regarding interpretation of the Plan or the Confirmation Order, including whether the Debtors has defaulted in performance of any Plan obligation and whether the time for performing any Plan obligation should be extended;

11.2 To implement the provisions of the Plan and Confirmation Order, and to enter orders in aid of Confirmation, including orders designed to protect the Debtors or the Reorganized Debtor, and to facilitate sales of Parcels free and clear of liens;

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1 11.3 To modify the Plan pursuant to section 1127 of the Bankruptcy Code.

2 11.4 To determine the allowability and classification of Claims upon objection
3 to such claims;

4 11.5 To adjudicate any causes of action, including Avoidance Actions, brought
5 by the Debtors or the Reorganized Debtor, or any party-in-interest designated to do so;

6 11.6 To determine whether a trustee should be appointed or the case should be
7 converted to one under chapter 7 (and proceedings following any such conversion); and

8 11.7 To resolve disputes with COPIA.

9

10 **ARTICLE XII - MISCELLANEOUS**

11 **12.1 Cramdown.**

12 Pursuant to section 1129(b) of the Bankruptcy Code, Debtors reserves the right to
13 seek confirmation of the Plan notwithstanding the rejection of the Plan by one or more classes of
14 creditors.

15 **12.2 Severability.**

16 If any provision in the Plan is determined to be unenforceable, the determination
17 will in no way limit or affect the enforceability and operative effect of any other provision of the
18 Plan.

19 **12.3 Binding Effect.**

20 The rights and obligations of any entity named or referred to in the Plan will be
21 binding upon, and will inure to the benefit of the successors or assigns of such entity.

22 **12.4 Captions.**

23 The headings contained in the Plan are for reference and convenience only and do
24 not affect the meaning or interpretation of the Plan.

25 **12.5 Controlling Effect.**

26 Unless a rule of law or procedure is supplied by federal law (including the Code
27 or the Federal Rules of Bankruptcy Procedure), the laws of the State of California govern the
28

1 Plan and any agreements, documents, and instruments executed in connection with the Plan,
2 except as otherwise provided in the Plan.

3 **12.6 Notices.**

4 Any notice to the Debtors shall be in writing and mailed, and will be deemed to
5 have been given three days after the date sent by first class mail, postage prepaid and addressed
6 as follows:

7 Attorneys for the Debtor:

8 Greg Nuti/Kevin W. Coleman
9 Nuti Hart LLP
10 411 30th Street, Suite 408
11 Oakland, CA 94609
(Tel.) 510 506-7153
Email: gnuti@nutihart.com
kcoleman@nutihart.com

Debtor:

Capitol Station 65, LLC
c/o First Capital Real Estate Trust, Inc.
Attn: Suneet Singal
60 Broad Street, 34th Floor
New York, NY 10004
(Tel.) 212-388-6800
Email: s@firstcapitalre.com

12 **12.7 Rights in the Event of Default**

13 In the event the Reorganized Debtors materially defaults in the performance of its obligations
14 under this Plan, any Creditor shall be entitled to enforce its rights in any action at law in a court
15 that may properly exercise personal jurisdiction over the Reorganized Debtor. In addition, any
16 Creditor and the U.S. Trustee may seek conversion of this case to a proceeding under chapter 7
17 of the Bankruptcy Code.

18 //

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1 **12.8 Exculpation**

2 To the extent permitted under 11 U.S.C. § 1125(e), neither the Debtors nor any of
3 their employees, attorneys, advisors, members, shareholders, fiduciaries or agents (including any
4 professionals retained by such persons), nor any of their respective predecessors or successors,
5 will have or incur any liability to any holder of a Claim or Interest or any other entity for any act
6 or omission in connection with the pursuit of approval of the Disclosure Statement or the
7 solicitation of votes for or confirmation of the Plan, except for willful misconduct or gross
8 negligence.

9 Dated: August 28, 2017

CAPITOL STATION 65, LLC
CAPITOL STATION MEMBER, LLC
CAPITOL STATION HOLDINGS, LLC
TOWNSHIP NINE OWNER, LLC

12 By: /s/ Suneet Singal
13 Suneet Singal, CEO

14
15 Dated: August 28, 2017

NUTI HART LLP

16 By: /s/ Kevin W. Coleman
17 Kevin W. Coleman
18 Attorneys for Capitol Station 65, LLC; Capitol
19 Station Member, LLC; Capitol Station Holdings,
20 LLC and Township Nine Owners, LLC,
21 Debtors-in-Possession

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Oakland, CA 94609-3311
510.506.7152

MINIMUM PARCEL SALE PRICE

TMP Parcel No	Lot Size (Net Developable Acres)	Appraised Value (land only)	Release Price Ratio	Minimum Sale Price (land and fee credits)
1	5.08	\$12,590,000	19.38%	\$15,150,645
3A	0.94	\$2,589,052	3.99%	\$3,115,632
3B	1.38	\$3,800,948	5.85%	\$4,574,012
4	1.14	\$4,200,000	6.47%	\$5,054,226
5A	1.02	\$3,230,000	4.97%	\$3,886,941
5B	2.13	\$2,425,000	3.73%	\$2,918,214
6A	1.09	\$1,861,536	2.87%	\$2,240,149
6B	1.4	\$2,390,964	3.68%	\$2,877,256
7A	1.06	\$1,135,149	1.75%	\$1,366,024
7B	0.95	\$1,017,351	1.57%	\$1,224,267
8A	0.84	\$1,008,000	1.55%	\$1,213,014
8B	0.82	\$984,000	1.52%	\$1,184,133
10A	0.86	\$2,243,093	3.45%	\$2,699,309
10B	1.18	\$3,069,907	4.73%	\$3,694,287
12A	0.85	\$1,301,235	2.00%	\$1,565,890
12B	0.79	\$1,206,765	1.86%	\$1,452,206
13	2.44	\$6,965,000	10.72%	\$8,381,592
14	1.94	\$4,750,000	7.31%	\$5,716,089
15A	0.51	\$481,800	0.74%	\$579,792
15B	0.49	\$462,906	0.71%	\$557,055
15C	0.7	\$661,294	1.02%	\$795,793
16A	0.55	\$608,418	0.94%	\$732,162
16B	0.49	\$542,045	0.83%	\$652,290
16C	0.73	\$807,537	1.24%	\$971,780
17	2.24	\$4,618,000	7.11%	\$5,557,242
	31.62	\$ 64,950,000.00	100%	\$78,160,000

Appendix 1

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(Township 9 Project - All Townhouses)**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS, dated for reference purposes as of July 25, 2017 (this “**Agreement**”), is entered into by and between CAPITOL STATION 65 LLC, a California limited liability company (“**Seller**”), and ANTHEM UNITED HOMES, INC., a Washington corporation (“**Buyer**”). In consideration of the mutual promises contained in this Agreement, Buyer and Seller (sometimes referred to individually as a “**Party**” and collectively referred to as “**Parties**”) agree as follows:

RECITALS

A. Seller owns that certain real property located in the City of Sacramento (“**City**”), County of Sacramento (“**County**”), State of California, together with the Current Entitlements (as defined in Section 1 below), comprised of the parcels of land identified on the attached Exhibit A, together with the common area driveways, streets and park paseos appurtenant thereto (collectively, “**Land**”), as such parcels are further identified on the approved Tentative Map Subdivision Modification for Township 9 dated March 3, 2015 (“**Tentative Map**”), and the Final Map of Township 9-Phase 1, Subdivision No P10_036, recorded on November 13, 2012, all as attached on Exhibit B hereto. The Land is located within the Seller’s overall project commonly known as Township 9 (“**Overall Project**”).

B. The Land including (i) all improvements, equipment, fixtures and any and all other articles of personal property attached or affixed to said Land, (ii) all assignable intangible personal property to the extent owned by Seller and arising directly out of or in connection with Seller’s ownership of the Land and pertaining only to the Land (with the understanding that most such plans and drawings were prepared for the Overall Project and are not capable of being assigned solely as to the Land), (iii) all development building permit fee credits in the approximate amount of Eight Thousand Eight Hundred and Sixty-Five Dollars (\$8,865) per residential unit to the extent that the City approves the same in accordance with its procedures for transferring such building permit fee credits upon payment of the Fee Credits Price (as defined below) (collectively, the “**Intangible Property**”), (iv) any and all remaining grant money pertaining to the Land, which shall be assigned to Buyer, and (v) the Current Entitlements (as defined in Section 1 below), which shall be assigned to Buyer, are referred to collectively in this Agreement as the “**Property**.”

C. Buyer intends to develop the Land into a residential project comprised of townhouses, condominiums and apartments (collectively, “**Project**”). Buyer is an experienced developer and builder of residential projects such as the Project and is familiar with the kinds of land use and development issues that impact the construction and development of property into residential use.

D. The Property subject of this Agreement is not currently comprised of legal parcels and will require three or more final maps to be processed and recorded. In addition, each parcel is in a different stage of mapping. For example, as to Parcels 8A, 8B, 15A and 15B, Seller

commenced processing a final map, which has yet to be finalized and recorded (“**Parcel 8/15 Final Map**”), while the final maps for the remaining parcels, which may also require a lot line adjustment, have yet to be prepared and processed, and are subject to full design review and approval of the City, which maps must be recorded in order to create the parcels comprising the Property (collectively, “**Final Maps**”). It is expected that it will take approximately six (6) months for the City to process and approve each of the Final Maps.

E. The Property subject of this Agreement also does not constitute final buildable parcels due to the offsite improvements and park work that have yet to be completed.

F. The development of the intended Project on the Land will require construction of parks and park paseos, specifically Peach Paseo, Victory Park, and Victory Promenade, as set forth on Schedule 1 attached hereto (“**Park Work**”). All construction and improvement work to complete the Park Work will be the responsibility and at the direction of the Buyer; provided that Seller shall assign to Buyer the grant funds allocated for the Park Work in the amount of Seven Hundred Thousand Dollars (\$700,000) (“**Park Grant Amount**”).

G. The development of the Project and the City’s approval of the Final Maps may be conditioned on the construction of North 5th Street, Can Ave and Cannery Ave, which constitute roads servicing the Buyer’s Project (collectively, “**Street Work**”). The cost of the Street Work is estimated to be Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) (“**Street Cost**”). Buyer’s Project will require that the Street Work be completed. Seller has indicated to Buyer that it has received a grant for funds to complete the Street Work in the estimated amount of the Street Cost (“**Street Grant**”). Seller agrees to assign and transfer over to Buyer the Street Grant. The Street Grant shall be assigned to Buyer concurrently with the Closing on Phase 1; provided that Seller shall use all commercially reasonable efforts to deliver the City’s consent or similar documentation evidencing its agreement to transfer all grants contemplated under this Agreement no later than three (3) business days prior to the expiration of the Due Diligence Period. Seller agrees to execute a cost sharing agreement to be recorded with the First Closing (as defined in Section 5.2) upon the other parcels fronting North 5th Street, Can Ave and Cannery Ave, providing for a proportionate (based on acreage) cost sharing of all actual costs of completing the Street Work to the extent such amounts exceed the actual Street Grant amount funded by the City.

H. In addition to the Street Work, the Property will also require the construction of Chill Ave at such time as the parcels fronting said street will be developed. The cost of completing Chill Ave is estimated to be Five Hundred Thousand Dollars (\$500,000), which will be the responsibility of the Buyer at such time as the City requires the same in conjunction with the preparation and approval of the Final Maps. Finally, the Phase 3 parcels serve as frontage to Township 9 Ave, along with other parcels owned by Seller on the south side of Township 9 Ave that are not the subject of this Agreement, which road has yet to be constructed. Buyer agrees to enter into a cost sharing agreement with Seller, to be recorded upon the applicable parcels with the First Closing, providing for a 50/50 allocation of all costs of constructing Township 9 Ave at such time as the first constructing party commences development of its parcels.

I. Buyer is pricing the Property with the assumption that the parcels comprising the Property are final ready-to-build lots subject only to the recordation of the Final Maps,

completion of Chill Ave, and completion of on-site improvements by Buyer. In the event the City requires construction of additional offsite improvements or the payment of additional impact or mitigation fees (offsite), as a condition to approving Buyer's Final Maps, building permits or site improvement plans, such requirements may render Buyer's Project infeasible. As such, Buyer, with cooperation from Seller, shall use commercially reasonable efforts to determine all such requirements during the Due Diligence Period.

J. The Property is encumbered by a Deed of Trust ("**Lender's Lien**") made in favor of Seller's existing lender COPIA LENDING, LLC (formerly known as ISIS Lending LLC) ("**Lender**"), which serves as security for the loan made by Lender in the original principal amount of Twenty Million Dollars (\$20,000,000) pursuant to a promissory note dated on or about December 23, 2008 ("**Loan**"). The Loan is now in default.

K. Seller sought relief under Title 11 of the United States Code ("**Bankruptcy Code**") by filing a voluntary petition for reorganization in the U.S. Bankruptcy Court for the Eastern District of California ("**Bankruptcy Court**") on May 30, 2017, case number 17-23627-B-11 ("**Bankruptcy Case**"). As such, the terms of this Agreement and the obligations of the Parties are subject to certain terms of the Bankruptcy Code and approval by the Bankruptcy Court.

L. The Parties desire to effect the purchase and sale transactions contemplated by this Agreement pursuant to Seller's Chapter 11 plan of reorganization, and that the sale of the Property shall be free and clear of all monetary liens and encumbrances (collectively, "**Monetary Liens**"), other claims (as defined in Section 101 of the Bankruptcy Code), and interests of Seller's creditors, equity holders and partners.

M. For purposes of this Agreement, the "**Effective Date**" shall mean the date the last Party hereto executes this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and covenants of the Parties in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. Definitions; Recitals: Capitalized terms that are not defined when first used in this Agreement have the meanings set forth below. The Recitals set forth above are hereby incorporated by reference and shall serve as obligations of the Parties hereto.

1.1. Approval: "**Approval**" means the approval of any applications, permits, environmental reviews, certifications and/or new entitlements, and the expiration of all applicable appeal periods, reconsideration periods or statutes of limitation for reconsidering, challenging, questioning, appealing or attacking such approval, without an appeal, request for reconsideration or legal challenge having been filed.

1.2. Authorities: "**Authorities**" means all federal, state and local governmental and quasi-governmental agencies, bodies, entities, boards and authorities that have jurisdiction over the Property, the furnishing of utilities or other services to the Project, or the subdivision, improvement, development, occupancy, sale or use of the Property, other than the Bankruptcy Court.

1.3. Buyer's Self-Help Right: “**Buyer's Self-Help Right**” shall be as defined in Section 3.3.

1.4. Chapter 11 Plan: “**Chapter 11 Plan**” means the plan proposed by Seller in the Bankruptcy Case pursuant to Sections 1121 through 1129 of the Bankruptcy Code and providing for the sale of the Property to Buyer pursuant to, and the transactions contemplated by, the terms of this Agreement.

1.5. Closing or Close of Escrow: “**Closing**” “**Closing Date**” or “**Close of Escrow**” means the act of settlement of the purchase and sale of the Property, or a portion thereof, at which Seller conveys exclusive possession and title to Buyer by delivery of a Grant Deed transferring good and marketable title to the Property, free and clear of all liens and encumbrances, except Permitted Exceptions, and records the Grant Deed with the County Recorder, and Buyer delivers the Purchase Price for the applicable Phase to Seller along with other obligations as provided herein.

1.6. Confirmation Order: “**Confirmation Order**” means an order entered in the Bankruptcy Case confirming the Seller's Chapter 11 Plan.

1.7. Current Entitlements: “**Current Entitlements**” means and includes all discretionary Approvals and permits in effect for the Land as of the Effective Date, including, but not limited to, the Tentative Map, the approved plans processed by Seller, and any other entitlements that were previously processed by Seller applicable to the Property or the Project.

1.8. Deposit: “**Deposit**” means the First Deposit and the Second Deposit, together with all interest earned thereon, together with the other deposits delivered pursuant to this Agreement and constituting “Deposit” pursuant hereto.

1.9. Development Approvals: “**Development Approvals**” shall be as defined in Section 4.4.

1.10. Documents: “**Documents**” means all engineering, geotechnical, soils, and other studies, tests, investigations, surveys, grading plans, maps, drawings, plans and reports that reasonably relate to the Property, described on Exhibit C. Documents do not include appraisals or any agreement(s) by which Seller acquired the Property, or any confidential, privileged or proprietary documents of Seller.

1.11. Due Diligence Period: “**Due Diligence Period**” means the period commencing on the Effective Date and expiring on the date that is forty-five (45) calendar days from the Effective Date (the “**Due Diligence Expiration Date**”).

1.12. Environmental Laws: “**Environmental Laws**” means all federal, state and local environmental laws, rules, statutes, ordinances and regulations issued by any Authority and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Property, or any portion thereof, the use, ownership, occupancy or operation of the Property, or any portion thereof, or any owner of the Property, and as the same have been amended, modified or supplemented from time to time prior to the date of this Agreement, including, but not limited to, the Comprehensive Environmental Response, Compensation and

Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), comparable state and local laws, and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the aforementioned laws.

1.13. Environmental Permits: “**Environmental Permits**” means all permits, consents, certifications, permission, agreements or other authorizations required by or from any state, federal, or local regulatory entity or agency, including all Authorities, to enable, permit and/or authorize development of the Property with single-family residences along with subdivision improvements. Environmental Permits includes, without limitation, those issued by the U.S. Army Corps of Engineers, U.S. Fish & Wildlife Service, California Regional Water Quality Control Board, California Department of Fish & Game, and any Conservation and Development Commission or Flood Protection Board, as applicable.

1.14. Escrow Agent: “**Escrow Agent**” means First American Title Insurance Company, Attention: Diane Burton, 4750 Willow Road, Suite 100, Pleasanton, CA 94588, Telephone: (925) 201-6603 and Fax: (866) 648-7806 (also referred to as “**Title Company**”).

1.15. Final Order: “**Final Order**” means an order of the Bankruptcy Court (i) for which the time to appeal has expired and no appeal was filed, or (ii) if an appeal was filed, (A) the order has not been stayed and the appeal is subject to statutory or equitable mootness, or (B) the appeal has been dismissed or denied and the time for further appeal has expired or no right of further appeal exists.

1.16. First Deposit: “**First Deposit**” means the amount of Fifty Thousand Dollars (\$50,000), payable in accordance with the terms of this Agreement.

1.17. Hazardous Materials: “**Hazardous Materials**” means any pollutants, contaminants, hazardous or toxic substances, materials or wastes (including petroleum, petroleum by-products, radon, asbestos and asbestos containing materials, polychlorinated biphenyls (“**PCBs**”), PCB-containing equipment, radioactive elements, infectious agents, and urea formaldehyde), as such terms are used in or regulated by any Environmental Laws (excluding solvents, cleaning fluids and other lawful substances used in the ordinary operation and maintenance of the Property, to the extent in closed containers and in accordance with Environmental Laws).

1.18. Legal Requirements: “**Legal Requirements**” means the rules, regulations, laws, ordinances, standards, approved plans and other requirements of the Authorities.

1.19. Notice of Approval: “**Notice of Approval**” means a written notice that Buyer, in its sole and absolute discretion, may elect to give to Seller indicating Buyer’s willingness to proceed with the transaction, as set forth in Section 4.1 of this Agreement.

1.20. Opening of Escrow: “**Opening of Escrow**” is defined in Section 3.1 below.

1.21. Outside Conditions Date: “**Outside Conditions Date**” shall mean January 15, 2018, and is further described in Section 5.4 hereof.

1.22. Outside Map Date: “**Outside Map Date**” shall mean ninety (90) calendar days following entry of the Sale Order and is further described in Section 10.4 hereof.

1.23. Permitted Exceptions: “**Permitted Exceptions**” means those matters of record or otherwise affecting the Property subject to which Buyer expressly approves prior to the Due Diligence Expiration Date pursuant to Section 4.3.

1.24. Phases: As used herein “**Phase 1**,” “**Phase 2**,” and “**Phase 3**” shall mean the parcels comprising the Property identified as such on the attached Exhibit A hereto. Phase 1, Phase 2 and Phase 3 are hereinafter individually referred to as a “**Phase**” and collectively as the “**Phases**.”

1.25. Purchase Price: The “**Purchase Price**” for each of the parcels constituting the Property is that certain amount (not based upon a presumed yield calculation or any formula) set forth on Exhibit A attached hereto.

1.26. Sale Order: “**Sale Order**” means the Bankruptcy Court order approving the purchase and sale of the Property and the other transactions contemplated herein. The Sale Order may be either the Confirmation Order or an order entered by the Bankruptcy Court pursuant to Sections 363(b) and 363(f) of the Bankruptcy Code entered outside the context of a plan confirmation approving the purchase and sale of the Property (“**363 Sale**”).

1.27. Second Deposit: The amount of One Hundred Fifty Thousand Dollars (\$150,000) payable in accordance with the terms of this Agreement.

2. Purchase and Sale.

2.1. Property. Subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s right, title and interest in and to the Property.

2.2. Fee Credits. As part of the overall master planned development activities that have been carried out by Seller with respect to the Overall Project, certain building permit fee credits were created for Seller’s account (collectively, “**Fee Credits**”) by the governing agency that will issue building permits for the Property. Buyer has agreed to purchase the Fee Credits in an amount ultimately approved by the City for transfer and assignment to Buyer, which is estimated to be Eight Thousand Eight Hundred and Sixty-Five Dollars (\$8,865) per residential unit, which amount shall not in any event exceed the City’s (or applicable agency’s)

calculation of the amount that may be assigned to Buyer (“**Fee Credits Price**”). Following the Closing, at such time as Buyer pulls building permits for the units, Buyer will provide written notice thereof to Seller, in which event Seller shall execute all necessary documents and assignments to assign the Fee Credits for the number of units for which Buyer has requested building permits no later than five (5) calendar days after Buyer’s notice, and Buyer will pay the Fee Credits Price based on the number of building permits and the Fee Credits being assigned to Buyer in accordance with the City’s calculation thereof, upon receipt of such assignment.

2.3. Bankruptcy Sale Process.

2.3.1 Plan Sale. Unless the Parties agree otherwise, the purchase and sale of the Property and the other transactions contemplated by this Agreement will be effectuated pursuant to the Chapter 11 Plan. Seller agrees to prepare and file the Chapter 11 Plan as soon as practicable, and in any event no later than September 29, 2017. The Chapter 11 Plan must be in a form and contain such terms as are consistent with the terms of this Agreement and as are reasonably satisfactory to Buyer. If for any reason the Parties agree that the purchase and sale of the Property and the other transactions contemplated hereby should be effected pursuant a 363 Sale and not pursuant to the Chapter 11 Plan, then Seller shall prepare an appropriate motion for approval of the purchase and sale and other transactions pursuant to Sections 363(b) and 363(f) of the Bankruptcy Code, which motion must be in a form and containing such terms as are consistent with the terms of this Agreement and otherwise reasonably satisfactory to Buyer.

2.3.2 Sale as Part of Chapter 11 Plan. The Parties agree that this transaction provides a foundation to the overall structure and viability of the Chapter 11 Plan. Unless otherwise required by the Court, Seller agrees not to accept or enter into any competing overbids or back-up bids while seeking approval of this Agreement through its Chapter 11 Plan, given the circumstances of the Bankruptcy Case, including, without limitation, the following: the complexity of the sale transaction and scope of the due diligence required to be performed by Buyer; the need for Buyer to advance substantial expenses prior to the Bankruptcy Court’s approval of the terms set forth in this Agreement; and Buyer’s unwillingness to enter into this Agreement, undertake the due diligence and incur the expenses if its Agreement is subject to Seller accepting or entering into competing bids.

2.3.3 Motion to Approve Sale Process. Notwithstanding the foregoing reasons as to why the Parties agree that an auction sale process is not in the best interest of Seller’s creditors and bankruptcy estate, if the Parties mutually agree, or the Bankruptcy Court requires that an auction sale process of any kind must be used for the sale of the Property either through a Chapter 11 Plan or through a 363 Sale, then the Parties shall use all commercially reasonable efforts and cooperate to prepare amendments to this Agreement to provide for mutually satisfactory bidding procedures and compensation to Buyer if there is competitive bidding for the Property. Such compensation is subject to Bankruptcy Court approval and may include among other things (i) reimbursement of all of Buyer’s expenses relating to the preparation and negotiation of this Agreement and other transaction documents and Buyer’s due diligence investigation, and (ii) a “break-up” fee equal to one percent (1%) of the consideration to be paid to Seller in the winning bid for the Property. Seller agrees that the failure to obtain Bankruptcy Court approval of the terms of the preceding sentence shall allow Buyer to terminate this Agreement and receive immediate return of any Deposit.

3. Escrow and Deposit.

3.1. Opening of Escrow. Upon its receipt of a duly executed original counterpart of this Agreement from Seller, Buyer shall open an escrow at the offices of Escrow Agent, by delivering an executed copy of this Agreement to Escrow Agent. Escrow Agent shall promptly execute the “Acceptance by Escrow Agent” attached hereto (the date of execution of the “Acceptance by Escrow Agent” by the Escrow Agent may be referred to as the “**Opening of Escrow**”) and shall notify Buyer and Seller in writing of the date of the Effective Date of this Agreement, which is defined in Section 1.11 of this Agreement and shall constitute joint escrow instructions to Escrow Agent. The Parties shall execute such additional instructions, not inconsistent herewith, reasonably requested by Escrow Agent; provided, however, that as between the Parties, if any conflict between the provisions of this Agreement and the provisions of such additional instructions exists or arises, then the provisions of this Agreement shall control. Escrow Agent is designated the “real estate reporting person” for purposes of Section 6045 of the Internal Revenue Code of 1996, as amended, and Treasury Regulation 1.6045-4, and any instructions or settlement statement prepared by Escrow Agent shall so provide. Escrow Agent shall be responsible for filing Form 1099-S with the Internal Revenue Service. The period between the Opening of Escrow and the Closing Date shall be the “**Escrow Period.**”

3.2. Deposits. The Deposit and any other cash held by Escrow Agent shall be held for Buyer’s benefit in accordance with the terms and conditions of this Section 3.2.

3.2.1 First Deposit. Within three (3) business days following the Effective Date, Buyer shall place into escrow the First Deposit. This First Deposit shall be fully refundable through the date when the Sale Order is entered.

3.2.2 Second Deposit. Within five (5) business days following entry of the Sale Order, Buyer shall place into escrow the Second Deposit. The Second Deposit shall be non-refundable once made except in the event of a material breach by Seller or the failure of a condition to Closing for Buyer’s benefit.

3.2.3 Independent Consideration. Concurrently with delivery of the First Deposit, Buyer shall deposit into escrow as independent consideration for this Agreement the sum of One Hundred Dollars (\$100) (the “**Independent Consideration**”), which Independent Consideration shall be fully earned by Seller, is non-refundable under any circumstances and not applicable to the Purchase Price. Escrow Agent shall release the Independent Consideration to Seller upon receipt of the Deposit. The Independent Consideration constitutes independent consideration for the rights extended to Buyer hereunder, including, without limitation, the right and option to terminate this Agreement as provided herein. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement, Seller shall retain the Independent Consideration whether or not the Deposit is returned to Buyer.

3.2.4 Applicability of Deposit. The Deposit shall be maintained in Escrow and shall be fully applicable to the Purchase Price at the First Closing.

3.2.5 Maintenance of Deposits. Escrow Agent shall hold the Deposit and all other funds deposited by Buyer with it pursuant to this Agreement, including, without limitation, the balance of the Purchase Price if and when deposited in accordance herewith. Escrow Agent shall place the Deposit into an interest bearing account at a depository acceptable to Buyer, with the interest accruing for the benefit of Buyer.

3.2.6 Subsequent Phase Deposits.

(a) Concurrently with the First Closing, Buyer shall deposit with Escrow Holder the sum of Two Hundred Thousand Dollars (\$200,000), which shall serve as the deposit for the amounts due upon the Closing of Phase 2, which shall be non-refundable once made except in the event of a default by Seller or the failure of a condition to Closing for Buyer's benefit, and shall be applied to the Purchase Price at the Closing of Phase 2, and for purposes of this Agreement shall constitute the "Deposit" under this Agreement following the consummation of the First Closing.

(b) Concurrently with the Second Closing (as defined in Section 5.2), Buyer shall deposit with Escrow Holder the sum of Two Hundred Thousand Dollars (\$200,000), which shall serve as the deposit for the amounts due upon the Closing of Phase 3, which shall be non-refundable once made except in the event of a default by Seller or the failure of a condition to Closing for Buyer's benefit, and shall be applied to the Purchase Price at the Closing of Phase 3, and for purposes of this Agreement shall constitute the "Deposit" under this Agreement following the consummation of the First and Second Closings.

3.3. Buyer's Right to Terminate or Pursue Self-Help. Assuming the Sale Order is entered, in the event that the Parcel 8/15 Final Map is not recorded by the Outside Map Date, or any other conditions to each Closing for Buyer's benefit are not timely satisfied by Seller after notice and opportunity to cure in accordance with this Agreement, then Buyer may either (i) terminate the escrow, or (ii) proceed to complete all such Seller requirements utilizing its own consultants and Buyer shall receive a credit against the Purchase Price for all actual and reasonable costs, expenses, fees, taxes, map processing fees, bonding costs, and costs of any work that was to be completed by Seller under this Agreement in order to deliver the Property to Buyer at Closing in accordance herewith free of any monetary encumbrances and any delinquent taxes subject to the Permitted Exceptions only ("**Buyer's Self-Help Right**"). If Buyer exercises Buyer's Self-Help Right, then the time periods for Closing under this Agreement shall be extended automatically for each day that Buyer exercises such right in order to allow for time to satisfy any remaining conditions to Closing. Notwithstanding any provision contained herein to the contrary, Buyer's Self-Help Right shall not include the right to initiate litigation, arbitration or any other adversary proceeding unless Seller consents to the same in writing, such consent not to be unreasonably withheld, conditioned or delayed; provided that if Seller fails to respond within ten (10) calendar days of Buyer's request therefor then Seller shall be deemed to have consented to the same.

4. Inspections, Title Review, and Development Review.

4.1. Due Diligence Period; Notice of Approval. Seller shall cooperate with Buyer and shall provide to Buyer within five (5) calendar days after the Effective Date, all

Documents in Seller's possession as set forth on Exhibit C attached hereto. Buyer expressly acknowledges that, except as expressly set forth in Section 14.2 below, Seller makes no representation or warranty of any kind with respect to the Documents or any additional Documents referenced below, including their accuracy, completeness or suitability for reliance thereon by Buyer. Seller shall, within two (2) business days after receipt, deliver to Buyer copies of any additional Documents received by Seller before the Close of Escrow. Subject to the provisions of this Agreement, Buyer shall have the right during the Due Diligence Period to investigate title and to conduct any feasibility, economic, environmental, political, title or engineering studies, or make such other investigations, studies and tests with respect to the Property as Buyer deems necessary or appropriate to determine the feasibility of purchasing and developing the Property. If Buyer elects to proceed with the purchase of the Property, then at any time prior to the expiration of the Due Diligence Period, Buyer may, in its sole discretion, deliver a "**Notice of Approval.**" If Buyer gives the Notice of Approval, then, subject to the terms, covenants and conditions set forth in this Agreement and Seller's express representations and warranties set forth in Section 14.2 below, such notice shall be Buyer's acceptance and approval of the Property and conditions related thereto, including, without limitation, (i) soils and geology reports; (ii) title issues, subject to Disapproved Exceptions (as defined in Section 4.3 below); (iii) the Documents; (iv) Buyer's inspection of the Property; (v) any survey of the Property; and (vi) zoning and other land use controls. Buyer's failure to give the Notice of Approval prior to the expiration of the Due Diligence Period shall be deemed Buyer's election not to proceed with the purchase of the Property and to terminate this Agreement, whereupon the Deposit (except for the Independent Consideration) shall be immediately returned to Buyer without the need for further instructions from either Party, and no Party hereto shall have any further obligation or liability to the other with respect to the transactions contemplated by this Agreement, except for obligations which expressly survive termination.

4.2. Inspection of Property. During the Due Diligence Period and thereafter until this Agreement is terminated or until the Close of Escrow, and subject to the provisions set forth below, Buyer shall be permitted to (i) fully inspect and test the Property, including, but not limited to, soils, geotechnical and Hazardous Materials testing by qualified, and where applicable, licensed professionals, and (ii) meet with such Authorities as Buyer shall deem necessary in connection with its inspection of the Property or its subsequent contemplated development. Buyer and its contractors, agents and employees shall have the right to enter upon the Property for such inspection and testing, including, without limitation, the conducting of invasive and non-invasive soil, geotechnical and environmental testing, subject to the following conditions.

4.2.1 Upon at least twenty-four (24) hours' prior written notice to Seller, Buyer and its agents, employees and representatives shall have a right of reasonable access to the Property for the purpose of conducting surveys, engineering, geotechnical and environmental inspections and tests (including invasive inspection, testing and sampling), which activities are hereafter referred to as the "**Work,**" and any other inspections, studies or tests required by Buyer. As a condition precedent to access to the Property by Buyer, its agents, employees or representatives, Buyer shall (i) provide Seller with proof of liability insurance relating to such inspections and testing by third parties (which insurance shall be reasonably satisfactory to Seller, shall name Seller as an additional insured, shall be for minimum coverage of One Million Dollars (\$1,000,000) per occurrence, and shall be the primary insurance with respect to Seller,

and any insurance or self-insurance maintained by Seller shall be excess of the insurance required hereunder and shall not contribute with it), (ii) keep the Property free and clear of any liens resulting from or related to the Work, and (iii) indemnify, defend and hold Seller harmless from and against any and all liability, damages, costs, fees or expenses for injuries to or death of persons or damage to property to the extent caused by or resulting from Buyer's exercise of its rights hereunder, any such entry by Buyer, its agents, contractors or consultants, employees or representatives, or any Work by Buyer, its agents, employees or representatives; provided, however, that in no event shall Buyer have any obligations under this indemnification with respect to liability, damages, costs, fees or expenses resulting from Buyer's discovery of any pre-existing conditions (except to the extent exacerbated by the negligence or willful misconduct of Buyer). As a condition precedent to the commencement of any invasive Work, however, Buyer shall describe in its notice, with reasonable detail, the contemplated invasive Work and shall identify the parties who will perform the Work and their qualifications. Such contemplated invasive Work shall be subject to approval by Seller, which approval shall not be unreasonably withheld, conditioned or delayed. If any inspection or test disturbs the Property, Buyer shall promptly restore the Property to substantially the same condition as existed prior to any such inspection or test and Buyer shall at all times obey all applicable laws, rules and regulations. The obligations of the Buyer under this paragraph shall survive the termination of the Agreement.

4.2.2 Buyer shall use reasonable care to prevent any unreasonable interference with Seller's activities on the Property during Buyer's investigation thereof. Buyer shall not permit the Property or any portion thereof to become subject to any lien for claims for work or materials arising out of Buyer's activities on the Property, and Buyer shall immediately remove or cause to be removed any such lien.

4.2.3 In order to minimize disagreements over the physical status of the Property, Buyer and Seller shall conduct a joint walk-through of the Property, within five (5) business days after the Effective Date. Each Party shall have the right to have its engineer present for such walk-through. The Parties shall prepare a list of any conditions or discrepancies found at the Property.

4.3. Documents/Title Review. Within five (5) calendar days after the Effective Date, Buyer shall request that Title Company deliver to Buyer a commitment for issuance of a standard coverage owner's title insurance policy ("**Title Commitment**") covering the Property, together with complete and legible copies of all documents referenced therein as exceptions to the Title Commitment. No later than fifteen (15) calendar days following the Effective Date, Buyer shall notify Seller of Buyer's objections to title, if any ("**Disapproved Exceptions**"). Seller shall notify Buyer in writing within ten (10) calendar days after receipt of Buyer's notice of Disapproved Exceptions as to which, if any, of the Disapproved Exceptions Seller or Title Company will eliminate. If Seller does not agree to eliminate each of the Disapproved Exceptions, then unless Buyer delivers the Notice of Approval to Seller and Escrow Agent on or before the expiration of the Due Diligence Period (in which case Buyer shall be deemed to have approved the same and elected to proceed with the Closing subject to such exceptions), Buyer shall be deemed to have disapproved title, Escrow shall terminate, Escrow Agent shall immediately return the Deposit (except for the Independent Consideration) to Buyer without any additional instructions from Seller and without any imposed conditions and Escrow Agent shall

immediately return all other documents, instruments and monies to the Party which deposited same.

4.3.1 Except as to current real property taxes and assessments not yet due and payable, all Monetary Liens shall automatically be deemed to be Disapproved Exceptions. Permitted Exceptions shall include, without limitation, (i) a lien for non-delinquent taxes, assessments, special taxes and similar impositions, and the lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code to the extent relating to events occurring from and after the Close of Escrow; (ii) the covenants, conditions and restrictions encumbering the Property as of the Effective Date; (iii) any community facilities or assessment districts encumbering the Property as of the Effective Date; and (iv) any matter created or caused by Buyer or its agents or approved in writing by Buyer. Seller shall be obligated to remove all Monetary Liens on or before Closing. Any exception to title appearing in the Title Commitment, which is not expressly identified as a Disapproved Exception by Buyer and which Seller does not also expressly agree to eliminate in writing shall be a **“Permitted Exception.”**

4.3.2 No later than fifteen (15) calendar days prior to each Closing, Escrow Agent shall obtain from Title Company and deliver to Seller and Buyer an updated Title Commitment for the Property for the issuance of an ALTA standard coverage owners’ policy of title insurance and legible copies of all instruments listed in the report as exceptions to title (collectively, the **“Updated Title Documents”**). Buyer shall be deemed to object to any new matters set forth on the Updated Title Documents. Seller shall have ten (10) calendar days from issuance of the Updated Title Documents to cure the objections or to obtain the commitment of the Title Company to insure against such title exceptions in a manner acceptable to Buyer; Seller shall be required to cure any new Monetary Liens on or prior to Closing. If Buyer requires an extended form of owner’s policy, then Buyer shall obtain and deliver to the Title Company within thirty (30) calendar days of the date of entry of the Sale Order an ALTA/ACSM Land Title Survey of the Property acceptable to the Title Company (**“Survey”**). Any request for an extended form of title policy shall not delay the Close of Escrow.

4.4. Development Approval. During the term of this Agreement, at Buyer’s cost and expense, Buyer shall have the right to pursue any new entitlements and all Authority approvals and Permits necessary for Buyer’s development of the Project, including, without limitation, all subdivision mapping approvals, land use and zoning approvals, architectural approvals, including, but not limited to, building plans, renderings, specifications, drawings, elevations, and prototypes, and any other approvals and permits required to permit Buyer to immediately commence construction of its intended development of Buyer’s proposed Project and for the issuance of certificates of occupancy for such residences or buildings upon their completion in the ordinary course (collectively, the **“Development Approvals”**), all as Buyer may deem necessary for its Project. Furthermore, Buyer shall prepare and process the remaining Final Maps using commercially reasonable efforts in order to meet the proposed Closing Dates set forth in this Agreement. Seller agrees to fully cooperate with Buyer in connection with its Development Approvals and the Final Maps, and shall execute, upon request of Buyer any and all maps, documents and agreements which are reasonably necessary to accomplish such purposes, including appointment of Buyer as agent of Seller for purposes of Buyer’s development of the Property, provided that Seller incurs no material cost or liability as a result of

such cooperation and provided that the document appointing Buyer as Seller's agent expressly prohibits Buyer from binding the Property or recording any documents relating to the Property without the prior written consent of Seller, which consent shall not be unreasonably withheld. In the event that the City requires that Seller, as the owner of the Property, execute any development applications or subdivision improvement agreements with the City, Seller shall execute and return such development applications and agreements to Buyer within five (5) calendar days after the date on which such items are delivered to Seller.

4.4.1 Except as otherwise set forth in the Agreement, Buyer shall have the right to prepare any site plans for the Property, including all engineering and landscaping plans and drawings, the architectural materials, utility plans for the Project, and all applications and submittals necessary to obtain its Development Approvals as it may deem necessary during the Due Diligence Period. At no out-of-pocket cost to Seller, Seller shall, for no additional consideration or payment, upon request by Buyer (i) execute and promptly deliver to such appropriate Authorities such applications, submittals, documents, instruments and other items reasonably requested by Buyer in connection with the Development Approval process for the Property; (ii) as reasonably requested by Buyer, appear at any public hearings or other, meetings for or with Authorities or neighborhood meetings in connection with, and support of the Development Approvals for the Property; and (iii) otherwise cooperate as reasonably requested by Buyer in connection with Buyer's obtaining the Development Approvals of the Property. Except as set forth in Section 4.6 below, nothing herein contained shall be deemed to grant Seller and Seller hereby confirms that Seller has no right, and it hereby waives any right, to object to the Development Approval matters relating to the Property.

4.5. Inquiry. Subject to the provisions of Section 10 below, Buyer and its representatives, employees, agents and independent contractors shall have the right, at its sole cost and expense, to (i) meet with all City, County, district and other Authorities; and (ii) discuss with any such entities and agencies the condition of the Property and Buyer's proposed development of the Property. Seller shall have the right to participate in any such meetings arranged by Buyer with Authorities.

4.6. Design Review. Buyer's design and improvement plans for Phase 2 and Phase 3 of the Property shall be subject to Seller's reasonable approval thereof, which approval shall not be unreasonably withheld, delayed or conditioned. Buyer agrees to submit its plans to Seller prior to submission to the City, and Seller shall have fifteen (15) calendar days to submit any objections to the same. Failure to approve or disapprove Buyer's plans within such time period shall be deemed an approval. This right shall be personal to the Seller named in this Agreement, and shall not run to the benefit of any other parties, whether successors or assigns or otherwise.

5. Closing.

5.1. Timing. The Closing on the Property shall take place in three Phases as set forth herein to provide the time needed to create the legal parcels comprising the Property. Closing shall occur at the offices of Escrow Agent during normal business hours or at such other location as Buyer and Seller may mutually agree.

5.2. Phased Closings. Subject to Buyer's contingencies to Closing under this Agreement, including the Sale Order being a Final Order, and assuming that the Parcel 8/15 Final Map is recorded on or prior to the First Closing, the Closing on (i) Phase 1 shall occur no later than four (4) months following entry of the Sale Order ("**First Closing**"); (ii) Phase 2 shall occur no later than twelve (12) months following entry of the Sale Order ("**Second Closing**"); and (iii) Phase 3 shall occur no later than twenty (20) months following entry of the Sale Order ("**Third Closing**"). The consummation of a prior Closing shall be a condition precedent to the consummation of any subsequent Closing under this Agreement.

5.3. Closing Extensions.

5.3.1 Seller's. Notwithstanding the foregoing, if the Parcel 8/15 Final Map is not recorded by the Outside Map Date notwithstanding Seller's use of all commercially reasonable and diligent efforts, then unless Buyer exercises Buyer's Self-Help Right, Seller shall have the right to extend the Outside Map Date by a period of up to thirty (30) days to allow Seller time to record the Parcel 8/15 Final Map.

5.3.2 Buyer's. Notwithstanding the foregoing, if the Final Maps are not recorded by the dates set forth above for the Second Closing or the Third Closing, respectively, notwithstanding Buyer's use of all commercially reasonable and diligent efforts, then Buyer shall have the right to extend each such date for the Second Closing and/or the Third Closing by a period of thirty (30) days for each affected Closing to allow Buyer time to record the Final Maps.

5.4. Outside Conditions Date. Notwithstanding anything to the contrary contained in this Agreement, in the event Seller is not able, on or before January 15, 2018, to obtain entry of the Sale Order or satisfy the other conditions to Closing for Buyer's benefit hereunder, or if the Sale Order has not become a Final Order by such date, in each case through no fault of Seller and Seller shall have used all commercially reasonable efforts to satisfy the foregoing conditions by such date ("**Outside Conditions Date**"), then Seller shall have the right to extend the Outside Conditions Date for a period of up to sixty (60) calendar days; and following such extension if the foregoing conditions have not been satisfied during such sixty (60) day period, then Buyer shall have the right to terminate this Agreement and receive a refund of the Deposit, and the Parties shall have no further obligations to each other hereunder.

5.5. Payment of Purchase Price Balance. Provided that (i) Seller has deposited all of the items required by this Section 5.5 no later than two (2) business days prior to the Closing Date, (ii) all conditions precedent set forth in this Agreement have been satisfied or waived, and (iii) the Title Company has confirmed to Buyer in writing that it is in receipt of all items required to be deposited by Seller and is unconditionally prepared to issue the Title Policy (defined below) to Buyer upon consummation of the Closing subject only to the Permitted Exceptions, and payment of the applicable policy premium, Buyer shall deposit with Escrow Agent the Purchase Price for the applicable Phase less the Deposit already in Escrow and adjusted by Buyer's share of prorations and Closing costs pursuant to Sections 5.8 and 5.9 below, together with the other adjustments provided for under this Agreement.

5.6. Delivery of Closing Documentation.

(a) Seller's Delivery. No later than two (2) business days prior to Closing, Seller shall execute, acknowledge, and deliver to Escrow Agent, (i) Seller's grant deed transferring good and marketable title to the Property, free and clear of all liens and encumbrances, except Permitted Exceptions in the form attached hereto as Exhibit D (the "**Grant Deed**"), (ii) a non-foreign person affidavit in the form attached hereto as Exhibit E ("**FIRPTA**"), (iii) a bill of sale and assignment in the form of attached hereto as Exhibit F ("**Bill of Sale**"), (iv) evidence that Seller is exempt from the withholding obligations imposed by California Revenue and Taxation Code Sections 18805, 18815, and 26131, and (v) such other bills of sale, assignments, and other documents or instruments of transfer or conveyance as Buyer or Escrow Agent may reasonably request or as may be otherwise necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Property to Buyer at no material additional cost, obligation or liability to Seller. Seller shall, at no cost or liability to Seller, cooperate with Buyer by providing to the Title Company, at or prior to Closing, any customary affidavits, agreements and documents reasonably required by the Title Company to issue the Title Policy together with any extended coverage desired by Buyer.

(b) Buyer's Delivery. No later than two (2) business days prior to Closing, Buyer shall execute, acknowledge, and deliver to Escrow Agent (i) the Bill of Sale and (ii) such other documents or instruments as Escrow Agent may reasonably request or as may be otherwise necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Property.

5.7. Agreement to Cooperate. Each Party shall execute, acknowledge and deliver, after the Effective Date, including at or after Closing, such further assurances, instruments and documents as the other may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby. Following a reasonable request for further assurances, instruments and/or documents from one Party to the other, the requested Party shall reasonably respond to the request within two (2) business days, and shall not unreasonably withhold compliance with the request. The provisions of this Section 5.7 shall survive each Closing and delivery of the Grant Deed and shall not be merged with such deed. Buyer shall cooperate with Seller so that any density transfers for units allowed for the Property in excess of those used by Buyer in its sole and absolute discretion for its Project may be allocated to Seller.

5.8. Prorations. All non-delinquent real estate taxes, and all other public or governmental charges and public or private assessments against the Property, if any, shall be adjusted and prorated, on the basis of a three hundred sixty-five (365) day year, between the Parties as of the day of Closing and shall thereafter be assumed and paid by Buyer, whether or not assessments have been levied as of the date of Closing. Seller shall be responsible for paying all delinquent taxes, and if Seller is not able to do so by the Closing, then Buyer agrees to pay such amounts, in which event such amount shall be credited against the Purchase Price for Buyer's benefit. Any tax proration based on an estimate shall be subsequently readjusted upon receipt of a tax bill. The obligation to adjust shall survive Closing. After Closing, Seller shall remain solely responsible for and shall promptly pay before delinquency any real estate taxes and assessments for the Property relating to periods prior to the Closing Date. The provisions of this

Section 5.8 shall survive each Closing and delivery of the Grant Deed for a period of twelve (12) months.

5.9. Closing Costs. Seller shall pay the cost of the Title Policy (standard coverage) and any endorsements requested by Buyer as agreed to by Seller in order to remove a Disapproved Exception. Seller shall pay the County transfer taxes and any City transfer taxes. Buyer shall pay any premium increment for the extended form of Title Policy (if so elected by Buyer) and the cost of any survey obtained by Buyer, if any. Seller and Buyer shall equally pay any recording fees. Seller and Buyer shall equally pay the Escrow Agent's escrow fees. All other Closing costs, escrow fees, and other fees shall be allocated between the Parties as is customary in the County.

6. Condemnation and Damage.

6.1. Condemnation. If after the Buyer has given its Notice of Approval and prior to Closing all or any part of the Property is taken or threatened to be taken by eminent domain or condemnation, Buyer may elect either (a) to terminate this Agreement, in which event Escrow Holder shall immediately return all documents, instruments and monies (including, without limitation, the Deposit) to the Party which deposited same in respect of the Closing and this Agreement shall terminate and be of no further force or effect except for those matters that expressly survive the termination hereof; or (b) to consummate Closing as herein provided, in which event Seller shall pay or assign to Buyer all condemnation awards or payments in respect of the Property. If Buyer elects to proceed under clause (b) above, Seller shall not compromise, settle or adjust any claims to such award without Buyer's prior written consent. If this Agreement is terminated pursuant to this Section 6.1, neither Party shall have any further rights, duties, obligations or liabilities, at law or in equity, arising out of or relating to this Agreement except for those that specifically survive termination of this Agreement pursuant to other sections hereof.

6.2. Damage. If any damage or destruction to any of the Property occurs prior to Closing, Seller shall immediately give Buyer written notice of such damage or destruction, and Buyer shall have the option, exercisable within ten (10) days after notice of such damage, either to (i) terminate the Escrow, in which case Escrow Holder shall immediately return all documents, instruments and monies (including, without limitation, the Deposit) to the Party which deposited same in respect of the Closing and this Agreement shall terminate and be of no further force or effect except for those matters that expressly survive the termination hereof, or (ii) accept the Property in its condition at that time, and receive an assignment of all of Seller's rights to any insurance proceeds payable by reason of such damage or destruction together with a credit against the Purchase Price equal to Seller's insurance deductible. If Buyer elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any such insurance claims without Buyer's prior written consent.

7. Conditions Precedent to Closing.

7.1. Buyer's Conditions. Buyer's obligation to complete each Closing (unless a different date is set forth below) shall be conditioned upon the satisfaction (or Buyer's written waiver thereof) of each of the conditions precedent set forth in this Section 7.1 below. If these

conditions are not satisfied or affirmatively waived by Buyer in Buyer's sole and absolute discretion (except that the recording of any maps to create legal parcels may not be waived by either Party), then, without limiting any other remedies Buyer may have hereunder, and subject to Section 11, Buyer shall have the right to terminate this Agreement, in which case the Deposit shall be promptly returned from Escrow Agent to Buyer without further instruction from Seller, and neither Party shall have any duty, obligation or liability to the other except as expressly provided for herein.

(a) Title Policy. Seller, at its sole expense, shall cause Title Company to deliver to Buyer an ALTA owner's coverage policy of title insurance issued by the Title Insurer, with such endorsements as Buyer may reasonably request, insuring Buyer in the amount of the Purchase Price of the applicable Phase and showing the Property to be subject to no exceptions to title other than the Permitted Exceptions and such other exceptions as may expressly be approved by Buyer in writing (the "**Title Policy**").

(b) Notice of Approval. Buyer shall have given the Notice of Approval.

(c) Seller's Performance. Seller shall have performed all material obligations to be performed by Seller pursuant to this Agreement prior to Closing.

(d) Seller's Representations and Warranties. Seller's representations and warranties set forth herein shall be true and correct as of the Closing.

(e) Sale Order. The Sale Order shall have been entered and shall be a Final Order.

(f) Monetary Liens. Pursuant to the Sale Order, the portion of the Property subject to a Closing shall be free and clear of Monetary Liens, including, without limitation, the Lender's Lien and all liens for delinquent taxes.

(g) Assignment of Grants. As of the First Closing, Seller (and the City as such written consent may be required under the applicable grant agreements) shall have transferred and assigned to Buyer the Park Grant Amount and the Street Grant.

(h) Parcel 8/15 Final Map. As to Phase 1, Seller shall have recorded the Parcel 8/15 Final Map by the Outside Map Date.

(i) Final Maps. As to each of Phase 2 and Phase 3, the Final Maps shall have been approved and recorded.

(j) Cost Sharing Agreements. As of the First Closing, Seller shall have duly executed the cost sharing agreements required under this Agreement to be recorded concurrently therewith.

(k) Development Agreements. Seller shall have caused all of the development agreements affecting the Property (applicable to the master development of the Overall Project) to be released from the Property on or prior to the Closing for each Phase.

(1) Other Conditions. Seller shall have satisfied its covenants under this Agreement by the Outside Conditions Date.

7.2. Seller's Conditions. Seller's obligation to complete each Closing (unless a different date is set forth below) shall be conditioned upon the satisfaction (or its written waiver thereof) of each of the conditions precedent set forth in this Section 7.2. If these conditions are not satisfied or affirmatively waived by Seller in its sole and absolute discretion (except that the recording of any maps to create legal parcels may not be waived by either Party), then, without limiting any other remedies Seller may have hereunder, and subject to Section 11, Seller shall have the right to terminate this Agreement, upon which the Deposit shall be promptly returned from Escrow Agent to Buyer, and neither Party shall have any duty, obligation or liability to the other except as expressly provided for herein.

7.2.1 Purchase Price. Buyer shall have delivered the balance of Purchase Price in immediately available funds in accordance with the terms of this Agreement.

7.2.2 Seller's Performance. Buyer shall have performed all material obligations to be performed by Buyer pursuant to this Agreement prior to Closing.

7.2.3 Seller's Representations and Warranties. Buyer's representations and warranties set forth herein shall be true and correct as of the Closing.

7.2.4 Sale Order. The Sale Order shall have been entered and shall be a Final Order.

7.2.5 Lender's Lien. If not otherwise addressed in the Sale Order, Seller shall have received a release of the Lender's Lien as to the portion of the Property being acquired by Buyer.

7.2.6 Assignment of Grants. On or prior to the First Closing, Seller shall have obtained the City's written agreements for the transfer and assignment of the Park Grant Amount and the Street Grant to Buyer.

7.2.7 Development Agreements. On or prior to the Closing for each Phase, Seller shall have obtained the City's written release of all development agreements affecting the Property (applicable to the master development of the Overall Project).

8. Closing.

8.1. Escrow Agent's Actions. Upon the Closing Date, when Escrow Agent holds the items required to be deposited by Seller and Buyer as described above and Title Company is prepared to issue and deliver to Buyer the Title Policy for the applicable Phase, Escrow Agent is instructed and authorized to perform the following actions:

(a) record the Grant Deed in the office of the County Recorder of the County;

(b) pay any transfer taxes (to the extent the sale is not exempt from transfer taxes pursuant to Section 1146(a) of the Bankruptcy Code pursuant to the terms of the Sale Order);

(c) pay any pro-rated real estate taxes and assessments and any other charges to be paid by Buyer, out of proceeds deposited into Escrow by Buyer;

(d) unless otherwise provided in the Sale Order, pay any pro-rated real estate taxes and assessments and any other charges to be paid by Seller, out of the proceeds deposited into Escrow by Buyer and held for the account of Seller;

(e) instruct the County Recorder to return the recorded Grant Deed;

(f) unless otherwise provided in the Sale Order, disburse to Seller from the funds deposited into Escrow by Buyer, the Purchase Price including the Deposit not previously released to Seller, if any, less Seller's escrow and cash charges as prorated in accordance with Section 5.8 and Section 5.9;

(g) disburse from funds deposited by Buyer amounts toward payment of all other items chargeable to the account of Buyer hereunder, and disburse the balance of such funds if any, to Buyer, and promptly deliver (1) to Buyer the Bill of Sale and the Title Policy; (2) to Seller a copy of the recorded Grant Deed and the Bill of Sale; and (3) to Buyer and Seller conformed copies of all recorded documents.

8.2. Escrow Cancellation Charges. Responsibility for the payment of escrow cancellation charges shall be borne as follows: (i) If the Closing does not occur because of the default of a Party, then, notwithstanding anything to the contrary contained herein, the defaulting Party shall bear all escrow cancellation charges. (ii) If the Closing does not occur because of the failure to obtain timely entry of the Sale Order, or because the Sale Order does not timely become a Final Order, then Seller shall bear all escrow cancellation charges. (iii) If the Closing does not occur for any reason other than the reasons in clause (i) or (ii) of this Section 8.2, then Buyer and Seller shall each pay one-half of any escrow cancellation charges, if so charged by Escrow Agent. As used herein, "**escrow cancellation charges**" means all fees, charges and expenses actually incurred by Escrow Agent, as well as all expenses related to the services of the Title Company in connection with the issuance of the Title Commitment and other title matters.

8.3. Possession. Upon Closing, Seller shall deliver to Buyer exclusive possession of the Property, subject to any and all Permitted Exceptions.

9. Condition and Inspection of Property. Except as provided in this Agreement, Seller makes no representation or warranty regarding the condition of the Property, its past use, or its suitability for Buyer's intended use.

(A) Unless otherwise expressly provided in this Agreement, neither Seller nor any employee or agent of Seller has made or will make, either expressly or impliedly, any representations, guaranties, promises, statements, assurances or warranties of any kind concerning any of the following matters (collectively referred to herein as the "**Property Conditions**"): (i) the suitability or condition of the Property for any purpose or its fitness for

any particular use, (ii) the profitability and/or feasibility of owning, developing, operating and/or improving the Property, (iii) the physical condition of the Property, including, without limitation, the current or former presence or absence of environmental hazards or Hazardous Materials, asbestos, radon gas, underground storage tanks, electromagnetic fields, or other substances or conditions which may affect the Property or its current or future uses, habitability, value or desirability, (iv) the rentals, income, costs or expenses thereof, (v) the net or gross acreage, usable or unusable, contained therein, (vi) the zoning of the Property, (vii) the condition of title, (viii) the compliance by the Property with applicable zoning or building laws, codes or ordinances, or other laws, rules and regulations, including, without limitation, environmental and similar laws governing or relating to environmental hazards or Hazardous Materials, asbestos, radon gas, underground storage tanks, electromagnetic fields, or other substances or conditions which may affect the Property or its current or future uses, habitability, value or desirability, (ix) water or utility availability or use restrictions, (x) geologic/seismic conditions, soil and terrain stability, or drainage, (xi) sewer, septic, and well systems and components, (xii) other neighborhood or Property conditions, including, schools, proximity and adequacy of law enforcement and fire protection, crime statistics, noise or odor from any sources, landfills, proposed future developments, or other conditions or influences which may be significant to certain cultures or religions, or (xiii) any other past, present or future matter relating to the Property which may affect the Property or its current or future use, habitability, value or desirability.

(B) Buyer is strongly encouraged to conduct its own inspection and investigation of the Property Conditions referred to above and is further encouraged to obtain, at its expense, expert advice as to such matters from professional inspectors and others. Buyer acknowledges that as of the Closing, it has been given the full opportunity to inspect and investigate such Property Conditions to its own satisfaction or cause such an inspection and investigation by experts engaged by Buyer. Buyer represents to Seller that it is relying solely upon such inspection and investigation in connection with its purchase of the Property and not upon any express or implied representations, guaranties, promises, statements, assurances or warranties of Seller or any of Seller's employees or agents as to such Property Conditions, unless otherwise expressly provided under this Agreement and that subject to Seller's expressed representations and warranties and post-Closing obligations of Seller set forth in this Agreement, and Buyer's inspection of the Property made during the Due Diligence Period, Buyer is acquiring the Property "AS IS."

(C) Effective upon the Closing of the Property or any portion thereof, by initialing below, Buyer, for itself and its agents, affiliates, successors and assigns, hereby waives, releases and forever discharges Seller and its agents, affiliates, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this Agreement or at Closing, which Buyer has or may have in the future, arising out of the physical, environmental or economic condition or suitability of the Property, but specifically excluding (i) the representations, warranties and covenants of Seller under this Agreement, (ii) any intentional misrepresentation, or (iii) fraud. Buyer specifically waives the provision of California Civil Code Section 1542, which specifically provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO
CLAIMS WHICH THE CREDITOR DOES NOT KNOW

OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

Buyer



10. Additional Covenants and Agreements. Notwithstanding anything to the contrary contained in this Agreement, the following additional covenants and agreements shall apply to the Parties:

10.1. Right to Contact Government Officials. In conjunction with Buyer's due diligence review and obtaining any entitlements, Buyer shall have the right to contact local, state and federal officials ("**Government Officials**").

10.2. Master Association. Buyer is advised, and acknowledges and agrees that the Project, including the Property, is subject to covenants, conditions, and restrictions recorded in the Official Records of the County Recorder's Office, which, inter alia, authorize the formation of an owners' association, certain use requirements and restrictions and the imposition of assessments. If within the reasonable control of Seller at the applicable time, Buyer shall be entitled to a proportionate number of seats on the board of the owner's association at such time as it is formed. The provisions of this Section shall survive and shall continue in full force and effect after Closing.

10.3. Costs of Approvals. Except as expressly set forth in this Agreement, including, without limitation, the costs related to the Parcel 8/15 Final Map and satisfaction of the related conditions imposed by the City and payment of all fees in order to finalize and record such map and such other amounts as described in this Agreement (which shall be Seller's sole responsibility), Buyer assumes all other costs, duties, risks, liabilities and obligations for improving the Property and obtaining all required Permits and Approvals (including the Final Maps for Phase 2 and Phase 3, and the related conditions thereto, but specifically excluding the Parcel 8/15 Final Map and its related costs or conditions) for Buyer's intended use thereof for the Project, and paying all costs and fees in connection therewith, including, but not limited to, building permit fees.

10.4. Parcel 8/15 Final Map. Seller shall process and obtain final approval of the Parcel 8/15 Final Map and record it as a condition to the First Closing for Buyer's benefit. Seller shall process and record the Parcel 8/15 Final Map no later than ninety (90) calendar days following entry of the Sale Order ("**Outside Map Date**"). Seller shall be responsible for all costs and expenses for preparing, approving and recording the Parcel 8/15 Final Map, including, without limitation, all bonding and warranty costs, and conditions thereto.

10.5. Park Work. The provisions of the Recitals pertaining to the Park Work are hereby incorporated by reference.

10.6. Street Work. The provisions of the Recitals pertaining to the Street Work are hereby incorporated by reference.

10.7. Buyer's Self-Help Right. In the event that Seller fails to complete processing and recording the Parcel 8/15 Final Map by the Outside Map Date, or completing any obligations required in connection therewith such as the payment of any delinquent taxes, or any other material obligations required of Seller under this Agreement, and Buyer shall have given written notice of such failure and the opportunity to cure the same within ten (10) calendar days of such notice (collectively, "**Incomplete Work**"), then Buyer shall have the right to elect to complete the Incomplete Work in accordance with the following provisions affecting Buyer's Self-Help Right. Buyer may exercise Buyer's Self-Help Right with respect to any portion of the Incomplete Work, and any partial exercise shall not relieve Seller of Seller's obligation to complete the remainder of the Incomplete Work with respect to which Buyer has not exercised Buyer's Self-Help Right.

10.7.1 Direct Payment. In exercising Buyer's Self-Help Right, Buyer shall have the right to use Buyer's contractors and consultants to complete any Incomplete Work. To the extent Buyer exercises Buyer's Self-Help Right, Buyer shall have the right to pay all contractors and consultants directly. The amounts paid by Buyer for the actual and reasonable costs to complete any Incomplete Work shall be the self-help costs (collectively, the "**Self-Help Costs**").

10.7.2 Credit to Purchase Price. All Self-Help Costs shall be credited against and reduce the amount of the Purchase Price on a dollar-for-dollar basis for Buyer's benefit.

10.7.3 Ongoing Assignment of Seller's Rights.

(a) Assignment of Plans and Contracts. Concurrently with the Closing, Seller shall sign and deliver to Buyer that certain Assignment of Plans and Contracts in the form attached hereto as Exhibit G ("**Assignment of Plans and Contracts**"). Pursuant to the Assignment of Plans and Contracts and this Agreement, Seller shall and does hereby assign to Buyer, to the extent assignable, on a non-exclusive basis, without representation or warranty, all of its rights and interests in, to and under all of the following whether now or hereafter existing: (a) all plans, drawings, specifications, surveys, reports, data and similar documents relating to Seller's development of the Property and construction of the offsite and onsite improvements together with all express or implied warranties related thereto (collectively, "**Plans**"); (b) all Intangible Property owned by Seller in connection with Seller's development of any portion of the Property, and all other governmental permits, entitlements, approvals and licenses, including, without limitation, all applications for any of the foregoing (collectively, "**Permits**"); and (c) all agreements and contracts relating to the preparation, issuance, ownership or use of the Plans and Permits and the construction of all improvements contemplated thereby with respect to the Property (collectively, "**Contracts**").

(b) Consents. It is the intention of the Parties that, subject to the requirements of this Section 10.7.3, by virtue of the Assignment of Plans and Contracts, Buyer will have full rights, power and authority to use, re-use or rely upon all of the Plans, Permits and Contracts in connection with its development of the Property in connection with Buyer's Self-Help Right, but without any obligation to cure any default or breach on Seller's part thereunder. Seller shall use commercially reasonable efforts to obtain (a) all necessary written consents to

said assignment of Plans, Permits and Contracts (“**Necessary Consents**”) from the firms preparing or entering into the Plans, Permits and Contracts, and (b) written acknowledgments (“**Right to Use Acknowledgment**”) from the firms preparing or entering into the Plans, Permits and Contracts that each of them have read the terms and conditions of this Section and agrees to comply with its terms and recognize Buyer’s rights, power and authority to use, re-use or rely upon all of the Plans, Permits and Contracts, which shall be obtained during the Due Diligence Period. The form by which Seller will obtain Necessary Consents and Right to Use Acknowledgments in substantial conformance therewith is attached hereto as Exhibit H. Further, Seller shall immediately advise Buyer of such inability to obtain any of the Necessary Consents and/or Right to Use Acknowledgments so that Buyer may directly discuss said request with such non-consenting parties. Seller shall also use commercially reasonable efforts to obtain all Necessary Consents and Right to Use Acknowledgments for the Plans, Permits and Contracts from all appropriate Authorities. If Seller is unable to obtain any or all Necessary Consents and Right to Use Acknowledgments, then upon request by Buyer, Seller will promptly (and in any event within fourteen (14) days thereafter) prepare and file a motion pursuant to Sections 363, 365 and/or 525 of the Bankruptcy Code to approve the assignment to Buyer (subject to the Closing of the sale of the portion of the Property to which the Plans, Permits and Contracts relate) of all of Seller’s right, title and interest in and to the Plans, Permits and Contracts, which motion may be included within the Chapter 11 Plan or other motion for entry of the Sale Order.

(c) Run with the Land. Notwithstanding anything to the contrary contained herein, to the fullest extent permitted by law, all Plans, Permits and Contracts shall run with the Property and, to the extent agreed upon by the applicable party, firm, consultant, agency or regulatory authority, no party, firm, consultant, agency or regulatory authority (other than Seller and Buyer) shall have any ownership interest therein or legal or other claim or rights thereto.

10.8. No Opposition. By purchasing the Property, Buyer acknowledges Seller’s right to obtain the consent of all governing agencies to develop the remaining portions of the real property within the Overall Project (not including the subject Property) in whatever reasonable manner Seller shall choose (but specifically excluding the development of the remaining Overall Project into townhouses which may be opposed by Buyer provided that the Closing for each Phase of the Property has timely occurred). Buyer, on behalf of itself and its officers, partners, directors, employees, agents, partners, members, successors and assigns, agrees that it will not in any way challenge, contest, oppose, litigate, or seek to hinder or delay, directly or indirectly, administratively, judicially, publicly or privately, including by referenda or initiative, and will not in any way assist, support, encourage or provide cooperation, direct or indirect, to others who challenge, contest, oppose, litigate, or seek to hinder or delay; (i) the processing and issuance of entitlements for the development, use, occupancy, and/or sale of the Overall Project or any matter in any way related thereto (but specifically excluding the development of the remaining Overall Project into townhouses which may be opposed by Buyer provided that the Closing for each Phase has timely occurred); (ii) any governing agency ordinances, permits, approvals or determinations in any way related to the development, construction, use, occupancy, and/or sale of any portion of the Overall Project, including, but not limited to, any development agreement, tentative or final map, or the conditions applicable thereof, (iii) ordinances, permits, approvals or determinations in any way related to the construction of public works, and/or offsite improvements related to the Overall Project; (iv) matters related to the implementation of the

Overall Project ordinances, permits, approvals, determinations or other entitlements, (v) financial agreements with governing agencies and community facilities districts or bonds issued pursuant thereto, (vi) any other documentation related to development, construction, use, occupancy, and/or sale of any portion of the Overall Project, or (vii) any modification, renewal, extension, or amendment of any of the foregoing. Buyer shall execute and acknowledge such documents, agreements, consents, waivers, or other instruments and shall take such other actions as Seller, in the exercise of its sole discretion, may deem necessary, expedient or appropriate to confirm Buyer's consent to the development of the Overall Project in accordance with the provisions of this paragraph. Seller alone shall have the right to enforce, all restrictions, covenants and agreements imposed by this paragraph, including the right to prevent the violation of any such restrictions, covenants, or agreements; order the abatement of any activity undertaken by Buyer in violation of any such restrictions, covenants, or agreements; and the right to recover damages or other amounts due for such violation. All rights, options and remedies of Seller are cumulative, and no one of them shall be exclusive of any other. Seller (and/or its assignee) shall have the right to pursue any one or all of such rights and remedies or any other remedy or relief which may be available at law or in equity, whether or not stated in this paragraph. The provisions of this paragraph shall survive and shall continue in full force and effect after the First Closing for a period of sixty (60) months.

10.9. SWPPP Indemnity. TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER AND ANY OF ITS AFFILIATES FROM AND AGAINST ANY CLAIMS, DEMANDS, DAMAGES, FINES, PENALTIES, VIOLATIONS, NOTICES OF VIOLATIONS, REASONABLE ATTORNEYS' FEES, COSTS, OR EXPENSES OF ANY TYPE OR NATURE TO THE EXTENT ARISING FROM OR RELATED TO, DIRECTLY OR INDIRECTLY, THE FAILURE OF SELLER TO (i) SATISFY SELLER'S STORM WATER OBLIGATIONS DURING THE PERIOD OF SELLER'S OWNERSHIP, OR (ii) OTHERWISE FAIL TO PROPERLY PERFORM ANY STORM WATER RELATED ACTIONS REQUIRED ON THE PART OF SELLER PRIOR TO THE CLOSING ON THE PROPERTY (OR ANY PORTION THEREOF) BY BUYER.

10.10. Assignment of Declarant Status and Development Agreement. At each Closing, Seller shall partially assign to Buyer (and/or its assignee) declarant status under the existing CC&Rs relative to matters concerning the entitlement, development, improvement and use of the parcels constituting the Property being acquired at such Closing, by executing and delivering the Assignment of Declarant Status in the form and content required under the CC&Rs and pursuant to a written assignment agreement to be prepared and entered into between the Parties prior to the expiration of the Due Diligence Period. Seller shall use commercially reasonable efforts to cause any and all development agreements (applicable to the master development of the Overall Project) to be released from the Property, with respect to the first Phase concurrently with the recordation of the Parcel 8/15 Final Map, and prior to the Closing for each subsequent Phase; provided, that, Seller agrees to partially assign any incentives or fee reduction programs under such development agreements, if any, to Buyer.

10.11. Dirt. During the walk-through, the Parties shall assess whether development of the intended Project will require importation of fill dirt to cause the parcels to consist of a level pad. In the event that the pads are determined not to be sufficiently level for construction of Buyer's Project, Buyer shall complete all work to compact the sites at Buyer's

cost and expense, but Seller agrees to make available to Buyer any excess onsite dirt currently located on the Property at no additional cost to Buyer. The dirt needs for the Property and availability of onsite excess dirt shall be evaluated by Buyer during the Due Diligence Period.

10.12. No Other Offers. Unless required by the Bankruptcy Court, following the expiration of the Due Diligence Period and Buyer's election to proceed with the transactions contemplated hereby, during the term of this Agreement Seller shall not accept or enter into any backup offers or other agreements for the sale of the same Property to any other person or entity.

11. Default.

11.1. Buyer Default. LIQUIDATED DAMAGES: BUYER AND SELLER AGREE THAT FOLLOWING BUYER'S DELIVERY OF THE NOTICE OF APPROVAL AND ENTRY OF THE SALE ORDER, IN THE EVENT THE CONDITIONS PRECEDENT TO CLOSING OF THIS AGREEMENT HAVE BEEN SATISFIED OR WAIVED BY BUYER, AND BUYER DEFAULTS ON ITS OBLIGATION TO COMPLETE THE CLOSING PURSUANT TO THIS AGREEMENT, SUBJECT TO THE TERMS AND CONDITIONS OF SECTION 11.3 BELOW, AND PROVIDED THAT SELLER IS NOT IN DEFAULT OF THIS AGREEMENT BEYOND ANY APPLICABLE NOTICE AND CURE PERIODS, THE DAMAGES TO SELLER WOULD BE DIFFICULT AND IMPRACTICAL TO DETERMINE. BUYER AND SELLER FURTHER AGREE THAT THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF THE RESULTING DAMAGES TO SELLER, SUCH DAMAGES INCLUDING COSTS OF NEGOTIATING AND DRAFTING OF THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER UPON BUYER'S DEFAULT, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HERewith. ACCORDINGLY, BUYER AND SELLER HAVE AGREED TO FIX AS LIQUIDATED DAMAGES THE AMOUNT OF THE DEPOSIT THEN IN ESCROW, AND SELLER MAY RECOVER AND/OR RETAIN SUCH AMOUNT WITHOUT RESTRICTION AS LIQUIDATED DAMAGES, AND WHICH SHALL CONSTITUTE SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH DEFAULT. SELLER'S RETENTION OF SAID SUMS AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY UNDER CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. SELLER AGREES THAT THESE LIQUIDATED DAMAGES SHALL BE IN LIEU OF ANY OTHER MONETARY RELIEF OR OTHER REMEDY, INCLUDING, WITHOUT LIMITATION, SPECIFIC PERFORMANCE, TO WHICH SELLER OTHERWISE MIGHT BE ENTITLED UNDER THIS AGREEMENT, AT LAW OR IN EQUITY. THE LIMITATIONS CONTAINED IN THIS SECTION SHALL NOT APPLY TO ANY INDEMNITY OBLIGATIONS CONTAINED IN THIS AGREEMENT OR TO ANY REMEDY AVAILABLE TO SELLER UNDER SECTION 11 OF THIS AGREEMENT. BUYER AND SELLER SPECIFICALLY ACKNOWLEDGE THEIR AGREEMENT TO THE FOREGOING LIQUIDATED DAMAGES PROVISION BY INITIALING THIS PARAGRAPH IN THE APPROPRIATE SPACES PROVIDED BELOW:

Buyer's Initials: DR

Seller's Initials: SS

11.2. Seller's Default. In the event of any default hereunder by Seller to convey the Property as required under this Agreement upon entry of the Sale Order (and subject to Seller's conditions to Closing), or the breach of any material provisions hereunder, Buyer shall have the right, IN LIEU OF ANY AND ALL OTHER REMEDIES AVAILABLE AT LAW OR IN EQUITY, to either (i) if reasonably practical, pursue Buyer's Self-Help Right and receive a credit against the Purchase Price for all of Buyer's costs, expenses, fees and other amounts expended in satisfaction of Seller's obligations under this Agreement in order to complete the purchase of the Property in accordance with this Agreement, (ii) cancel this Agreement either in its entirety or only as to a given portion of the Agreement that is not yet performed, or (iii) to pursue an action for specific performance of this Agreement, and if Buyer shall be the prevailing Party in such action for specific performance, Seller shall pay the actual and reasonable cost of Buyer's attorneys' fees and other costs of prosecuting such action. If Buyer cancels this Agreement, then (a) the Deposits shall be immediately returned to Buyer without further instruction from Seller, (b) Seller will reimburse Buyer for all of its reasonable and actual out-of-pocket expenses incurred in connection with the transactions contemplated by this Agreement up to a maximum amount of \$50,000.

11.3. Return of Deposit. For clarity purposes, in addition to any and all other remedies provided for under this Agreement, the Deposit shall be returned to Buyer in the event that (i) Buyer elects to terminate this Agreement during the Due Diligence Period, (ii) Buyer's conditions to Closing are not satisfied and Buyer does not otherwise waive the same, (iii) Seller does not obtain entry of the Sale Order by the Outside Conditions Date, or if the Sale Order has been entered but is not a Final Order by such date, (iv) a new Monetary Lien is identified in any Updated Title Documents that Seller is not able or not willing to remove, or (v) Seller is in breach of this Agreement and Buyer elects to terminate this Agreement as a result thereof.

11.4. Cure Period. Notwithstanding the provisions of Section 11 above and any other provisions in this Agreement applicable to a breach or default by either Party, no default by Buyer or Seller shall result in a termination or limitation of any rights of Buyer or Seller unless and until the non-defaulting Party shall have notified the other in writing of said default, in reasonably sufficient detail, and the defaulting Party shall have failed to cure said default within five (5) business days after the receipt of said written notice. This cure period does not apply to the payment of any fees or deposits, which shall be made timely.

12. Notices. All notices required hereunder shall be in writing, and shall be delivered by personal delivery, facsimile, commercial courier, or by mailing such notice by first-class mail, certified, return receipt requested, postage and fees prepaid, addressed as follows:

To Buyer:	Anthem United Homes, Inc. 3001 Douglas Blvd., Suite 200 Roseville, CA 95661 Attention: Brendan Leonard Telephone: 916-960-0240 Facsimile: 916-960-0242 Email: BLEonard@AnthemUnited.com
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With copies to: Stoel Rives LLP
500 Capitol Mall, Suite 1600
Sacramento, CA 95814
Attention: Sylvia S. Arostegui
Telephone: 916-447-0700
Facsimile: 916-447-4781
Email: Sylvia.Arostegui@stoel.com

To Seller: Capitol Station 65 LLC
410 Park Avenue, 14th Floor
New York, NY 10022
Attention: Suneet Singal
Telephone: 916-213-5272
Facsimile: 916-914-2487
Email: s@firstcapitalre.com

With copies to: Nuti Hart LLP
411 30th Street, Suite 408
Oakland, CA 95609
Attention: Gregory C. Nuti
Telephone: 510-507-7152
Email: gnuti@nutihart.com

Escrow Agent: First American Title Company
4750 Willow Road, Suite 100
Pleasanton, CA 94588
Attention: Diane Burton, Escrow Holder
Telephone: 925-201-6603
Facsimile: 866-648-7806
Email: dburton@firstam.com

or to such other address as either Party may designate by written notice to the other. All notices shall be deemed delivered upon actual receipt or refusal of delivery. Email addresses are provided herein for convenience only, and are not deemed to be an acceptable method for delivery of notices, unless otherwise specifically set forth in this Agreement.

13. Brokers. Seller hereby agrees to indemnify, defend and hold Buyer free and harmless from and against any and all claims for any real estate brokerage commission or finder's commission or fee owed by Seller to any broker, agent, finder or third party retained by Seller. Buyer hereby agrees to indemnify, defend and hold Seller free and harmless from and against any and all claims for any real estate brokerage commission or finder's commission or fee owed to any broker, agent, finder or third party retained by Buyer. Each Party shall be responsible for any finder's fee agreed to by such party pursuant to separate agreements that such Party executed in connection with the same.

14. Representations, Warranties and Covenants.

14.1. Buyer's Warranties and Representations. To induce Seller to enter into this Agreement, Buyer represents and warrants to Seller as follows:

(a) Buyer's Authority. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.

(b) Actions. All requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby.

(c) Signatory. The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer and the officers of Buyer, if any, have the legal power, right, and actual authority to execute this Agreement and consummate the transaction contemplated herein.

(d) Enforceability. Subject to entry of the Sale Order, this Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting Parties generally in a case or proceeding concerning Buyer.

(e) Conflicting Documents. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party.

(f) Patriot Act. Buyer is not, and will not be, a person or entity with whom Seller is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 162 Public Law 107-56 (commonly known as the "**USA Patriot Act**") and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including, without limitation, persons and entities named on the office of Foreign Asset Control Specially designated Nationals and Blocked Persons List.

14.2. Seller's Representations. Seller hereby makes the following representations and warranties as of the Effective Date, which representations and warranties shall be deemed to be remade by Seller to Buyer as of the Closing Date. All representations and warranties that are expressly qualified "to Seller's knowledge" shall be deemed to refer to actual (but not constructive) knowledge, without any duty of inquiry or personal liability for the same, of Al Esquivel ("**Seller's Representative**") without Seller's Representative having any

obligation to make an independent inquiry or investigation. In the event of any breach of any representation or warranty by Seller above, Seller's Representative shall not be personally liable for such breach and recourse may not be had against Seller's Representative personally. Seller represents and warrants that Seller's Representative is the person charged with the day-to-day operation of the Property and the person most likely to have knowledge of the truth and accuracy of the below representations and warranties by Seller. Seller has not made and shall have no duty to make any special inquiry or investigation of any of the matters referred to in this Section for purposes of making the representations and warranties stated below. Seller shall not be deemed to have breached any warranty or made any misrepresentation if it has disclosed the truth of the matter in question in a Seller Update Certificate (as defined below). Except as explicitly set forth in this Agreement, Seller makes no representation concerning the Property and Buyer agrees that any representation made by Seller or any of its agents prior to date of this Agreement is not binding upon Seller, nor may Buyer rely thereto, except to the extent such representation is explicitly set forth in this Agreement. If, prior to the Closing Date, Seller acquires actual knowledge of any facts or circumstance which would cause the representations contained in this Section 14.2 to become untrue if such representations were made as of the date Seller becomes aware of such fact or circumstance, Seller shall immediately disclose the same to Buyer by delivery to Buyer of a written notice duly executed by Seller (herein the "**Seller Update Certificate**") identifying any such representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. If, despite the changes or other matters described in such Seller Update Certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such Seller Update Certificate and Seller shall have no liability to Buyer for any such changes, matters or statements made in such Seller Update Certificate except to the extent the same are materially inaccurate when made in such Seller Update Certificate.

(a) Seller's Authority. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California and, subject to Bankruptcy Court approval and entry of the Sale Order, has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(b) Actions. All requisite limited liability company action has been taken by Seller in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby and, to Seller's knowledge, except for entry of the Sale Order, does not require the consent of any other partner, shareholder, trustee, trustor, beneficiary, creditor, investor, Authority or other party. Further, to Seller's knowledge, other than may be required by a development agreement affecting the Property, any entitlement or conditions thereto or any other document disclosed by Buyer to Seller, no action by any Authority is necessary to make this Agreement a valid instrument binding upon Seller in accordance with its terms.

(c) Signatory. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller and the officers of Seller, if any, have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof.

(d) Enforceability. Subject to entry of the Sale Order, this Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms except to the extent that such enforcement may be limited by applicable principles relating to or limiting the rights of contracting Parties generally.

(e) Patriot Act. Seller is not, and will not be, a person or entity with whom Buyer is restricted from doing business under the USA Patriot Act and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including, without limitation, persons and entities named on the office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

(f) Foreign Person. Seller is not a “foreign person” as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and applicable regulations.

(g) Condemnation. To Seller’s knowledge, there are no pending or threatened condemnation proceedings affecting the Property, or any part thereof.

(h) Hazardous Materials. To Seller’s knowledge: (i) there is not, and to the best of Seller’s knowledge has not been, any violation of “Environmental Laws” related to the Property or the presence or release of “Hazardous Materials” on or from the Property, (ii) except as may be disclosed in the Documents delivered to Buyer, to Seller’s knowledge, neither Seller nor any prior or other occupant has manufactured, introduced, released or discharged from or onto the Property any “Hazardous Materials” or any toxic wastes, substances or materials (including, without limitation, asbestos) during the period of Seller’s ownership. To Seller’s knowledge, Seller has not used the Property or any part thereof for the generation, treatment, storage, handling or disposal of any Hazardous Materials, in violation of any Environmental Laws. To Seller’s knowledge (i) there are no underground storage tanks located on the Property, (ii) there have been no claims made or threatened in writing by any third party against Seller or the Property relating to damage, cost recovery compensation, contribution loss or injury resulting from any Hazardous Materials, and (iii) there are no enforcement, cleanup, removal or other Authority actions instituted, completed or threatened in writing pursuant to any applicable federal, state or local laws relating to any Hazardous Materials and affecting the Property. The term “**Environmental Laws**” includes, without limitation, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act and other federal laws governing the environment as in effect on the date of this Agreement, together with their implementing regulations, guidelines, rules or orders as of the date of this Agreement, and all state, regional, county, municipal and other local laws, regulations, ordinances, rules or orders that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Materials. The term “**Hazardous Materials**” includes petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas or such synthetic gas), and any substance, material, waste, pollutant or contaminant listed or defined as hazardous or toxic under any Environmental Law.

(i) Leases. Seller has not entered into any lease, license or other agreement permitting any person or entity to occupy or use any portion of the Property or otherwise affect the Property or any part thereof except as disclosed in the Documents delivered to Buyer.

(j) No Other Contracts. Seller has not granted to any person or entity, and to Seller's knowledge, no person or entity has, any conditional or unconditional right and/or option to purchase the Property, and/or right of first refusal or right of first offer to purchase the Property.

(k) Title. Seller holds sole fee title to the Property and upon entry of the Sale Order shall have full rights to convey the same to Buyer, and no person (including, without limitation, any tenant) has any option to purchase or first refusal rights with respect to the Property or any part thereof.

(l) No Violations. Except as may be disclosed in the Documents delivered to Buyer, to Seller's knowledge, Seller has not received (i) any written notice of any existing violation of any statute, ordinance, regulation or administrative or judicial order concerning the Property, nor (ii) any notice from any Authority that any work of repair, maintenance, or improvement needs to be performed upon the Property.

(m) Instruments Delivered to Buyer. To Seller's knowledge, all instruments, documents, lists, schedules and items, including the Documents, prepared by Seller and required to be delivered to Buyer fairly present the information set forth in a manner that is not misleading and will be true, complete and correct in all respects on the date of delivery and upon each Closing Date, as they may be updated, modified or supplemented in accordance with this Agreement; provided, however, that Seller does not warrant the content or accuracy of any third-party information or report. To Seller's knowledge, Seller has provided all Documents in Seller's possession pertaining to the Property.

(n) Notification of Change in Condition. Seller shall promptly notify Buyer of any event or circumstance which makes any representation or warranty of Seller under this Agreement untrue or misleading, it being understood that the Seller's obligation to provide notice to Buyer shall in no way relieve Seller of any liability for a breach by Seller of any of Seller's representations, warranties or covenants under this Agreement.

14.3. Survival. Unless otherwise expressly stated to the contrary in this Agreement, the representations and warranties of the Parties set forth herein shall be true as of the Effective Date and the date of each Closing, and shall survive each Closing and delivery of each Grant Deed for a period of six (6) months. Seller shall notify Buyer in writing immediately if any representation made by Seller becomes untrue or misleading in light of information obtained by Seller after the Effective Date and prior to Closing.

14.4. Seller's Covenants. From and after the date hereof and through and including the last Closing, Seller shall, at the Seller's sole cost and expense: (a) keep in full force and effect, and/or renew to the extent necessary, all existing licenses, permits, and entitlements for the Property; and (b) continue to maintain the Property in accordance with Seller's existing

business practices and in such condition so that the Property shall be in substantially the same condition on the Closing as of the Effective Date hereof. Further, so long as this Agreement remains in force, Seller shall not (i) cause, permit or, through Seller's acts or omissions, suffer to exist any encumbrance, charge or lien to be placed or claimed upon the Property which would survive past Close of Escrow; (ii) lease, convey or otherwise transfer all or any portion of the Property; (iii) do any act or execute any document which would affect the Property and Buyer's rights under this Agreement without the prior written consent of Buyer, not to be unreasonably withheld; (iv) seek, initiate or facilitate the creation either before or after Closing of any new or additional public assessment district, Mello-Roos tax or other assessment constituting a lien against the Property for any purpose, including, without limitation, the financing of any off-site improvements under any subdivision improvement agreement or otherwise; and (v) cause any action to be taken which would cause any of the representations or warranties made by Seller in this Agreement to be false on or as of the Closing Date.

15. General.

15.1. Entire Agreement. This Agreement constitutes the final and entire Agreement between the Parties, and they shall not be bound by any terms, covenants, conditions, representations or warranties not expressly contained herein. This Agreement may not be amended except by a written instrument executed by both Parties.

15.2. Partial Invalidity. If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

15.3. Time of the Essence. Time is of the essence of this Agreement and the performance of each and every one of the terms and conditions hereof.

15.4. Successors and Assigns. Subject to the limitations set forth below, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, successors and assigns. Buyer and Seller shall not assign, hypothecate, or otherwise transfer such rights hereunder, or delegate such duties hereunder, without the prior written consent of the other party, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Buyer may assign, convey, or otherwise transfer its rights and obligations hereunder, without Seller's consent but upon prior written notice to Seller, to (i) any affiliate, subsidiary or related entity of Buyer, or (ii) any entity affiliated with Buyer established to hold title to the Property. No assignment shall relieve Buyer from its obligations, responsibilities or liabilities under this Agreement.

15.5. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15.6. Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided for convenience of reference only, and shall not be considered in construing their contents.

15.7. Exhibits and Schedules. Each writing or map or plan referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit is incorporated herein by reference and made a part hereof. The following exhibits and schedules are attached to this Agreement:

Exhibit A	Parcels, COE and Pricing
Exhibit B:	Tentative and Final Maps
Exhibit C:	List of Documents
Exhibit D:	Form of Grant Deed
Exhibit E:	Form of FIRPTA Affidavit
Exhibit F:	Form of Bill of Sale
Exhibit G:	Assignment of Plans and Contracts
Exhibit H:	Right to Use Acknowledgement
Schedule 1:	Park Work

15.8. Time Periods. Any and all references in this Agreement to time periods which are specified by reference to a certain number of days refer to calendar days, unless “business days” is otherwise expressly provided. Therefore, if (a) the last date by which a Closing is permitted to occur hereunder, or (b) any date by which a Party is required to provide the other Party with notice hereunder, occurs on a Saturday or a Sunday or a banking holiday in the jurisdiction where the Property is located, then and in any of such events, such applicable date shall be deemed to occur, for all purposes of this Agreement, on that calendar day which is the next succeeding day, which is not a Saturday, Sunday or banking holiday. The term “business days” shall have the meaning ascribed to it in California Civil Code Section 9.

15.9. No Partnership. Nothing in this Agreement shall be deemed in any way to create between the Parties any relationship of partnership, joint venture or association, and the Parties disclaim the existence thereof.

15.10. Waivers. No Party shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and no delay or omission by any Party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

15.11. Choice of Law. This Agreement shall be given effect and construed by application of California law.

15.12. Attorneys’ Fees. In the event of any legal action or arbitration proceeding between the Parties regarding this Agreement or the Property, the prevailing Party shall be entitled to payment by the non-prevailing Party of its reasonable attorneys’ fees, costs, and litigation or arbitration expenses as determined in the course of the proceeding.

15.13. Cooperation in Exchange. In the event that Seller intends to enter into a contract with a qualified intermediary for the purpose of effecting a tax-deferred exchange in accordance with Section 1031 of the U.S. Internal Revenue Code of 1986, as most recently amended, Buyer shall reasonably cooperate with Seller; shall execute, acknowledge, and deliver any and all documents which Seller may reasonably request, provided that such documents are given to Buyer at least ten (10) business days before such documents are to be so delivered; and shall deal with any intermediary as Seller may direct; provided, however, that Buyer shall not be required to (i) incur any escrow or title cost or any liability in connection with any proposed exchange, (ii) delay the Closing, (iii) be responsible for locating exchange property, or (iv) take title to any property other than the Property. Seller shall indemnify and hold Buyer harmless from and against any liability, including reasonable attorneys' fees and costs, in any way related to the exchange, including, but not limited to, any liability as a result of the exchange being a taxable or non-taxable event. Buyer makes no representation as to whether or not the transfer of the Property is a tax-deferred exchange. Seller shall reimburse Buyer for reasonable attorneys' fees incurred in the review of documents which Seller requests Buyer to execute pursuant to this Section, whether or not the tax-deferred exchange is in fact consummated. Seller shall apply the amount to be reimbursed toward payment of the Purchase Price at the Closing. Seller's obligation to cause the conveyance of the Property to Buyer in the time and manner provided in this Agreement is not contingent upon Seller's ability to effectuate a tax-deferred exchange. Each Party agrees to sign a Notice of Assignment prior to Close of Escrow confirming that such Party has received the Notice of Assignment and consents to the assignment.

15.14. Publicity. Each of the Parties agrees that it shall not issue or permit the issuance of a press release regarding this Agreement prior to the filing of the Chapter 11 Plan (or motion for entry of the Sale Order) without the prior written consent of the other Party, which consent may be withheld in the other Party's sole and absolute discretion; provided, however, that the foregoing provisions shall not apply to any disclosure requirements under applicable corporate and securities laws.

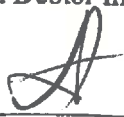
15.15. Representation by Counsel. Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty shall not be construed against either Seller or Buyer based upon authorship of any of the provisions hereof. Seller and Buyer each hereby warrant, represent and certify to the other as follows: (a) that the contents of this Agreement have been completely and carefully read by the representing Party and counsel for the representing Party; (b) that the representing Party has been separately represented by counsel and the representing Party is satisfied with such representation; (c) that the representing Party's counsel has advised the representing Party of, and the representing Party fully understands, the legal consequences of this Agreement; and (d) that no other person (whether a party to this Agreement or not) has made any threats, promises or representations of any kind whatsoever to induce the execution hereof, other than the performance of the terms and provisions hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed under seal this Agreement as of the Effective Date.

SELLER:

CAPITOL STATION 65 LLC,
a California limited liability company,
as Debtor and Debtor in Possession

By: 

Name: Suneet Singal

Title: CEO / CHIEF MAN

Date: 7/27/17

BUYER:

ANTHEM UNITED HOMES, INC.,
a Washington corporation

By: 

Name: DAVID REGLAND

Title: V.P.

Date: 7/27/17

ACCEPTANCE BY ESCROW AGENT

The undersigned joins in the execution of the Agreement for the purpose of agreeing to act as Escrow Agent under the Agreement and to be bound by and perform the terms thereof as such terms apply to Escrow Agent.

ESCROW AGENT:

FIRST AMERICAN TITLE COMPANY

By: *Barbara Clarke*
Name: *BARBARA CLARKE*
Title: Escrow Officer
Date: *7-27-2017*

EXHIBIT A TO PURCHASE AGREEMENT

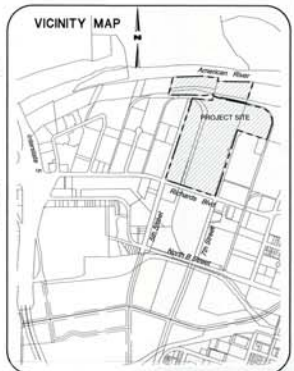
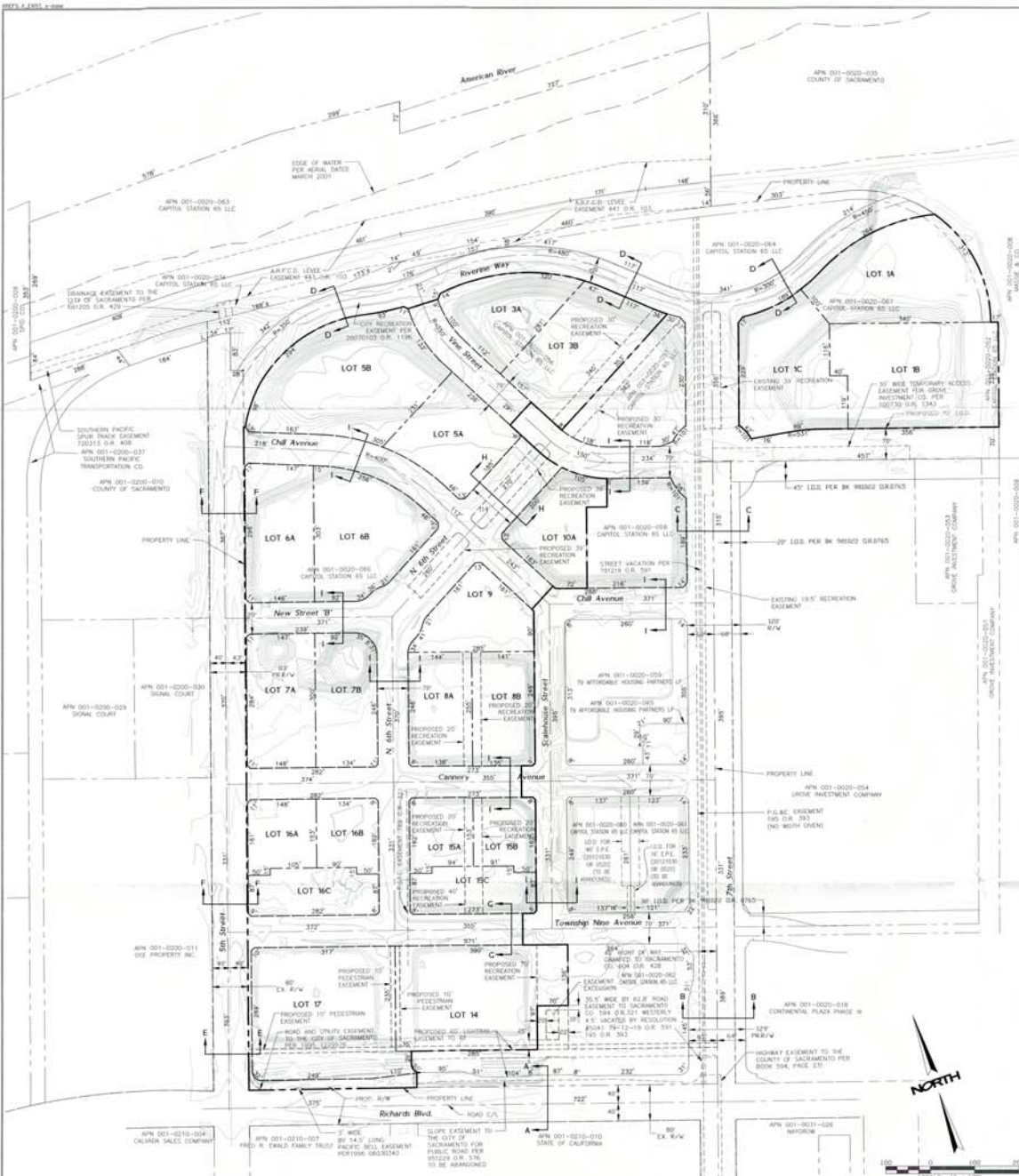
PARCELS, COE AND PRICING

PHASE	PARCEL	PRESUMED YIELD	PURCHASE PRICE	COE - MONTHS AFTER ENTRY OF SALE ORDER
<u>TOWNHOUSES</u>				
1	8A - townhouses	22	\$1,364,000	4
1	8B - townhouses	22	\$1,364,000	4
1	15A/B - affordable	16	\$160,000	4
1	15A/B - townhouses	12	\$744,000	4
2	7A - townhouses	25	\$1,650,000	12
2	7B - townhouses	25	\$1,650,000	12
2	16A/B - affordable	9	\$90,000	12
2	16A/B - townhouses	19	\$1,254,000	12
2	12A - townhouses	16	\$1,056,000	12
2	6A - townhouses	26	\$1,716,000	12
2	6B - townhouses	30	<u>\$1,980,000</u>	12
	Subtotal Land	222	\$13,028,000	
	Fee Credits		\$1,968,030	
	Total Valuation - Townhouses		\$14,996,030	
<u>MULTIFAMILY</u>				
3	12C - MF	95	\$2,185,000	20
3	15C - MF	56	\$1,232,000	20
3	16C - MF	56	<u>\$1,232,000</u>	20
	Subtotal Land	207	\$4,649,000	
	Fee Credits		\$1,835,055	
	Total Valuation - MF		\$6,484,055	
	<u>TOTAL Land Purchase</u>	429	\$17,677,000	
	<u>TOTAL Fee Credits</u>		\$3,803,085	
	<u>TOTAL Valuation</u>		\$21,480,085	

EXHIBIT B TO PURCHASE AGREEMENT

TENTATIVE AND FINAL MAPS

[SEE ATTACHED]



GENERAL NOTES:

OWNER/SUBDIVIDER
Capitol Station 65 LLC
640 Berard Drive, Suite C
Sacramento, CA 95811
Attn: Steve Schaefer
(916) 482-7900

ENGINEER/PLANNER
W.S. Mc
2525 Helmsdale Plaza Drive, Suite 4000
Sacramento, CA 95833
Attn: Jay F. Rohe
(916) 441-8100

ASSESSOR PARCEL NUMBERS:
All or portions of parcels:
001-0220-004, 001-0220-005, and 067, County of Sacramento, CA

LEGAL DESCRIPTION
Designated Remainder 1, Designated Remainder 2, and Lot 1, as shown on the map entitled "Township 9, Phase 1, Subdivision No. 999-0220-004" filed for record November 13, 2012 in Book 378 of final maps, page 1, Sacramento County Records.

SUBDIVISION NAME
Township 9

AREA
64.42 ac. Gross

TOTAL NUMBER OF LOTS
24 LOTS
23 Residential Mixed Use Lots
1 Open Space Lot

EXISTING ZONING
08-PUD SPD & RM-PUD SPD

PROPOSED ZONING
08-PUD SPD & RM-PUD SPD

EXISTING LAND USE
Vacant

PROPOSED LAND USE
Park/Open Space, Multi-Family Residential, Office, Commercial

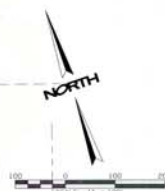
FIRE DISTRICT
City of Sacramento

SCHOOL DISTRICT
Oakland Union High
North Sacramento Elementary

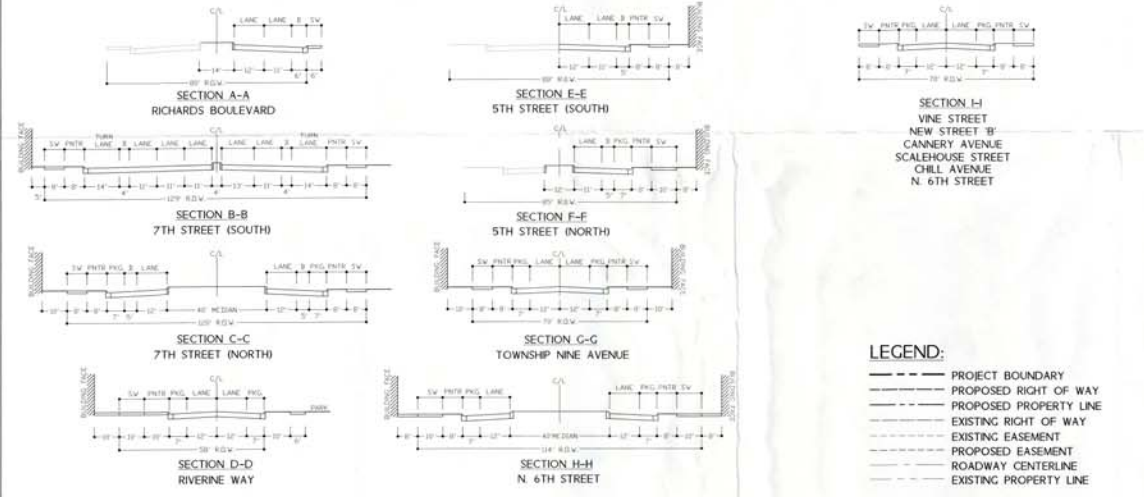
UTILITIES
Sanitary Sewer: City of Sacramento
Water: City of Sacramento
Gas: Pacific Gas and Electric
Telephone: AT&T
Cable: Comcast

PHASING
This project will be phased with multiple final parcel maps.

NOTES:
1. Lots 1A, 1B, 1C, 2A, 2B, 3-5, and 14-17 are proposed for construction. Lots 6-13 are reserved.
2. All existing structures within the project boundaries have been removed.
3. All existing trees and shrubs within the project boundaries have been removed.



TYPICAL STREET SECTIONS



LOT #	LAND USE	ACRES	
LOT 1A	Residential-Family Residential	1.70	
LOT 1B	Residential-Family Residential	1.94	
LOT 1C	Residential-Family Residential	1.44	
LOT 2A	Residential-Family Residential	0.94	
LOT 2B	Residential-Family Residential	1.38	
LOT 2A	Residential-Family Residential	1.02	
LOT 2B	Residential-Family Residential	2.13	
LOT 2A	Residential-Family Residential	1.09	
LOT 2B	Residential-Family Residential	1.42	
LOT 3A	Residential/MF Residential	1.08	
LOT 3B	Residential/MF Residential	0.95	
LOT 4A	Residential/MF Residential	0.94	
LOT 4B	Residential/MF Residential	0.82	
LOT 5	Open Space	0.80	
LOT 10A	Residential-Family Residential	0.86	
LOT 13	Office/Residential-Family Residential	2.44	
LOT 14	Office/Residential-Family Residential	1.84	
LOT 15A	Residential/MF Residential	0.52	
LOT 15B	Residential/MF Residential	0.51	
LOT 15C	Residential/MF Residential	0.67	
LOT 15A	Residential/MF Residential	0.52	
LOT 15B	Residential/MF Residential	0.51	
LOT 15C	Residential/MF Residential	0.51	
LOT 16C	Residential/MF Residential	0.69	
LOT 17	Office/Residential-Family Residential	2.24	
		TOTAL	28.47 ac.

PARK PARCELS AND EASEMENTS:

LOCATION	NET ACREAGE	
LOT 3B	0.24	
LOT 4	0.25	
LOT 8A	0.13	
LOT 8B	0.12	
LOT 9	0.85	
LOT 14	0.27	
LOT 15A	0.07	
LOT 15B	0.07	
LOT 15C	0.10	
LOT 17	0.00	
PARK BLVD MEDIAN	0.36	
N. 7TH STREET MEDIAN	0.64	
TOTAL		3.13 ac.

LEGEND:

- PROJECT BOUNDARY
- PROPOSED RIGHT OF WAY
- PROPOSED PROPERTY LINE
- EXISTING RIGHT OF WAY
- EXISTING EASEMENT
- PROPOSED EASEMENT
- ROADWAY CENTERLINE
- EXISTING PROPERTY LINE

REVISED
P/17-06B



FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



2495 NATOMAS PARK DRIVE, FOURTH FLOOR, SACRAMENTO, CA. 95833
916.641.9100 TEL 916.641.9222 FAX WWW.NVS.COM
SHEET 1 OF 8

OWNERS STATEMENT:

THE UNDERSIGNED HEREBY CONSENTS TO THE PREPARATION AND RECORDATION OF THIS FINAL MAP OF TOWNSHIP 9 - PHASE 1 AND OFFER FOR DEDICATION AND DOES HEREBY DEDICATE TO ANY AND ALL PUBLIC USE THE PUBLIC STREETS, AVENUES, WAY AND BOULEVARD SHOWN HEREON AND ALSO OFFER FOR DEDICATION AND DO HEREBY DEDICATE FOR SPECIFIC PURPOSES THE FOLLOWING:

- EASEMENT FOR THE INSTALLATION AND MAINTENANCE OF SEWER PIPES, UNDERGROUND DRAINAGE PIPELINES, ELECTROLIERS, WATER PIPES, GAS PIPES, UNDERGROUND WIRES FOR CABLE TELEVISION, ELECTRIC AND TELEPHONE SERVICES TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER, UNDER AND ACROSS THOSE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "PUBLIC UTILITY EASEMENT" (P.U.E.).
- PURSUANT TO THE PROVISIONS OF SECTION 66475 OF THE SUBDIVISION MAP ACT, IRREVOCABLE OFFER OF DEDICATION FOR A RECREATIONAL EASEMENT, TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER AND ACROSS AS SHOWN HEREON AND DESIGNATED AS "MOD FOR EXCLUSIVE PARK EASEMENT" (E.P.E.).
- PURSUANT TO THE PROVISIONS OF SECTION 66475 OF THE GOVERNMENT CODE, WE HEREBY IRREVOCABLY OFFER FOR DEDICATION TO THE CITY OF SACRAMENTO, AN EASEMENT FOR ANY PUBLIC ROAD PURPOSES, ON OVER, UNDER AND ACROSS THE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "ROAD IRREVOCABLE OFFER OF DEDICATION" (R.I.O.D.).
- EASEMENT FOR PUBLIC SIDEWALK AND PEDESTRIAN ACCESS TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER AND ACROSS STRIPS OF LAND SHOWN HEREON AND DESIGNATED AS "PUBLIC SIDEWALK AND PEDESTRIAN EASEMENT."

CAPITOL STATION 65, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: Scott C. Syphax NAME: _____
DATE: 10/23/12 DATE: _____

NOTARY ACKNOWLEDGMENT:

STATE OF CALIFORNIA)
COUNTY OF Sacramento) SS

ON Oct. 23, 2012 BEFORE ME,
Mary L. Ackman, Notary Public, PERSONALLY APPEARED
Scott C. Syphax 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 CAPACITIE(S), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE
INSTRUMENT THE PERSON(S) OR 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 IS TRUE AND CORRECT.

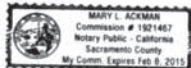
WITNESS MY HAND AND OFFICIAL SEAL.

Mary L. Ackman NOTARY'S SIGNATURE
Mary L. Ackman PRINT NOTARY'S NAME

MY PRINCIPLE PLACE OF BUSINESS IS Sacramento COUNTY.

COMMISSION NO. 1921467

MY COMMISSION EXPIRES: Feb. 8, 2015



BENEFICIARY'S STATEMENT:

ISIS LENDING, LLC, AS BENEFICIARY UNDER THAT CERTAIN DEED OF TRUST RECORDED
DECEMBER 24, 2008 IN BOOK 20081224 AT PAGE 865 OFFICIAL RECORDS OF SACRAMENTO
COUNTY, CONSENTS TO THE PREPARATION AND FILING OF THIS FINAL MAP.

ISIS LENDING, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: Garry J. Spanner
NAME: GARRY J. SPANNER
TITLE: PRESIDENT
DATE: 10-18-12

NOTARY ACKNOWLEDGMENT:

STATE OF CALIFORNIA)
COUNTY OF San Mateo) SS

ON 18 October 2012 BEFORE ME,
L.G. Riley, Notary Public PERSONALLY APPEARED
Garry J. Spanner 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 CAPACITIE(S), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE
INSTRUMENT THE PERSON(S) OR 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 IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

L.G. Riley NOTARY'S SIGNATURE
L.G. Riley PRINT NOTARY'S NAME

MY PRINCIPLE PLACE OF BUSINESS IS San Mateo COUNTY.

COMMISSION NO. 1920023

MY COMMISSION EXPIRES: 18 March 2015

SURVEYOR'S STATEMENT:

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF CAPITOL STATION 65, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION IN JANUARY, 2010. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL MONUMENTS ARE OF CHARACTER AND OCCUPY THE POSITIONS INDICATED AND SHALL BE SET BY JANUARY 31, 2013 AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED.

Sherrrie J. Zimmerman
SHERRIE J. ZIMMERMAN, PLS 8964
LICENSE EXPIRES: 09/30/2014

OCTOBER 25, 2012
DATE:



CITY SURVEYOR'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP ENTITLED "TOWNSHIP 9-PHASE 1", AND FIND IT SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP APPROVED BY THE CITY PLANNING COMMISSION OF THE CITY OF SACRAMENTO AND ANY APPROVED ALTERATIONS THEREOF, THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ALL APPLICABLE CITY ORDINANCES HAVE BEEN COMPLIED WITH, AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

I HEREBY APPROVE THIS FINAL MAP OF "TOWNSHIP 9-PHASE 1" AND ACCEPT, ON BEHALF OF THE PUBLIC, SUBJECT TO IMPROVEMENTS, THE PUBLIC STREETS AND THE EASEMENTS HEREOF OFFERED FOR DEDICATION, BUT REJECT AT THIS TIME THE IRREVOCABLE OFFER OF DEDICATION (R.I.O.D.), SAID OFFER MAY BE ACCEPTED BY THE CITY AT ANY TIME. THE ABANDONMENTS OF THE EASEMENTS LISTED HEREON PURSUANT TO SECTION 66434(G) OF THE GOVERNMENT CODE ARE HEREBY APPROVED.

Faith B. Recio Nov 1, 2012
CITY SURVEYOR DATE:
FAITH B. RECIO, PLS 8424
EXP. DATE 12/31/2012
CITY OF SACRAMENTO



CITY CLERK'S STATEMENT:

I HEREBY ATTEST TO THE APPROVAL OF THIS FINAL MAP ENTITLED "TOWNSHIP 9-PHASE 1".

Wendy Sorensen 11-1-12
CITY CLERK DATE
CITY OF SACRAMENTO

RECORDER'S STATEMENT:

FILED THIS 13th DAY OF NOVEMBER, 2012 AT 10:47 A.M. IN BOOK 378 OF
FINAL MAPS, AT PAGE 001, AT THE REQUEST OF CAPITOL STATION 65, LLC, TITLE TO
THE LAND INCLUDED IN THE SUBDIVISION BEING VESTED AS PER CERTIFICATE NO. 7080
ON FILE IN THIS OFFICE.

SIGNED: CRAIG A. KRANER
COUNTY RECORDER

BY: _____
DEPUTY

DOCUMENT NO: 8K2012113 Pg 0929
FEE: \$159.00

378-1-1

FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



2495 NATOMAS PARK DRIVE, FOURTH FLOOR, SACRAMENTO, CA. 95833
916.6419100 TEL. 916.6419222 FAX WWW.NV5.COM

SHEET 2 OF 8

INDEX SHEET

LEGEND

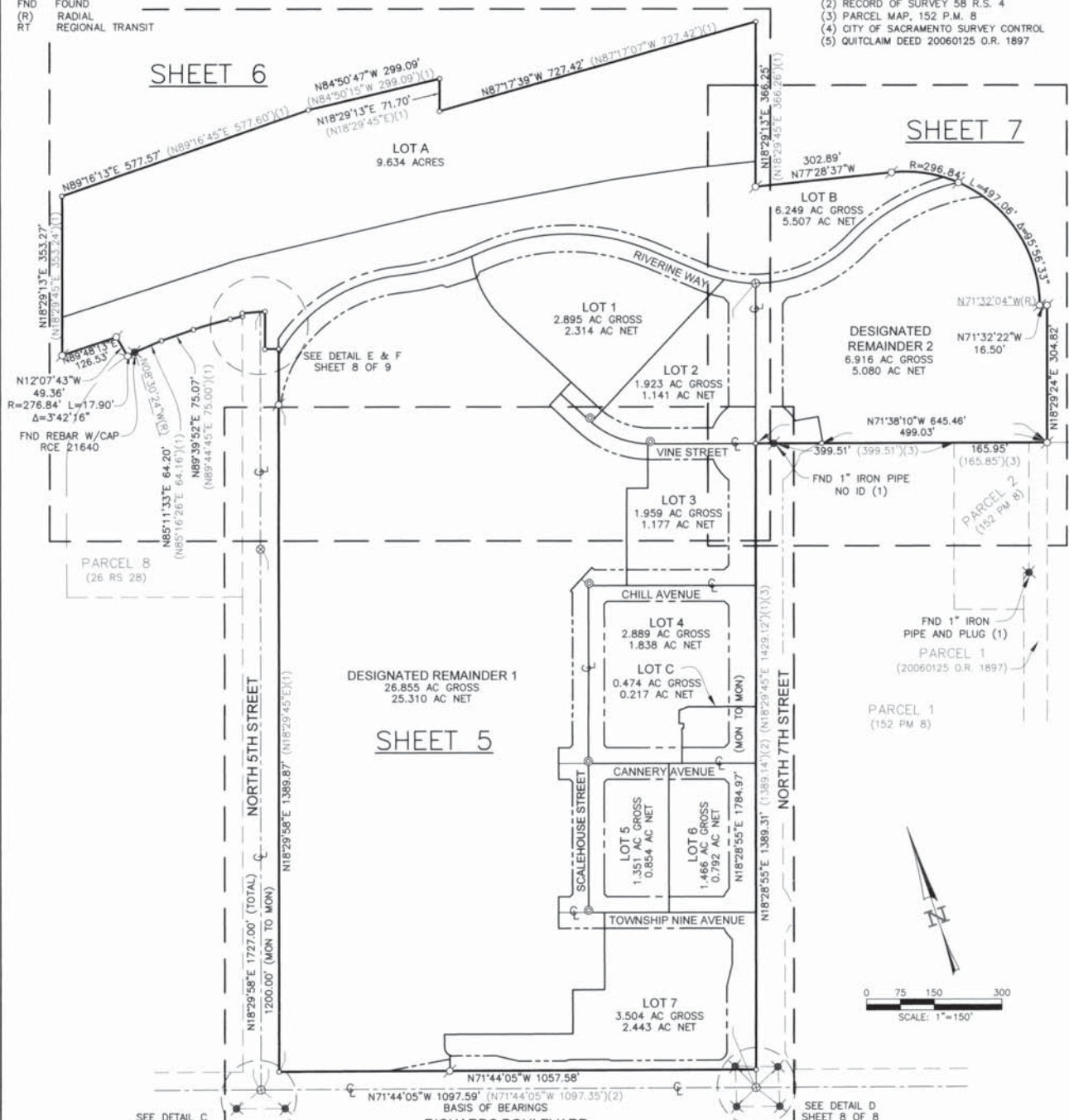
- DIMENSION POINT (NOTHING FOUND OR SET)
- ⊗ FOUND MONUMENT AS NOTED
- ⊗ SET 3/4" REBAR WITH CAP STAMPED LS 8964
- ⊗ SET 1/2" DIA. X 2" MAG & WASHER LS 8964 PER CITY MANAGER DESIGNEE (16.44.050)
- ⊗ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
- I.O.D. IRREVOCABLE OFFER OF DEDICATION
- E.P.E. EXCLUSIVE PARK EASEMENT
- CL CENTERLINE
- FND FOUND
- (R) RADIAL
- RT REGIONAL TRANSIT

CONDOMINIUM NOTE

LOTS 1, 2, 3, 4, 5 & 6 ARE APPROVED FOR CONDOMINIUM PURPOSES

REFERENCES

- (1) RECORD OF SURVEY 26 R.S. 28
- (2) RECORD OF SURVEY 58 R.S. 4
- (3) PARCEL MAP, 152 P.M. 8
- (4) CITY OF SACRAMENTO SURVEY CONTROL
- (5) QUITCLAIM DEED 20060125 O.R. 1897



- NOTES:**
1. SHEET 2 IS AN INDEX SHEET AND SHOWS BEARINGS AND DISTANCES FOR THE SUBDIVISION EXTERIOR BOUNDARY.
 2. FOR BASIS OF BEARINGS SEE SHEET 3 OF 8.
 3. SHEET 3 OF 8 IS A DETAIL OF HOW THE PROPERTY WAS ESTABLISHED.
 4. SHEET 4 OF 8 IS A DETAIL SHOWING THE LOCATIONS OF THE EXISTING EASEMENTS.
 5. THE TOTAL AREA OF RIGHT-OF-WAY TO BE DEDICATED PER THIS MAP IS ±9.808 ACRES.
 6. THE OWNER/DEVELOPER MUST DISCLOSE TO FUTURE/POTENTIAL OWNERS THE EXISTING 21KV ELECTRICAL FACILITIES.
 7. LOTS A, B & C SHALL BE GRANTED I.O.D. IN FEE TITLE TO THE CITY OF SACRAMENTO FOR PARK PURPOSES.
 8. THE LOCATION OF THE GREAT WESTERN POWER COMPANY EASEMENT RECORDED IN BOOK 412 OF DEEDS AT PAGE 491 IS NOT DISCLOSED BY RECORD INFORMATION AND IS NOT SHOWN ON THIS MAP.
 9. THE TOTAL AREA OF THIS SUBDIVISION IS ±66.114 ACRES.
 10. ALL DISTANCES AND DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
 11. THE FOLLOWING EASEMENTS FOR I.O.D. NOT SHOWN HEREON ARE HEREBY ABANDONED PURSUANT TO SECTION 66434(g) OF THE GOVERNMENT CODE:
75.5' PUBLIC UTILITY EASEMENT PER 800910 O.R. 795,
20' WIDE FIRE PROTECTION EASEMENT PER 800710 O.R. 983
25' X 75.5' UTILITY EASEMENT PER 800710 O.R. 983
PUBLIC ROAD AND UTILITY EASEMENT PER 20010330 O.R. 171
SLOPE EASEMENT PER 951229 O.R. 576

378-1-2

FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



2495 NATOMAS PARK DRIVE, FOURTH FLOOR, SACRAMENTO, CA. 95833
916.641.9100 TEL. 916.641.9222 FAX WWW.NOLTE.COM

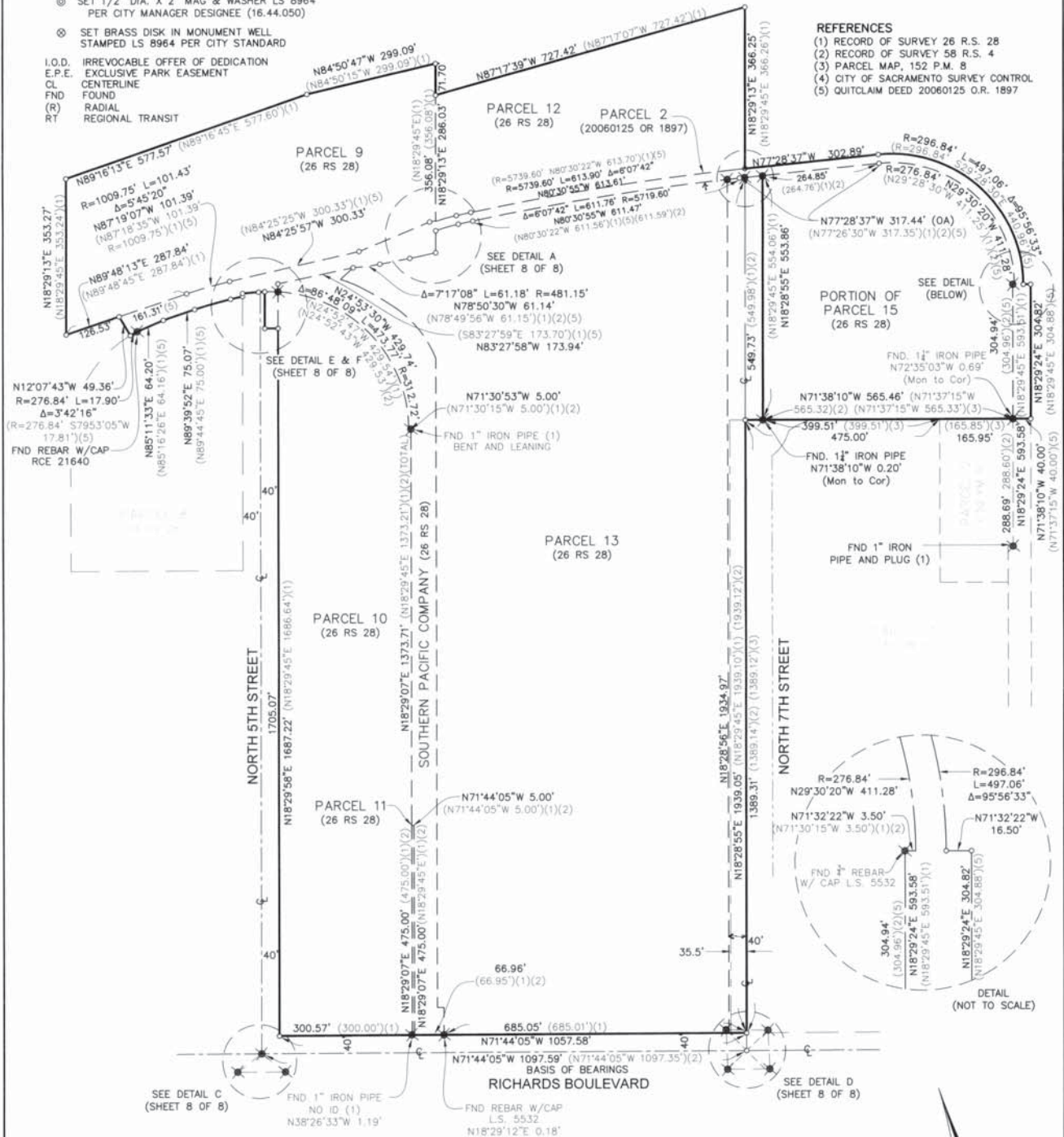
SHEET 3 OF 8

LEGEND

- DIMENSION POINT (NOTHING FOUND OR SET)
- ✱ FOUND MONUMENT AS NOTED
- ⊕ SET 3/4" REBAR WITH CAP STAMPED LS 8964
- ⊙ SET 1/2" DIA. X 2" MAG & WASHER LS 8964 PER CITY MANAGER DESIGNEE (16.44.050)
- ⊗ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
- I.O.D. IRREVOCABLE OFFER OF DEDICATION
- E.P.E. EXCLUSIVE PARK EASEMENT
- CL CENTERLINE
- FND FOUND
- (R) RADIAL
- RT REGIONAL TRANSIT

REFERENCES

- (1) RECORD OF SURVEY 26 R.S. 28
- (2) RECORD OF SURVEY 58 R.S. 4
- (3) PARCEL MAP, 152 P.M. 8
- (4) CITY OF SACRAMENTO SURVEY CONTROL
- (5) QUITCLAIM DEED 20060125 O.R. 1897



BASIS OF BEARINGS:
THE BASIS OF BEARINGS OF THIS SURVEY IS IDENTICAL WITH THAT OF THE CENTERLINE OF RICHARDS BOULEVARD, AS SHOWN ON THAT RECORD OF SURVEY RECORDED IN BOOK 58 OFFICIAL SURVEYS, PAGE 4 SACRAMENTO COUNTY OFFICIAL RECORDS. THE BEARING IS GIVEN AS NORTH 71°44'05" WEST.

378-1-3

FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012

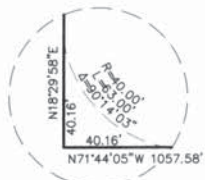
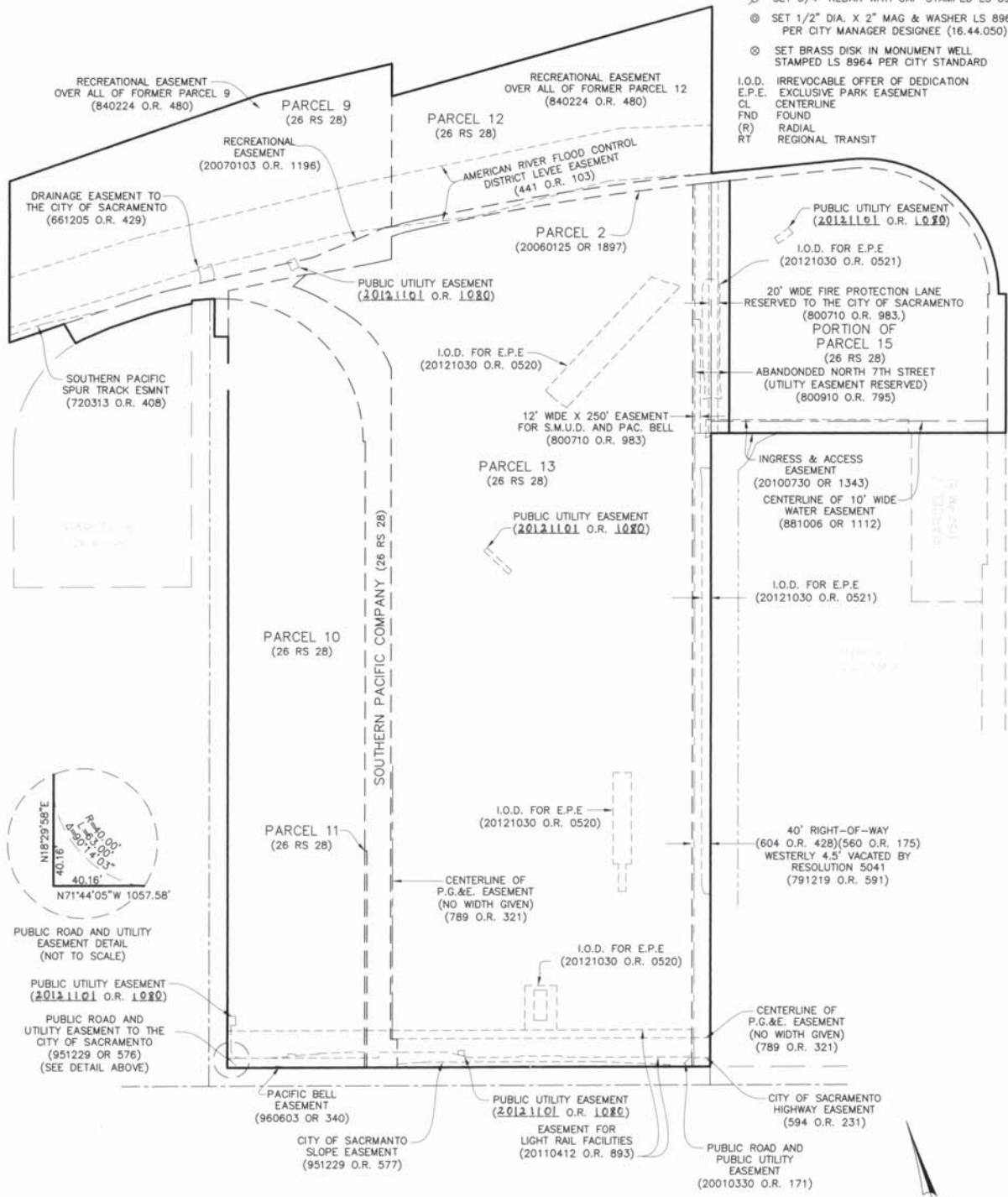


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916.6419100 TEL 916.6419222 FAX WWW.NOLTE.COM

SHEET 4 OF 8

LEGEND

- o DIMENSION POINT (NOTHING FOUND OR SET)
- ✕ FOUND MONUMENT AS NOTED
- ⊙ SET 3/4" REBAR WITH CAP STAMPED LS 8964
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- I.O.D. IRREVOCABLE OFFER OF DEDICATION
- E.P.E. EXCLUSIVE PARK EASEMENT
- CL CENTERLINE
- FND FOUND
- (R) RADIAL
- RT REGIONAL TRANSIT



PUBLIC ROAD AND UTILITY EASEMENT DETAIL (NOT TO SCALE)

PUBLIC UTILITY EASEMENT (20121101 O.R. 1080)

PUBLIC ROAD AND UTILITY EASEMENT TO THE CITY OF SACRAMENTO (951229 OR 576) (SEE DETAIL ABOVE)

EASEMENT NOTES:

1. THE LOCATION OF THE GREAT WESTERN POWER COMPANY EASEMENT RECORDED IN BOOK 412 OF DEEDS AT PAGE 491 IS NOT DISCLOSED BY RECORD INFORMATION AND IS NOT SHOWN ON THIS MAP.
2. THE LOCATION OF THE TEMPORARY ACCESS EASEMENT RECORDED IN BOOK 20110428 OFFICIAL RECORDS AT PAGE 805 IS NOT DISCLOSED BY RECORD INFORMATION AND IS NOT SHOWN ON THIS MAP.



378-1-4

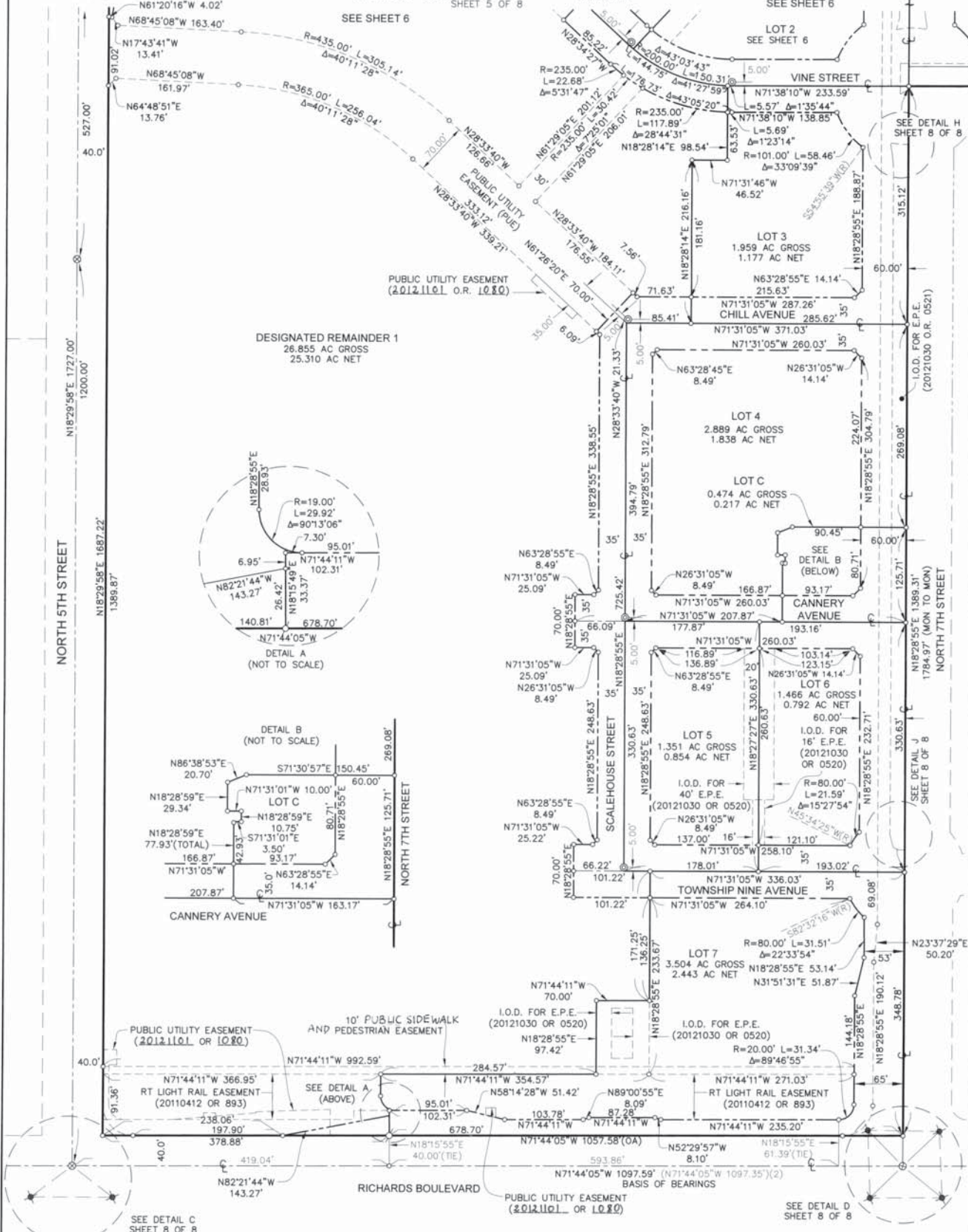
- LEGEND**
- DIMENSION POINT (NOTHING FOUND OR SET)
 - ✕ FOUND MONUMENT AS NOTED
 - ⊙ SET 3/4" REBAR WITH CAP STAMPED LS 8964
 - ⊙ SET 1/2" DIA. X 2" MAG & WASHER LS 8964 PER CITY MANAGER DESIGNEE (16.44.050)
 - ⊙ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
 - I.O.D. IRREVOCABLE OFFER OF DEDICATION
 - E.P.E. EXCLUSIVE PARK EASEMENT
 - CL CENTERLINE
 - FND FOUND
 - (R) RADIAL
 - RT REGIONAL TRANSIT

FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



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378-1-5

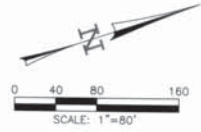
FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



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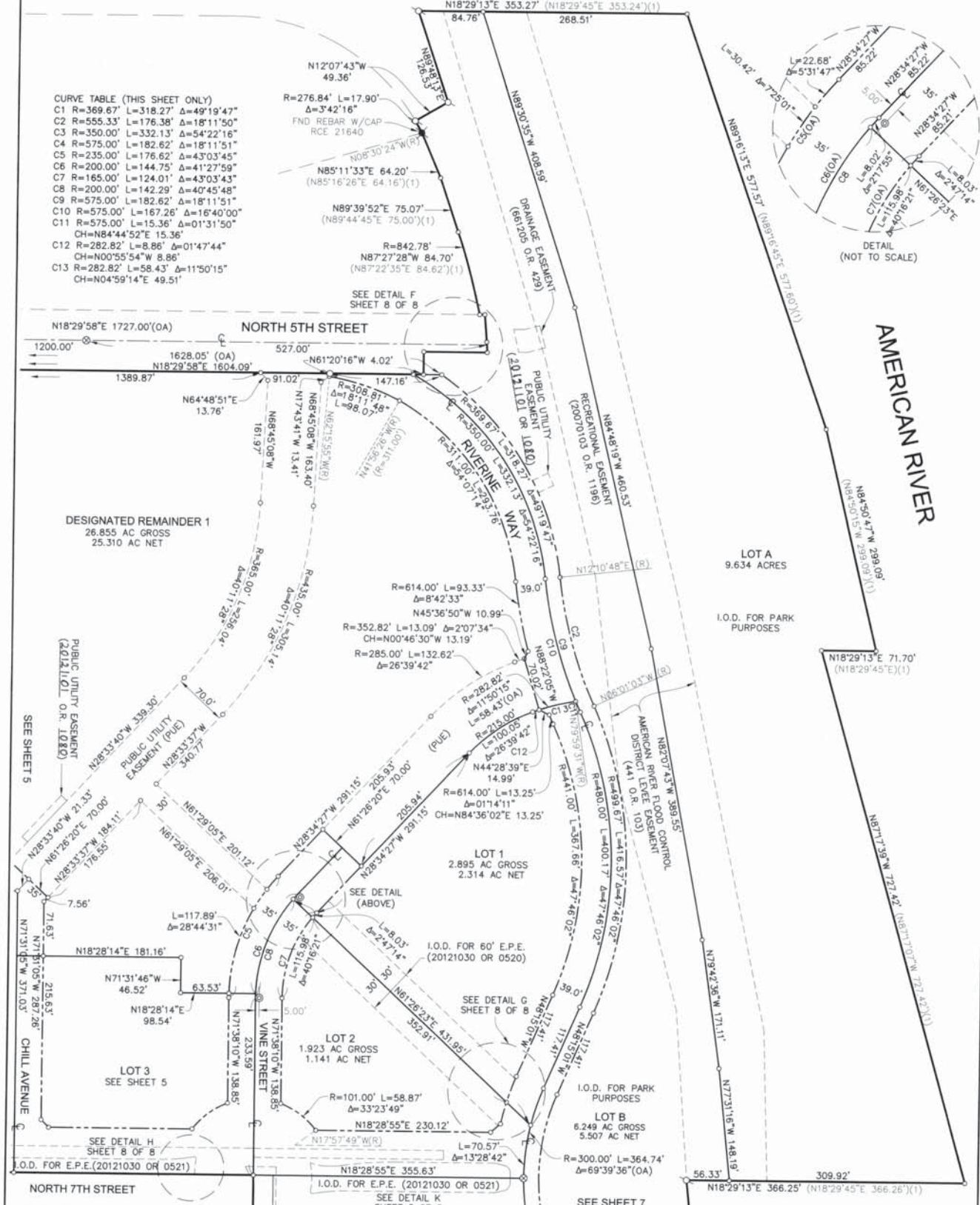
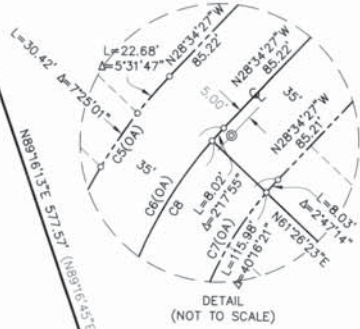
SHEET 6 OF 8



- LEGEND**
- DIMENSION POINT (NOTHING FOUND OR SET)
 - ✕ FOUND MONUMENT AS NOTED
 - ⊗ SET 3/4" REBAR WITH CAP STAMPED LS 8964
 - ⊙ SET 1/2" DIA. X 2" MAG & WASHER LS 8964 PER CITY MANAGER DESIGNEE (16.44.050)
 - ⊗ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
 - I.O.D. IRREVOCABLE OFFER OF DEDICATION
 - E.P.E. EXCLUSIVE PARK EASEMENT
 - CL CENTERLINE
 - FND FOUND
 - (R) RADIAL
 - RT REGIONAL TRANSIT

CURVE TABLE (THIS SHEET ONLY)

C1	R=369.67'	L=318.27'	Δ=49°19'47"
C2	R=555.33'	L=176.38'	Δ=18°11'50"
C3	R=350.00'	L=332.13'	Δ=54°22'16"
C4	R=575.00'	L=182.62'	Δ=18°11'51"
C5	R=235.00'	L=176.62'	Δ=43°03'45"
C6	R=200.00'	L=144.75'	Δ=41°27'59"
C7	R=165.00'	L=124.01'	Δ=43°03'43"
C8	R=200.00'	L=142.29'	Δ=40°45'48"
C9	R=575.00'	L=182.62'	Δ=18°11'51"
C10	R=575.00'	L=167.26'	Δ=16°40'00"
C11	R=575.00'	L=15.36'	Δ=01°31'50"
C12	R=282.82'	L=8.86'	Δ=01°47'44"
C13	R=282.82'	L=58.43'	Δ=11°50'15"



378-1-6

TOWNSHIP 9 - PHASE 1

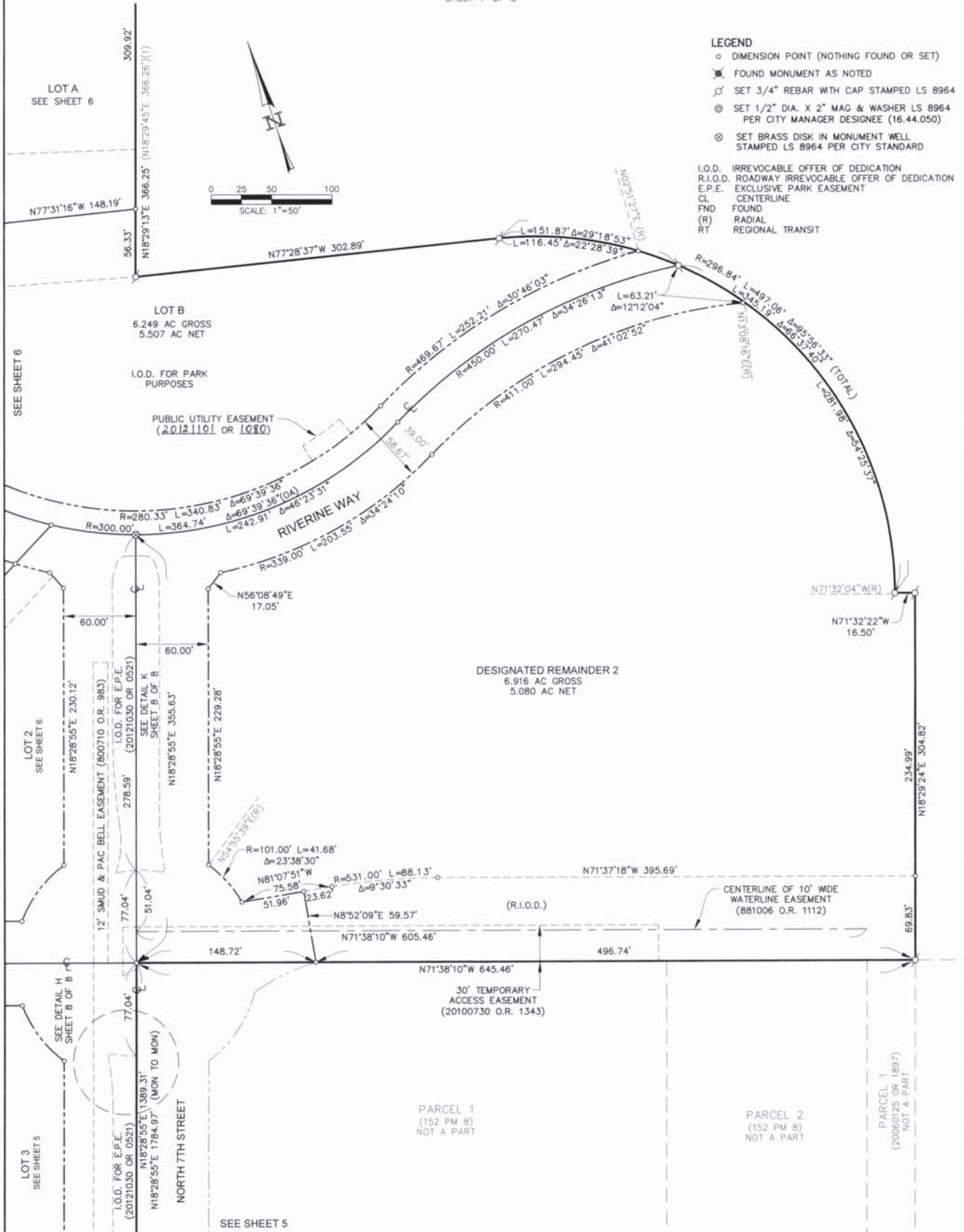
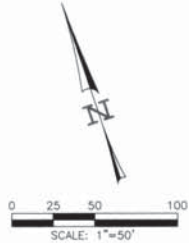
FINAL MAP OF
SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
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CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



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SHEET 7 OF 8

LEGEND

- DIMENSION POINT (NOTHING FOUND OR SET)
- ✕ FOUND MONUMENT AS NOTED
- ⊗ SET 3/4" REBAR WITH CAP STAMPED LS 8964
- ⊙ SET 1/2" DIA. X 2" MAG & WASHER LS 8964 PER CITY MANAGER DESIGNEE (16.44.050)
- ⊕ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
- I.O.D. IRREVOCABLE OFFER OF DEDICATION
- R.I.O.D. ROADWAY IRREVOCABLE OFFER OF DEDICATION
- E.P.E. EXCLUSIVE PARK EASEMENT
- CL CENTERLINE
- FND FOUND
- (R) RADIAL
- RT REGIONAL TRANSIT



378-1-7

LEGEND

- DIMENSION POINT (NOTHING FOUND OR SET)
- ✕ FOUND MONUMENT AS NOTED
- ⊙ SET 3/4" REBAR WITH CAP STAMPED LS 8964
- ⊙ SET 1/2" DIA. X 2" MAG & WASHER LS 8964
- ⊙ PER CITY MANAGER DESIGNEE (16.44.050)
- ⊙ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
- I.O.D. IRREVOCABLE OFFER OF DEDICATION
- E.P.E. EXCLUSIVE PARK EASEMENT
- RT REGIONAL TRANSIT CENTERLINE
- FND FOUND
- (R) RADIAL

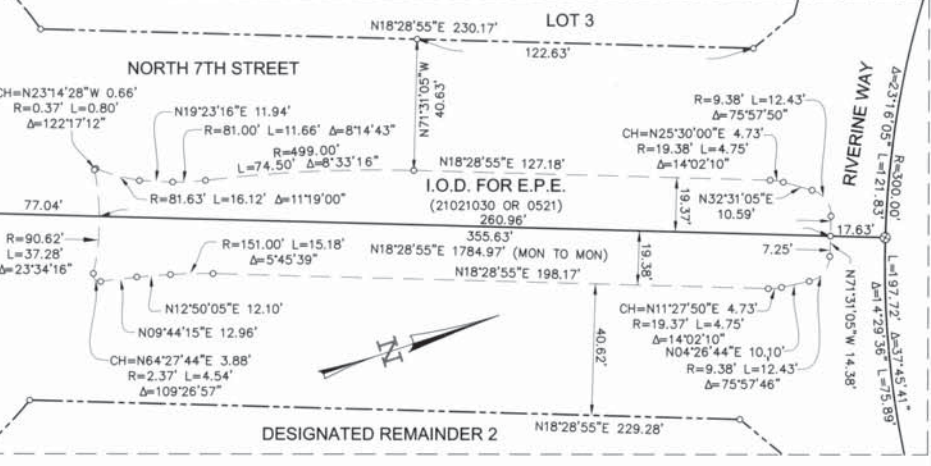
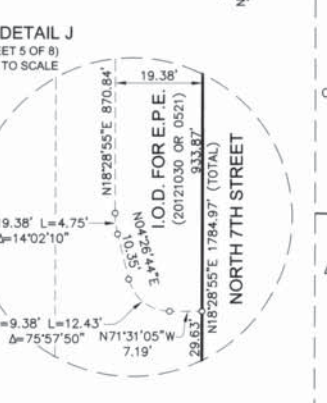
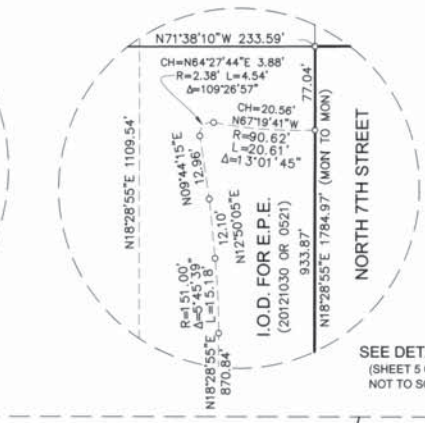
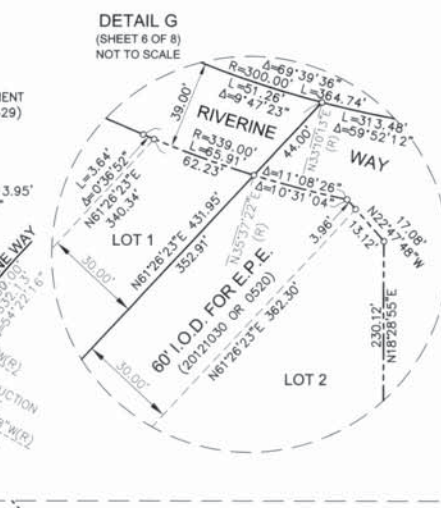
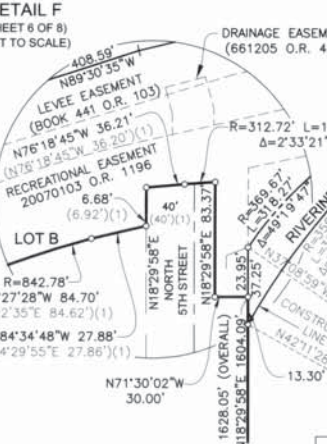
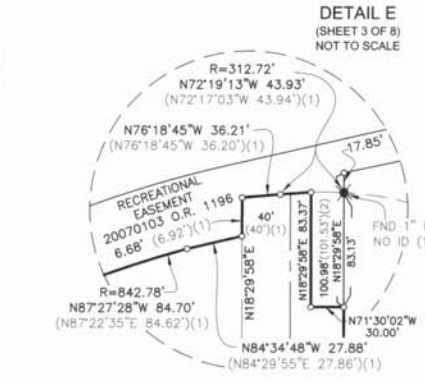
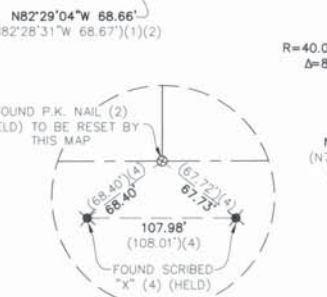
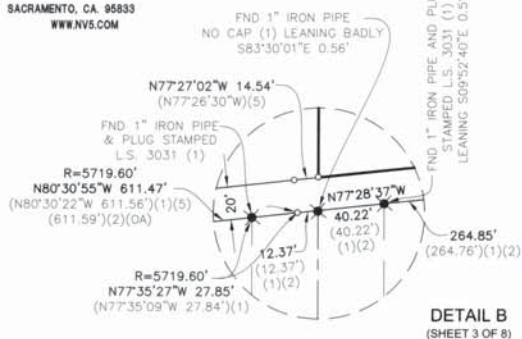
TOWNSHIP 9 - PHASE 1

FINAL MAP OF
 SUBDIVISION NO P10_036
 PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
 AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
 CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
 OCTOBER 2012



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SHEET 8 OF 8



378-1-8

EXHIBIT C TO PURCHASE AGREEMENT

LIST OF DOCUMENTS

1. All COAs and Design Review approvals;
2. EIR – Executive Summary, Draft, Final and the related permits and mitigation; measures
3. Any and all Development Agreements and any Amendments thereto;
4. Any plans, maps, soils reports, including Phase I preliminary site assessments, biological survey assessments, plans, permits and other items in Seller’s immediate possession;
5. Any existing survey of the Property;
6. A copy of Seller’s title policy related to the Property;
7. Copies of tax bills statements for the Property for tax years 2014, 2015 and 2016 relating to personal and ad valorem taxes and rental and special assessments;
8. Copies of any and all environmental, soils, endangered species, traffic, and engineering studies and reports;
9. Copies of any and all plats, site plans, elevations, topographical maps, surveys, tentative maps, draft final maps, improvement plans, landscape plans, utility designs, and architecture;
10. Copies of any and all utility documents and agreements, management agreements, service and maintenance agreements and equipment leases;
11. Copies of all permits and licenses;
12. Any and all information regarding condemnation notice(s), proceedings and awards;
13. Copies of all publicly recorded or filed financing, commitments, notes, bonds, mortgages, deeds of trust, financing statements and other indebtedness securing the Property;
14. Copies of all Authority and third-party approvals related to the Property, including all approvals, permits, and authorizations necessary for development, construction, use or occupancy of the Property and the subdivision of the land, and all required public improvement agreements, easements, dedications or other similar agreements in connection with the Property; and
15. Any additional information reasonably requested by Buyer pertaining to the proposed development of the Property in Seller’s immediate possession.

EXHIBIT D TO PURCHASE AGREEMENT

FORM OF GRANT DEED

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Anthem United Homes, Inc.
3001 Douglas Blvd., Suite 200
Roseville, CA 95661

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The Undersigned Grantor(s) Declare(s):

Documentary Transfer Tax is \$ _____; City Transfer tax is: \$ _____

computed on full value of interest or property conveyed, or

computed on full value less value of liens or encumbrances remaining at time of sale

unincorporated area, or City of _____

Tax Parcel No. – See Exhibit A hereto

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, _____, a _____ (“**Grantor**”), hereby grants to _____, a _____ (“**Grantee**”), the following real property located in the City of _____, County of _____, State of California (“**Property**”), as further described on Exhibit A attached hereto, together with all rights, privileges, easements and appurtenances held by Grantor, if any, appertaining to the Property. This conveyance is made subject to the lien of non-delinquent real property taxes and assessments and covenants, conditions, restrictions, easements, rights-of-way, servitudes, encumbrances and all other matters of record as of the date hereof, if any.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

GRANTOR: **[INSERT]**

By: _____

Its: _____

Date: _____

[Notary Acknowledgment on Next Page]

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____

_____ 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: _____ (Seal)

Exhibit A to Grant Deed

Legal Description

[TO BE ATTACHED BY ESCROW HOLDER]

EXHIBIT E TO PURCHASE AGREEMENT

FORM OF FIRPTA AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by CAPITOL STATION 65 LLC, a California limited liability company (“Seller”), the undersigned hereby certifies the following on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Seller is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii) of the Internal Revenue Code;

3. Seller’s U.S. employer identification number is _____;
and

4. Seller’s office address is _____.

Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

[ENTITY TO BE CONFIRMED],

a _____

By: _____

Name: _____

Its: _____

DATED: _____

EXHIBIT F TO PURCHASE AGREEMENT

FORM OF BILL OF SALE¹

This ASSIGNMENT AND BILL OF SALE (this “**Bill of Sale**”) is made as of _____, 2017, by CAPITOL STATION 65 LLC, a California limited liability company (“**Assignor**”), in favor of ANTHEM UNITED HOMES, INC., a Washington corporation (“**Assignee**”), pursuant to that certain Agreement of Purchase and Sale of Land and Joint Escrow Instructions, by and between Assignor and Assignee, dated _____, 2017 (the “**Purchase Agreement**”). This Bill of Sale is subject to the terms and provisions of the Purchase Agreement, and in the event of any inconsistency between the Purchase Agreement and this Bill of Sale, the terms and provisions of the Purchase Agreement shall control.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, conveys, delivers, transfers and assigns to Assignee, without warranty of any kind, all of Assignor’s right, title and interest in, to and under, and Assignee assumes all rights, duties and obligations under, any and all of the following items, only to the extent that they are related to that certain real property located in the City of Sacramento, County of Sacramento, State of California, which is more particularly described in the Purchase Agreement (the “**Land**”):

(a) all zoning, use, occupancy, and operating permits, and all other Authority permits, licenses, approvals, applications, subdivision maps, entitlements, conditions of approval, Environmental Permits, certificates, rights and obligations under any development agreement, cost sharing agreements, environmental impact reports and mitigation monitoring programs, school fee mitigation agreements, building permits, development allocations, and development rights relating to the Land;

(b) all utility and other permits relating to the Land;

(c) all fee credits and license tax credits; all prepaid expenses, fees, and deposits applicable to the Land, and the right to any refunds thereunder or rebates thereof, including, without limitation, all refunds of utility deposits;

(d) all plans and specifications for buildings, structures and fixtures located on the Land, whether existing or anticipated;

(e) all tax and assessment protest actions and claims to seek reductions in the valuation of the Land for property tax purposes, and rights to prosecute same, for any period after the Closing Date, including, without limitation, all of Assignor’s right, title and interest in and to all tax and assessment refunds or rebates now or hereafter payable for any period after the Closing Date. Assignor shall not be responsible therefore or entitled to any refunds resulting therefrom. Assignor agrees to cooperate with Assignee by executing such documents and providing to Assignee or the appropriate governing body or agency such items as Assignee or

¹ **NOTE: Bill of Sale to be revised to reflect and conform to terms of Sale Order.**

such governing body or agency may reasonably request, so as to facilitate Assignee's prosecution of tax and assessment protest actions and claims, provided such cooperation entails no material cost or expense to Assignor;

(f) Assignor's rights to any warranties and indemnities received by Assignor from third parties affecting the Property conveyed at the Closing, and Assignor's rights and/or remedies under any contract it or its predecessors in interest may have with any design professionals, construction contractors, construction subcontractors, other contractors involved in the improvement of the lots, or other aspects of the physical improvement of the Property for claims, damage or losses directly related to the Property; and

(g) All of Assignor's right, title and interest in and to the Intangible Property and entitlements (as such terms are defined in the Purchase Agreement);

(all of the above being referred to herein collectively as the "**Personal Property**").

Assignor covenants that, without cost or liability to Assignor, Assignor shall, at any time and from time to time upon written request therefor, execute and deliver to Assignee such documents and instruments as Assignee may reasonably request in order to fully assign, transfer and vest the Personal Property in Assignee.

The covenants, warranties and agreements of Assignor contained herein shall survive the consummation of the purchase and sale of the Land and the execution and delivery of the deed and this Assignment and Bill of Sale and shall not be merged thereby.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

The provisions of this Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of Assignor and Assignee, respectively.

ASSIGNOR:

CAPITOL STATION 65 LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE:

ANTHEM UNITED HOMES, INC.,
a Washington corporation

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT G TO PURCHASE AGREEMENT
ASSIGNMENT OF PLANS AND CONTRACTS

[TO BE PREPARED DURING DUE DILIGENCE PERIOD]

EXHIBIT H TO PURCHASE AGREEMENT
RIGHT TO USE ACKNOWLEDGEMENT

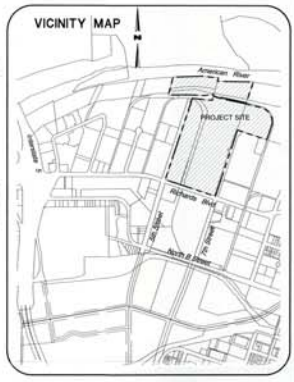
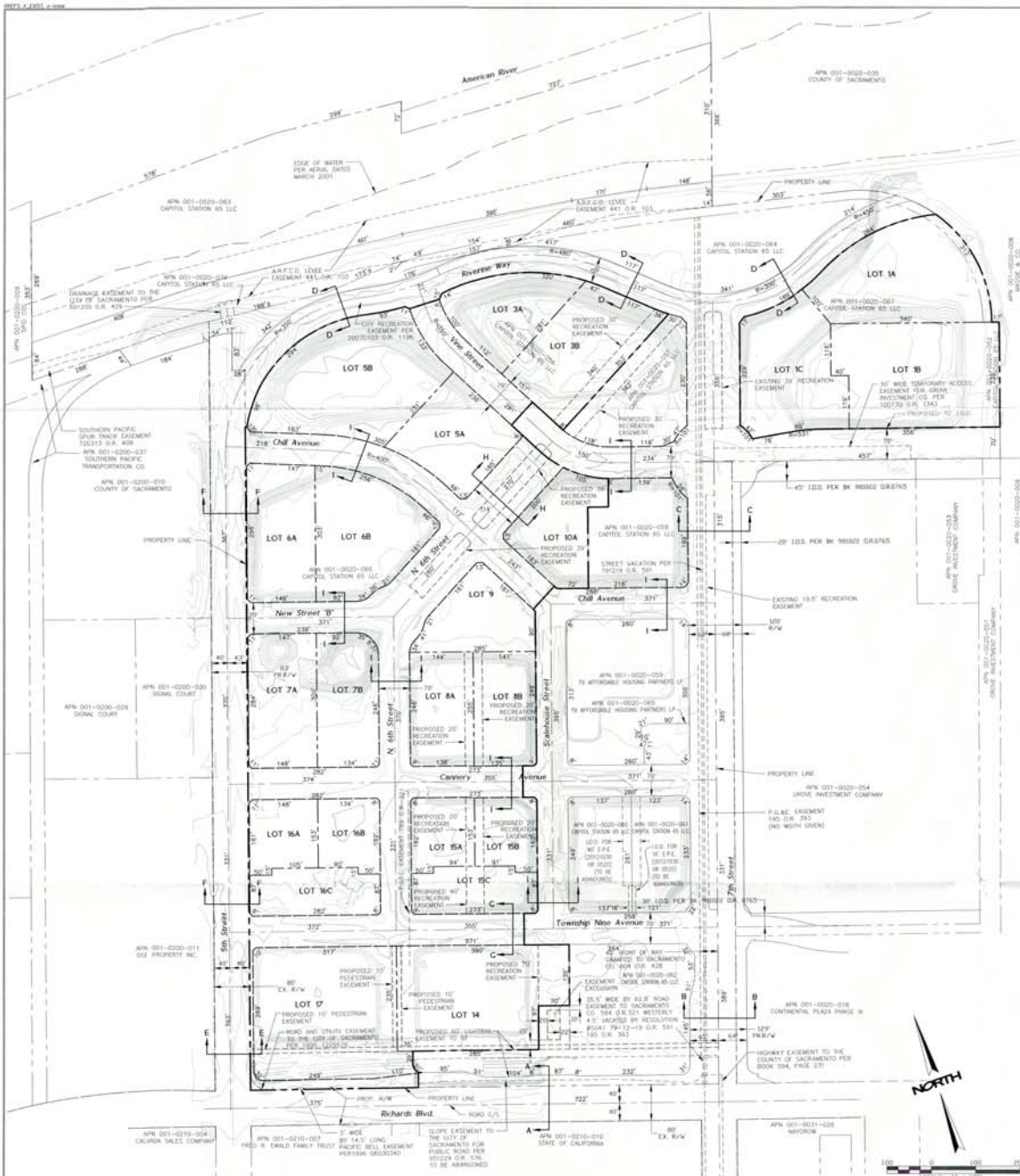
[TO BE PREPARED DURING DUE DILIGENCE PERIOD]

SCHEDULE 1 TO PURCHASE AGREEMENT

PARK WORK

[TO BE ATTACHED DURING DUE DILIGENCE PERIOD]

Appendix 2



GENERAL NOTES:

OWNER/SUBDIVIDER
Capitol Station 65 LLC
640 Berolot Drive, Suite C
Sacramento, CA 95811
Attn: Steve Gaudin
(916) 482-7900

ENGINEER/PLANNER
W.S. Inc.
2525 Wetmore Plaza Drive, Suite 8000
Sacramento, CA 95833
Attn: Jay F. Robe
(916) 441-8100

ASSESSOR PARCEL NUMBERS:
All or portions of parcels:
001-0220-096, and 067, County of Sacramento, CA

LEGAL DESCRIPTION
Designated Remainder 1, Designated Remainder 2, and Lot 1, as shown on the map entitled Township 9, Phase 1, Subdivision No. P170-020-C, filed for record November 13, 2012 in Book 378 of final maps, page 1, Sacramento County Records.

SUBDIVISION NAME
Township 9

AREA
64.42 ac. Gross

TOTAL NUMBER OF LOTS
24 LOTS
23 Residential Mixed Use Lots
1 Open Space Lot

EXISTING ZONING
08-PUD SPD & RM-PUD SPD

PROPOSED ZONING
08-PUD SPD & RM-PUD SPD

EXISTING LAND USE
Vacant

PROPOSED LAND USE
Park/Open Space, Multi-Family Residential, Office, Commercial

FIRE DISTRICT
City of Sacramento

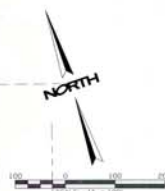
SCHOOL DISTRICT
Crestwood Union High
North Sacramento Elementary

UTILITIES
Sewer: City of Sacramento
Water: City of Sacramento
Electric: City of Sacramento
Gas: Pacific Gas and Electric
Telephone: AT&T
Cable: Comcast

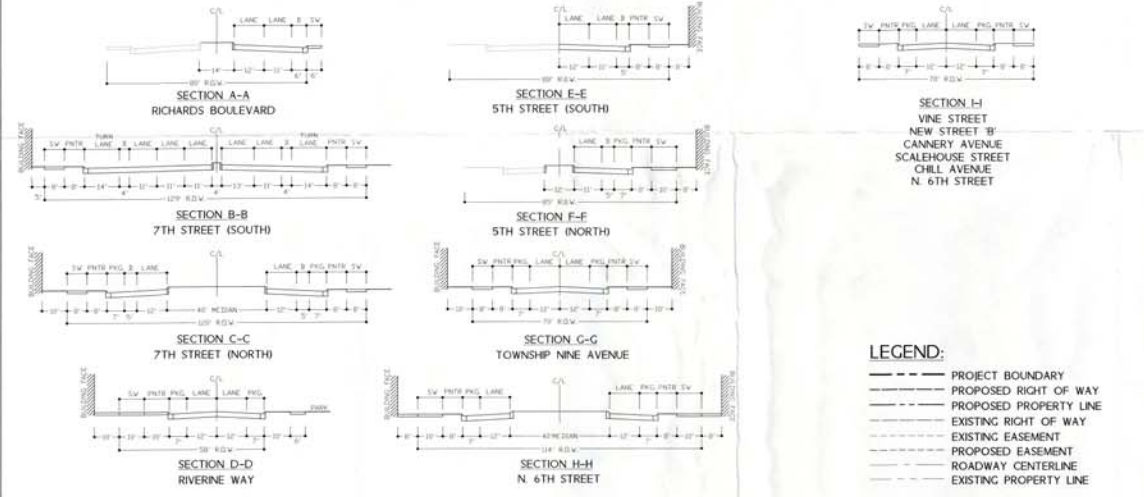
PHASING
This project will be phased with multiple final parcel maps.

NOTES:

1. Lots 1A, 1B, 1C, 2A, 2B, 3-5, and 14-17 are proposed for construction, only.
2. All existing structures within the project boundaries have been removed.
3. All existing trees and shrubs within the project boundaries have been removed.



TYPICAL STREET SECTIONS



LOT #	LAND USE	ACRES
LOT 1A	Residential/Family Residential	1.70
LOT 1B	Residential/Family Residential	1.94
LOT 1C	Residential/Family Residential	1.44
LOT 2A	Residential/Family Residential	0.94
LOT 2B	Residential/Family Residential	1.38
LOT 2A	Residential/Family Residential	1.02
LOT 2B	Residential/Family Residential	2.13
LOT 2A	Residential/Family Residential	1.09
LOT 2B	Residential/Family Residential	1.42
LOT 3A	Residential/SP Residential/MF Residential	1.08
LOT 3B	Residential/SP Residential/MF Residential	0.95
LOT 3A	Residential/SP Residential/MF Residential	0.94
LOT 3B	Residential/SP Residential/MF Residential	0.82
LOT 9	Open Space	0.80
LOT 10A	Residential/Family Residential	0.86
LOT 13	Office/Residential/Family Residential	2.44
LOT 14	Office/Residential/Family Residential	1.84
LOT 15A	Residential/SP Residential/MF Residential	0.52
LOT 15B	Residential/SP Residential/MF Residential	0.51
LOT 15C	Residential/SP Residential/MF Residential	0.67
LOT 15A	Residential/SP Residential/MF Residential	0.52
LOT 15B	Residential/SP Residential/MF Residential	0.51
LOT 15C	Residential/SP Residential/MF Residential	0.67
LOT 16C	Residential/SP Residential/MF Residential	0.59
LOT 17	Office/Residential/Family Residential	2.24
TOTAL		28.47

PARK PARCELS AND EASEMENTS:

LOCATION	NET ACRES
LOT 3B	0.24
LOT 4	0.25
LOT 8A	0.13
LOT 8B	0.12
LOT 9	0.85
LOT 14	0.27
LOT 15A	0.07
LOT 15B	0.07
LOT 15C	0.10
LOT 17	0.00
PARK BLVD MEDIAN	0.36
N. 7TH STREET MEDIAN	0.64
TOTAL	3.13

LEGEND:

- PROJECT BOUNDARY
- PROPOSED RIGHT OF WAY
- PROPOSED PROPERTY LINE
- EXISTING RIGHT OF WAY
- EXISTING EASEMENT
- PROPOSED EASEMENT
- ROADWAY CENTERLINE
- EXISTING PROPERTY LINE

REVISED

P17-020-C

DATE: 8/28/17

BY: [Signature]



EXHIBIT B

TOWNSHIP #												
MONTHLY CASH FLOW PROJECTIONS												
	34	35	36	37	38	39	40	41	42	43	44	45
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
ACTIVITY												
Parcel(s) Sold				34						5/0		
Acres Remaining	8.65	8.65	8.65	5.19	5.19	5.19	5.19	5.19	5.19	0.00	0.00	0.00
Acres Sold				3.46						5.19		
GROSS REVENUE												
Active Site												
TH Land												
MF Land												
Fee Credits	877,635	35,440	35,440	35,440	35,440	35,440	531,900	35,440	35,440	35,440	35,440	35,440
Sub:												
MF Land												
Fee Credits	0	0	0	0	0	0	0	0	0	0	0	0
Sub:												
Land												
Fee Credits	0	0	0	0	0	0	2,659,500	0	0	0	0	0
Sub:												
Land				10,380,000								
Sub:										15,570,000		
Land												
Cost of Sales	(67,458)	(2,138)	(2,138)	(624,938)	(3,138)	(2,138)	(161,484)	(2,138)	(2,138)	(624,938)	(2,138)	(2,138)
Net Proceeds	814,977	33,332	33,332	9,790,532	33,332	33,332	3,999,916	33,332	33,332	14,668,132	33,332	33,332
DEBT												
Satisfactory Period												
Adequate Protection Payments												
Operating Costs												
Professional Fees												
Traffic Fees												
Transfer/Redevelopment Costs												
Past Delinquency												
Excutory Contracts Case Payments												
Pay Second Tax Claims												
Pay Consent/Class												
DIP Loan Fees												
Project Management												
Professional Fees												
Development Costs												
Interest Reserve - DIP Loan	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve - Copra Loan	(72,066)	(69,984)	(69,984)	(69,984)	(40,055)	(40,055)	(40,055)	(30,973)	(30,973)	(30,973)	0	0
Operating Costs	(10,380)	(28,778)	(10,380)	(6,238)	(6,238)	(6,238)	(6,238)	(6,238)	(6,238)	(17,016)	0	0
Total Costs	(82,446)	(108,762)	(80,368)	(136,212)	(46,293)	(46,293)	(46,293)	(37,207)	(37,207)	(68,047)	0	0
Net Cash Flow	732,531	(144,758)	(47,036)	9,654,320	1,047,139	1,047,139	2,953,623	10,666	10,666	14,600,085	33,332	33,332
FINANCING												
USE OF PROCEEDS												
DIP Loan Release %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COPRA Loan Release %	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Mechanics Loan Fund %	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Unsecured Creditors Fund %	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
DEBT												
DIP Loan												
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0
Disbursement	0	0	0	0	0	0	0	0	0	0	0	0
Payment	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0
COPRA Loan												
Beginning Balance	17,295,789	16,796,189	16,796,189	16,796,189	9,613,243	9,613,243	9,613,243	7,433,473	7,433,473	7,433,473	0	0
Principal Reduction	(699,668)	0	0	(1,162,944)	0	0	(2,179,770)	0	0	(7,433,473)	0	0
Ending Principal Balance	16,796,189	16,796,189	16,796,189	9,613,243	9,613,243	7,433,473	7,433,473	7,433,473	7,433,473	0	0	0
Interest Earned	72,066	69,984	69,984	69,984	40,055	40,055	40,055	30,973	30,973	30,973	0	0
Interest Payment	(119,132)	(24,999)	(24,999)	(24,999)	(24,999)	(24,999)	(24,999)	(24,999)	(24,999)	(24,999)	(62,502)	0
Ending Interest Balance	0	44,985	89,970	0	15,056	30,112	0	5,974	11,947	0	0	0
Mechanics Loan Fund												
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0
Principal Reduction	0	0	0	0	0	0	0	0	0	0	0	0
Ending Principal Balance	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earned	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payment	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Unsecured Creditors Fund												
Beginning Balance	914,305	906,055	905,722	905,389	724,953	724,620	724,286	675,397	675,063	674,730	0	0
Principal Reduction	(8,258)	(1,038)	(1,038)	(184,434)	(1,038)	(1,038)	(68,898)	(1,038)	(1,038)	(674,730)	0	0
Ending Principal Balance	906,055	905,017	904,684	724,355	723,620	723,286	675,397	675,063	674,730	0	0	0
Interest Earned	4,952	4,908	4,904	4,904	3,927	3,923	3,923	3,658	3,657	3,655	0	0
Interest Payment	(8,258)	(1,038)	(1,038)	(15,372)	(1,038)	(1,038)	(11,168)	(1,038)	(1,038)	(15,362)	0	0
Accrued Interest Balance	1,324	5,898	10,471	0	3,594	7,185	0	3,325	6,648	0	0	0
CASH ACCOUNT												
Beginning Balance	11,315,834	11,495,199	11,464,587	11,461,874	12,797,468	12,798,907	12,710,345	14,304,088	14,395,536	14,396,975	20,887,607	20,920,940
Disbursements	(10,380)	(58,778)	(10,380)	(6,228)	(6,228)	(6,228)	(6,228)	(6,228)	(6,228)	(17,016)	0	0
Receipts	789,745	7,466	7,466	2,251,822	7,466	7,466	889,981	7,466	7,466	8,507,707	33,332	33,332
Ending Balance	11,495,199	11,444,587	11,440,874	13,797,468	13,798,907	13,710,345	14,394,088	14,395,536	14,396,975	20,907,657	20,920,940	20,954,272

EXHIBIT C

THE RIVER DISTRICT

info@RiverDistrict.net | 916 321-5599 | www.RiverDistrict.net



EXHIBIT D

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(Township 9 Project - All Townhouses)**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS, dated for reference purposes as of July 25, 2017 (this “**Agreement**”), is entered into by and between CAPITOL STATION 65 LLC, a California limited liability company (“**Seller**”), and ANTHEM UNITED HOMES, INC., a Washington corporation (“**Buyer**”). In consideration of the mutual promises contained in this Agreement, Buyer and Seller (sometimes referred to individually as a “**Party**” and collectively referred to as “**Parties**”) agree as follows:

RECITALS

A. Seller owns that certain real property located in the City of Sacramento (“**City**”), County of Sacramento (“**County**”), State of California, together with the Current Entitlements (as defined in Section 1 below), comprised of the parcels of land identified on the attached Exhibit A, together with the common area driveways, streets and park paseos appurtenant thereto (collectively, “**Land**”), as such parcels are further identified on the approved Tentative Map Subdivision Modification for Township 9 dated March 3, 2015 (“**Tentative Map**”), and the Final Map of Township 9-Phase 1, Subdivision No P10_036, recorded on November 13, 2012, all as attached on Exhibit B hereto. The Land is located within the Seller’s overall project commonly known as Township 9 (“**Overall Project**”).

B. The Land including (i) all improvements, equipment, fixtures and any and all other articles of personal property attached or affixed to said Land, (ii) all assignable intangible personal property to the extent owned by Seller and arising directly out of or in connection with Seller’s ownership of the Land and pertaining only to the Land (with the understanding that most such plans and drawings were prepared for the Overall Project and are not capable of being assigned solely as to the Land), (iii) all development building permit fee credits in the approximate amount of Eight Thousand Eight Hundred and Sixty-Five Dollars (\$8,865) per residential unit to the extent that the City approves the same in accordance with its procedures for transferring such building permit fee credits upon payment of the Fee Credits Price (as defined below) (collectively, the “**Intangible Property**”), (iv) any and all remaining grant money pertaining to the Land, which shall be assigned to Buyer, and (v) the Current Entitlements (as defined in Section 1 below), which shall be assigned to Buyer, are referred to collectively in this Agreement as the “**Property**.”

C. Buyer intends to develop the Land into a residential project comprised of townhouses, condominiums and apartments (collectively, “**Project**”). Buyer is an experienced developer and builder of residential projects such as the Project and is familiar with the kinds of land use and development issues that impact the construction and development of property into residential use.

D. The Property subject of this Agreement is not currently comprised of legal parcels and will require three or more final maps to be processed and recorded. In addition, each parcel is in a different stage of mapping. For example, as to Parcels 8A, 8B, 15A and 15B, Seller

commenced processing a final map, which has yet to be finalized and recorded (“**Parcel 8/15 Final Map**”), while the final maps for the remaining parcels, which may also require a lot line adjustment, have yet to be prepared and processed, and are subject to full design review and approval of the City, which maps must be recorded in order to create the parcels comprising the Property (collectively, “**Final Maps**”). It is expected that it will take approximately six (6) months for the City to process and approve each of the Final Maps.

E. The Property subject of this Agreement also does not constitute final buildable parcels due to the offsite improvements and park work that have yet to be completed.

F. The development of the intended Project on the Land will require construction of parks and park paseos, specifically Peach Paseo, Victory Park, and Victory Promenade, as set forth on Schedule 1 attached hereto (“**Park Work**”). All construction and improvement work to complete the Park Work will be the responsibility and at the direction of the Buyer; provided that Seller shall assign to Buyer the grant funds allocated for the Park Work in the amount of Seven Hundred Thousand Dollars (\$700,000) (“**Park Grant Amount**”).

G. The development of the Project and the City’s approval of the Final Maps may be conditioned on the construction of North 5th Street, Can Ave and Cannery Ave, which constitute roads servicing the Buyer’s Project (collectively, “**Street Work**”). The cost of the Street Work is estimated to be Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) (“**Street Cost**”). Buyer’s Project will require that the Street Work be completed. Seller has indicated to Buyer that it has received a grant for funds to complete the Street Work in the estimated amount of the Street Cost (“**Street Grant**”). Seller agrees to assign and transfer over to Buyer the Street Grant. The Street Grant shall be assigned to Buyer concurrently with the Closing on Phase 1; provided that Seller shall use all commercially reasonable efforts to deliver the City’s consent or similar documentation evidencing its agreement to transfer all grants contemplated under this Agreement no later than three (3) business days prior to the expiration of the Due Diligence Period. Seller agrees to execute a cost sharing agreement to be recorded with the First Closing (as defined in Section 5.2) upon the other parcels fronting North 5th Street, Can Ave and Cannery Ave, providing for a proportionate (based on acreage) cost sharing of all actual costs of completing the Street Work to the extent such amounts exceed the actual Street Grant amount funded by the City.

H. In addition to the Street Work, the Property will also require the construction of Chill Ave at such time as the parcels fronting said street will be developed. The cost of completing Chill Ave is estimated to be Five Hundred Thousand Dollars (\$500,000), which will be the responsibility of the Buyer at such time as the City requires the same in conjunction with the preparation and approval of the Final Maps. Finally, the Phase 3 parcels serve as frontage to Township 9 Ave, along with other parcels owned by Seller on the south side of Township 9 Ave that are not the subject of this Agreement, which road has yet to be constructed. Buyer agrees to enter into a cost sharing agreement with Seller, to be recorded upon the applicable parcels with the First Closing, providing for a 50/50 allocation of all costs of constructing Township 9 Ave at such time as the first constructing party commences development of its parcels.

I. Buyer is pricing the Property with the assumption that the parcels comprising the Property are final ready-to-build lots subject only to the recordation of the Final Maps,

completion of Chill Ave, and completion of on-site improvements by Buyer. In the event the City requires construction of additional offsite improvements or the payment of additional impact or mitigation fees (offsite), as a condition to approving Buyer's Final Maps, building permits or site improvement plans, such requirements may render Buyer's Project infeasible. As such, Buyer, with cooperation from Seller, shall use commercially reasonable efforts to determine all such requirements during the Due Diligence Period.

J. The Property is encumbered by a Deed of Trust ("**Lender's Lien**") made in favor of Seller's existing lender COPIA LENDING, LLC (formerly known as ISIS Lending LLC) ("**Lender**"), which serves as security for the loan made by Lender in the original principal amount of Twenty Million Dollars (\$20,000,000) pursuant to a promissory note dated on or about December 23, 2008 ("**Loan**"). The Loan is now in default.

K. Seller sought relief under Title 11 of the United States Code ("**Bankruptcy Code**") by filing a voluntary petition for reorganization in the U.S. Bankruptcy Court for the Eastern District of California ("**Bankruptcy Court**") on May 30, 2017, case number 17-23627-B-11 ("**Bankruptcy Case**"). As such, the terms of this Agreement and the obligations of the Parties are subject to certain terms of the Bankruptcy Code and approval by the Bankruptcy Court.

L. The Parties desire to effect the purchase and sale transactions contemplated by this Agreement pursuant to Seller's Chapter 11 plan of reorganization, and that the sale of the Property shall be free and clear of all monetary liens and encumbrances (collectively, "**Monetary Liens**"), other claims (as defined in Section 101 of the Bankruptcy Code), and interests of Seller's creditors, equity holders and partners.

M. For purposes of this Agreement, the "**Effective Date**" shall mean the date the last Party hereto executes this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and covenants of the Parties in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. Definitions; Recitals: Capitalized terms that are not defined when first used in this Agreement have the meanings set forth below. The Recitals set forth above are hereby incorporated by reference and shall serve as obligations of the Parties hereto.

1.1. Approval: "**Approval**" means the approval of any applications, permits, environmental reviews, certifications and/or new entitlements, and the expiration of all applicable appeal periods, reconsideration periods or statutes of limitation for reconsidering, challenging, questioning, appealing or attacking such approval, without an appeal, request for reconsideration or legal challenge having been filed.

1.2. Authorities: "**Authorities**" means all federal, state and local governmental and quasi-governmental agencies, bodies, entities, boards and authorities that have jurisdiction over the Property, the furnishing of utilities or other services to the Project, or the subdivision, improvement, development, occupancy, sale or use of the Property, other than the Bankruptcy Court.

1.3. Buyer's Self-Help Right: “**Buyer's Self-Help Right**” shall be as defined in Section 3.3.

1.4. Chapter 11 Plan: “**Chapter 11 Plan**” means the plan proposed by Seller in the Bankruptcy Case pursuant to Sections 1121 through 1129 of the Bankruptcy Code and providing for the sale of the Property to Buyer pursuant to, and the transactions contemplated by, the terms of this Agreement.

1.5. Closing or Close of Escrow: “**Closing**” “**Closing Date**” or “**Close of Escrow**” means the act of settlement of the purchase and sale of the Property, or a portion thereof, at which Seller conveys exclusive possession and title to Buyer by delivery of a Grant Deed transferring good and marketable title to the Property, free and clear of all liens and encumbrances, except Permitted Exceptions, and records the Grant Deed with the County Recorder, and Buyer delivers the Purchase Price for the applicable Phase to Seller along with other obligations as provided herein.

1.6. Confirmation Order: “**Confirmation Order**” means an order entered in the Bankruptcy Case confirming the Seller's Chapter 11 Plan.

1.7. Current Entitlements: “**Current Entitlements**” means and includes all discretionary Approvals and permits in effect for the Land as of the Effective Date, including, but not limited to, the Tentative Map, the approved plans processed by Seller, and any other entitlements that were previously processed by Seller applicable to the Property or the Project.

1.8. Deposit: “**Deposit**” means the First Deposit and the Second Deposit, together with all interest earned thereon, together with the other deposits delivered pursuant to this Agreement and constituting “Deposit” pursuant hereto.

1.9. Development Approvals: “**Development Approvals**” shall be as defined in Section 4.4.

1.10. Documents: “**Documents**” means all engineering, geotechnical, soils, and other studies, tests, investigations, surveys, grading plans, maps, drawings, plans and reports that reasonably relate to the Property, described on Exhibit C. Documents do not include appraisals or any agreement(s) by which Seller acquired the Property, or any confidential, privileged or proprietary documents of Seller.

1.11. Due Diligence Period: “**Due Diligence Period**” means the period commencing on the Effective Date and expiring on the date that is forty-five (45) calendar days from the Effective Date (the “**Due Diligence Expiration Date**”).

1.12. Environmental Laws: “**Environmental Laws**” means all federal, state and local environmental laws, rules, statutes, ordinances and regulations issued by any Authority and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Property, or any portion thereof, the use, ownership, occupancy or operation of the Property, or any portion thereof, or any owner of the Property, and as the same have been amended, modified or supplemented from time to time prior to the date of this Agreement, including, but not limited to, the Comprehensive Environmental Response, Compensation and

Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), comparable state and local laws, and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the aforementioned laws.

1.13. Environmental Permits: “**Environmental Permits**” means all permits, consents, certifications, permission, agreements or other authorizations required by or from any state, federal, or local regulatory entity or agency, including all Authorities, to enable, permit and/or authorize development of the Property with single-family residences along with subdivision improvements. Environmental Permits includes, without limitation, those issued by the U.S. Army Corps of Engineers, U.S. Fish & Wildlife Service, California Regional Water Quality Control Board, California Department of Fish & Game, and any Conservation and Development Commission or Flood Protection Board, as applicable.

1.14. Escrow Agent: “**Escrow Agent**” means First American Title Insurance Company, Attention: Diane Burton, 4750 Willow Road, Suite 100, Pleasanton, CA 94588, Telephone: (925) 201-6603 and Fax: (866) 648-7806 (also referred to as “**Title Company**”).

1.15. Final Order: “**Final Order**” means an order of the Bankruptcy Court (i) for which the time to appeal has expired and no appeal was filed, or (ii) if an appeal was filed, (A) the order has not been stayed and the appeal is subject to statutory or equitable mootness, or (B) the appeal has been dismissed or denied and the time for further appeal has expired or no right of further appeal exists.

1.16. First Deposit: “**First Deposit**” means the amount of Fifty Thousand Dollars (\$50,000), payable in accordance with the terms of this Agreement.

1.17. Hazardous Materials: “**Hazardous Materials**” means any pollutants, contaminants, hazardous or toxic substances, materials or wastes (including petroleum, petroleum by-products, radon, asbestos and asbestos containing materials, polychlorinated biphenyls (“**PCBs**”), PCB-containing equipment, radioactive elements, infectious agents, and urea formaldehyde), as such terms are used in or regulated by any Environmental Laws (excluding solvents, cleaning fluids and other lawful substances used in the ordinary operation and maintenance of the Property, to the extent in closed containers and in accordance with Environmental Laws).

1.18. Legal Requirements: “**Legal Requirements**” means the rules, regulations, laws, ordinances, standards, approved plans and other requirements of the Authorities.

1.19. Notice of Approval: “**Notice of Approval**” means a written notice that Buyer, in its sole and absolute discretion, may elect to give to Seller indicating Buyer’s willingness to proceed with the transaction, as set forth in Section 4.1 of this Agreement.

1.20. Opening of Escrow: “**Opening of Escrow**” is defined in Section 3.1 below.

1.21. Outside Conditions Date: “**Outside Conditions Date**” shall mean January 15, 2018, and is further described in Section 5.4 hereof.

1.22. Outside Map Date: “**Outside Map Date**” shall mean ninety (90) calendar days following entry of the Sale Order and is further described in Section 10.4 hereof.

1.23. Permitted Exceptions: “**Permitted Exceptions**” means those matters of record or otherwise affecting the Property subject to which Buyer expressly approves prior to the Due Diligence Expiration Date pursuant to Section 4.3.

1.24. Phases: As used herein “**Phase 1**,” “**Phase 2**,” and “**Phase 3**” shall mean the parcels comprising the Property identified as such on the attached Exhibit A hereto. Phase 1, Phase 2 and Phase 3 are hereinafter individually referred to as a “**Phase**” and collectively as the “**Phases**.”

1.25. Purchase Price: The “**Purchase Price**” for each of the parcels constituting the Property is that certain amount (not based upon a presumed yield calculation or any formula) set forth on Exhibit A attached hereto.

1.26. Sale Order: “**Sale Order**” means the Bankruptcy Court order approving the purchase and sale of the Property and the other transactions contemplated herein. The Sale Order may be either the Confirmation Order or an order entered by the Bankruptcy Court pursuant to Sections 363(b) and 363(f) of the Bankruptcy Code entered outside the context of a plan confirmation approving the purchase and sale of the Property (“**363 Sale**”).

1.27. Second Deposit: The amount of One Hundred Fifty Thousand Dollars (\$150,000) payable in accordance with the terms of this Agreement.

2. Purchase and Sale.

2.1. Property. Subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s right, title and interest in and to the Property.

2.2. Fee Credits. As part of the overall master planned development activities that have been carried out by Seller with respect to the Overall Project, certain building permit fee credits were created for Seller’s account (collectively, “**Fee Credits**”) by the governing agency that will issue building permits for the Property. Buyer has agreed to purchase the Fee Credits in an amount ultimately approved by the City for transfer and assignment to Buyer, which is estimated to be Eight Thousand Eight Hundred and Sixty-Five Dollars (\$8,865) per residential unit, which amount shall not in any event exceed the City’s (or applicable agency’s)

calculation of the amount that may be assigned to Buyer (“**Fee Credits Price**”). Following the Closing, at such time as Buyer pulls building permits for the units, Buyer will provide written notice thereof to Seller, in which event Seller shall execute all necessary documents and assignments to assign the Fee Credits for the number of units for which Buyer has requested building permits no later than five (5) calendar days after Buyer’s notice, and Buyer will pay the Fee Credits Price based on the number of building permits and the Fee Credits being assigned to Buyer in accordance with the City’s calculation thereof, upon receipt of such assignment.

2.3. Bankruptcy Sale Process.

2.3.1 Plan Sale. Unless the Parties agree otherwise, the purchase and sale of the Property and the other transactions contemplated by this Agreement will be effectuated pursuant to the Chapter 11 Plan. Seller agrees to prepare and file the Chapter 11 Plan as soon as practicable, and in any event no later than September 29, 2017. The Chapter 11 Plan must be in a form and contain such terms as are consistent with the terms of this Agreement and as are reasonably satisfactory to Buyer. If for any reason the Parties agree that the purchase and sale of the Property and the other transactions contemplated hereby should be effected pursuant a 363 Sale and not pursuant to the Chapter 11 Plan, then Seller shall prepare an appropriate motion for approval of the purchase and sale and other transactions pursuant to Sections 363(b) and 363(f) of the Bankruptcy Code, which motion must be in a form and containing such terms as are consistent with the terms of this Agreement and otherwise reasonably satisfactory to Buyer.

2.3.2 Sale as Part of Chapter 11 Plan. The Parties agree that this transaction provides a foundation to the overall structure and viability of the Chapter 11 Plan. Unless otherwise required by the Court, Seller agrees not to accept or enter into any competing overbids or back-up bids while seeking approval of this Agreement through its Chapter 11 Plan, given the circumstances of the Bankruptcy Case, including, without limitation, the following: the complexity of the sale transaction and scope of the due diligence required to be performed by Buyer; the need for Buyer to advance substantial expenses prior to the Bankruptcy Court’s approval of the terms set forth in this Agreement; and Buyer’s unwillingness to enter into this Agreement, undertake the due diligence and incur the expenses if its Agreement is subject to Seller accepting or entering into competing bids.

2.3.3 Motion to Approve Sale Process. Notwithstanding the foregoing reasons as to why the Parties agree that an auction sale process is not in the best interest of Seller’s creditors and bankruptcy estate, if the Parties mutually agree, or the Bankruptcy Court requires that an auction sale process of any kind must be used for the sale of the Property either through a Chapter 11 Plan or through a 363 Sale, then the Parties shall use all commercially reasonable efforts and cooperate to prepare amendments to this Agreement to provide for mutually satisfactory bidding procedures and compensation to Buyer if there is competitive bidding for the Property. Such compensation is subject to Bankruptcy Court approval and may include among other things (i) reimbursement of all of Buyer’s expenses relating to the preparation and negotiation of this Agreement and other transaction documents and Buyer’s due diligence investigation, and (ii) a “break-up” fee equal to one percent (1%) of the consideration to be paid to Seller in the winning bid for the Property. Seller agrees that the failure to obtain Bankruptcy Court approval of the terms of the preceding sentence shall allow Buyer to terminate this Agreement and receive immediate return of any Deposit.

3. Escrow and Deposit.

3.1. Opening of Escrow. Upon its receipt of a duly executed original counterpart of this Agreement from Seller, Buyer shall open an escrow at the offices of Escrow Agent, by delivering an executed copy of this Agreement to Escrow Agent. Escrow Agent shall promptly execute the “Acceptance by Escrow Agent” attached hereto (the date of execution of the “Acceptance by Escrow Agent” by the Escrow Agent may be referred to as the “**Opening of Escrow**”) and shall notify Buyer and Seller in writing of the date of the Effective Date of this Agreement, which is defined in Section 1.11 of this Agreement and shall constitute joint escrow instructions to Escrow Agent. The Parties shall execute such additional instructions, not inconsistent herewith, reasonably requested by Escrow Agent; provided, however, that as between the Parties, if any conflict between the provisions of this Agreement and the provisions of such additional instructions exists or arises, then the provisions of this Agreement shall control. Escrow Agent is designated the “real estate reporting person” for purposes of Section 6045 of the Internal Revenue Code of 1996, as amended, and Treasury Regulation 1.6045-4, and any instructions or settlement statement prepared by Escrow Agent shall so provide. Escrow Agent shall be responsible for filing Form 1099-S with the Internal Revenue Service. The period between the Opening of Escrow and the Closing Date shall be the “**Escrow Period.**”

3.2. Deposits. The Deposit and any other cash held by Escrow Agent shall be held for Buyer’s benefit in accordance with the terms and conditions of this Section 3.2.

3.2.1 First Deposit. Within three (3) business days following the Effective Date, Buyer shall place into escrow the First Deposit. This First Deposit shall be fully refundable through the date when the Sale Order is entered.

3.2.2 Second Deposit. Within five (5) business days following entry of the Sale Order, Buyer shall place into escrow the Second Deposit. The Second Deposit shall be non-refundable once made except in the event of a material breach by Seller or the failure of a condition to Closing for Buyer’s benefit.

3.2.3 Independent Consideration. Concurrently with delivery of the First Deposit, Buyer shall deposit into escrow as independent consideration for this Agreement the sum of One Hundred Dollars (\$100) (the “**Independent Consideration**”), which Independent Consideration shall be fully earned by Seller, is non-refundable under any circumstances and not applicable to the Purchase Price. Escrow Agent shall release the Independent Consideration to Seller upon receipt of the Deposit. The Independent Consideration constitutes independent consideration for the rights extended to Buyer hereunder, including, without limitation, the right and option to terminate this Agreement as provided herein. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement, Seller shall retain the Independent Consideration whether or not the Deposit is returned to Buyer.

3.2.4 Applicability of Deposit. The Deposit shall be maintained in Escrow and shall be fully applicable to the Purchase Price at the First Closing.

3.2.5 Maintenance of Deposits. Escrow Agent shall hold the Deposit and all other funds deposited by Buyer with it pursuant to this Agreement, including, without limitation, the balance of the Purchase Price if and when deposited in accordance herewith. Escrow Agent shall place the Deposit into an interest bearing account at a depository acceptable to Buyer, with the interest accruing for the benefit of Buyer.

3.2.6 Subsequent Phase Deposits.

(a) Concurrently with the First Closing, Buyer shall deposit with Escrow Holder the sum of Two Hundred Thousand Dollars (\$200,000), which shall serve as the deposit for the amounts due upon the Closing of Phase 2, which shall be non-refundable once made except in the event of a default by Seller or the failure of a condition to Closing for Buyer's benefit, and shall be applied to the Purchase Price at the Closing of Phase 2, and for purposes of this Agreement shall constitute the "Deposit" under this Agreement following the consummation of the First Closing.

(b) Concurrently with the Second Closing (as defined in Section 5.2), Buyer shall deposit with Escrow Holder the sum of Two Hundred Thousand Dollars (\$200,000), which shall serve as the deposit for the amounts due upon the Closing of Phase 3, which shall be non-refundable once made except in the event of a default by Seller or the failure of a condition to Closing for Buyer's benefit, and shall be applied to the Purchase Price at the Closing of Phase 3, and for purposes of this Agreement shall constitute the "Deposit" under this Agreement following the consummation of the First and Second Closings.

3.3. Buyer's Right to Terminate or Pursue Self-Help. Assuming the Sale Order is entered, in the event that the Parcel 8/15 Final Map is not recorded by the Outside Map Date, or any other conditions to each Closing for Buyer's benefit are not timely satisfied by Seller after notice and opportunity to cure in accordance with this Agreement, then Buyer may either (i) terminate the escrow, or (ii) proceed to complete all such Seller requirements utilizing its own consultants and Buyer shall receive a credit against the Purchase Price for all actual and reasonable costs, expenses, fees, taxes, map processing fees, bonding costs, and costs of any work that was to be completed by Seller under this Agreement in order to deliver the Property to Buyer at Closing in accordance herewith free of any monetary encumbrances and any delinquent taxes subject to the Permitted Exceptions only ("**Buyer's Self-Help Right**"). If Buyer exercises Buyer's Self-Help Right, then the time periods for Closing under this Agreement shall be extended automatically for each day that Buyer exercises such right in order to allow for time to satisfy any remaining conditions to Closing. Notwithstanding any provision contained herein to the contrary, Buyer's Self-Help Right shall not include the right to initiate litigation, arbitration or any other adversary proceeding unless Seller consents to the same in writing, such consent not to be unreasonably withheld, conditioned or delayed; provided that if Seller fails to respond within ten (10) calendar days of Buyer's request therefor then Seller shall be deemed to have consented to the same.

4. Inspections, Title Review, and Development Review.

4.1. Due Diligence Period; Notice of Approval. Seller shall cooperate with Buyer and shall provide to Buyer within five (5) calendar days after the Effective Date, all

Documents in Seller's possession as set forth on Exhibit C attached hereto. Buyer expressly acknowledges that, except as expressly set forth in Section 14.2 below, Seller makes no representation or warranty of any kind with respect to the Documents or any additional Documents referenced below, including their accuracy, completeness or suitability for reliance thereon by Buyer. Seller shall, within two (2) business days after receipt, deliver to Buyer copies of any additional Documents received by Seller before the Close of Escrow. Subject to the provisions of this Agreement, Buyer shall have the right during the Due Diligence Period to investigate title and to conduct any feasibility, economic, environmental, political, title or engineering studies, or make such other investigations, studies and tests with respect to the Property as Buyer deems necessary or appropriate to determine the feasibility of purchasing and developing the Property. If Buyer elects to proceed with the purchase of the Property, then at any time prior to the expiration of the Due Diligence Period, Buyer may, in its sole discretion, deliver a "**Notice of Approval.**" If Buyer gives the Notice of Approval, then, subject to the terms, covenants and conditions set forth in this Agreement and Seller's express representations and warranties set forth in Section 14.2 below, such notice shall be Buyer's acceptance and approval of the Property and conditions related thereto, including, without limitation, (i) soils and geology reports; (ii) title issues, subject to Disapproved Exceptions (as defined in Section 4.3 below); (iii) the Documents; (iv) Buyer's inspection of the Property; (v) any survey of the Property; and (vi) zoning and other land use controls. Buyer's failure to give the Notice of Approval prior to the expiration of the Due Diligence Period shall be deemed Buyer's election not to proceed with the purchase of the Property and to terminate this Agreement, whereupon the Deposit (except for the Independent Consideration) shall be immediately returned to Buyer without the need for further instructions from either Party, and no Party hereto shall have any further obligation or liability to the other with respect to the transactions contemplated by this Agreement, except for obligations which expressly survive termination.

4.2. Inspection of Property. During the Due Diligence Period and thereafter until this Agreement is terminated or until the Close of Escrow, and subject to the provisions set forth below, Buyer shall be permitted to (i) fully inspect and test the Property, including, but not limited to, soils, geotechnical and Hazardous Materials testing by qualified, and where applicable, licensed professionals, and (ii) meet with such Authorities as Buyer shall deem necessary in connection with its inspection of the Property or its subsequent contemplated development. Buyer and its contractors, agents and employees shall have the right to enter upon the Property for such inspection and testing, including, without limitation, the conducting of invasive and non-invasive soil, geotechnical and environmental testing, subject to the following conditions.

4.2.1 Upon at least twenty-four (24) hours' prior written notice to Seller, Buyer and its agents, employees and representatives shall have a right of reasonable access to the Property for the purpose of conducting surveys, engineering, geotechnical and environmental inspections and tests (including invasive inspection, testing and sampling), which activities are hereafter referred to as the "**Work,**" and any other inspections, studies or tests required by Buyer. As a condition precedent to access to the Property by Buyer, its agents, employees or representatives, Buyer shall (i) provide Seller with proof of liability insurance relating to such inspections and testing by third parties (which insurance shall be reasonably satisfactory to Seller, shall name Seller as an additional insured, shall be for minimum coverage of One Million Dollars (\$1,000,000) per occurrence, and shall be the primary insurance with respect to Seller,

and any insurance or self-insurance maintained by Seller shall be excess of the insurance required hereunder and shall not contribute with it), (ii) keep the Property free and clear of any liens resulting from or related to the Work, and (iii) indemnify, defend and hold Seller harmless from and against any and all liability, damages, costs, fees or expenses for injuries to or death of persons or damage to property to the extent caused by or resulting from Buyer's exercise of its rights hereunder, any such entry by Buyer, its agents, contractors or consultants, employees or representatives, or any Work by Buyer, its agents, employees or representatives; provided, however, that in no event shall Buyer have any obligations under this indemnification with respect to liability, damages, costs, fees or expenses resulting from Buyer's discovery of any pre-existing conditions (except to the extent exacerbated by the negligence or willful misconduct of Buyer). As a condition precedent to the commencement of any invasive Work, however, Buyer shall describe in its notice, with reasonable detail, the contemplated invasive Work and shall identify the parties who will perform the Work and their qualifications. Such contemplated invasive Work shall be subject to approval by Seller, which approval shall not be unreasonably withheld, conditioned or delayed. If any inspection or test disturbs the Property, Buyer shall promptly restore the Property to substantially the same condition as existed prior to any such inspection or test and Buyer shall at all times obey all applicable laws, rules and regulations. The obligations of the Buyer under this paragraph shall survive the termination of the Agreement.

4.2.2 Buyer shall use reasonable care to prevent any unreasonable interference with Seller's activities on the Property during Buyer's investigation thereof. Buyer shall not permit the Property or any portion thereof to become subject to any lien for claims for work or materials arising out of Buyer's activities on the Property, and Buyer shall immediately remove or cause to be removed any such lien.

4.2.3 In order to minimize disagreements over the physical status of the Property, Buyer and Seller shall conduct a joint walk-through of the Property, within five (5) business days after the Effective Date. Each Party shall have the right to have its engineer present for such walk-through. The Parties shall prepare a list of any conditions or discrepancies found at the Property.

4.3. Documents/Title Review. Within five (5) calendar days after the Effective Date, Buyer shall request that Title Company deliver to Buyer a commitment for issuance of a standard coverage owner's title insurance policy ("**Title Commitment**") covering the Property, together with complete and legible copies of all documents referenced therein as exceptions to the Title Commitment. No later than fifteen (15) calendar days following the Effective Date, Buyer shall notify Seller of Buyer's objections to title, if any ("**Disapproved Exceptions**"). Seller shall notify Buyer in writing within ten (10) calendar days after receipt of Buyer's notice of Disapproved Exceptions as to which, if any, of the Disapproved Exceptions Seller or Title Company will eliminate. If Seller does not agree to eliminate each of the Disapproved Exceptions, then unless Buyer delivers the Notice of Approval to Seller and Escrow Agent on or before the expiration of the Due Diligence Period (in which case Buyer shall be deemed to have approved the same and elected to proceed with the Closing subject to such exceptions), Buyer shall be deemed to have disapproved title, Escrow shall terminate, Escrow Agent shall immediately return the Deposit (except for the Independent Consideration) to Buyer without any additional instructions from Seller and without any imposed conditions and Escrow Agent shall

immediately return all other documents, instruments and monies to the Party which deposited same.

4.3.1 Except as to current real property taxes and assessments not yet due and payable, all Monetary Liens shall automatically be deemed to be Disapproved Exceptions. Permitted Exceptions shall include, without limitation, (i) a lien for non-delinquent taxes, assessments, special taxes and similar impositions, and the lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code to the extent relating to events occurring from and after the Close of Escrow; (ii) the covenants, conditions and restrictions encumbering the Property as of the Effective Date; (iii) any community facilities or assessment districts encumbering the Property as of the Effective Date; and (iv) any matter created or caused by Buyer or its agents or approved in writing by Buyer. Seller shall be obligated to remove all Monetary Liens on or before Closing. Any exception to title appearing in the Title Commitment, which is not expressly identified as a Disapproved Exception by Buyer and which Seller does not also expressly agree to eliminate in writing shall be a **“Permitted Exception.”**

4.3.2 No later than fifteen (15) calendar days prior to each Closing, Escrow Agent shall obtain from Title Company and deliver to Seller and Buyer an updated Title Commitment for the Property for the issuance of an ALTA standard coverage owners' policy of title insurance and legible copies of all instruments listed in the report as exceptions to title (collectively, the **“Updated Title Documents”**). Buyer shall be deemed to object to any new matters set forth on the Updated Title Documents. Seller shall have ten (10) calendar days from issuance of the Updated Title Documents to cure the objections or to obtain the commitment of the Title Company to insure against such title exceptions in a manner acceptable to Buyer; Seller shall be required to cure any new Monetary Liens on or prior to Closing. If Buyer requires an extended form of owner's policy, then Buyer shall obtain and deliver to the Title Company within thirty (30) calendar days of the date of entry of the Sale Order an ALTA/ACSM Land Title Survey of the Property acceptable to the Title Company (**“Survey”**). Any request for an extended form of title policy shall not delay the Close of Escrow.

4.4. Development Approval. During the term of this Agreement, at Buyer's cost and expense, Buyer shall have the right to pursue any new entitlements and all Authority approvals and Permits necessary for Buyer's development of the Project, including, without limitation, all subdivision mapping approvals, land use and zoning approvals, architectural approvals, including, but not limited to, building plans, renderings, specifications, drawings, elevations, and prototypes, and any other approvals and permits required to permit Buyer to immediately commence construction of its intended development of Buyer's proposed Project and for the issuance of certificates of occupancy for such residences or buildings upon their completion in the ordinary course (collectively, the **“Development Approvals”**), all as Buyer may deem necessary for its Project. Furthermore, Buyer shall prepare and process the remaining Final Maps using commercially reasonable efforts in order to meet the proposed Closing Dates set forth in this Agreement. Seller agrees to fully cooperate with Buyer in connection with its Development Approvals and the Final Maps, and shall execute, upon request of Buyer any and all maps, documents and agreements which are reasonably necessary to accomplish such purposes, including appointment of Buyer as agent of Seller for purposes of Buyer's development of the Property, provided that Seller incurs no material cost or liability as a result of

such cooperation and provided that the document appointing Buyer as Seller's agent expressly prohibits Buyer from binding the Property or recording any documents relating to the Property without the prior written consent of Seller, which consent shall not be unreasonably withheld. In the event that the City requires that Seller, as the owner of the Property, execute any development applications or subdivision improvement agreements with the City, Seller shall execute and return such development applications and agreements to Buyer within five (5) calendar days after the date on which such items are delivered to Seller.

4.4.1 Except as otherwise set forth in the Agreement, Buyer shall have the right to prepare any site plans for the Property, including all engineering and landscaping plans and drawings, the architectural materials, utility plans for the Project, and all applications and submittals necessary to obtain its Development Approvals as it may deem necessary during the Due Diligence Period. At no out-of-pocket cost to Seller, Seller shall, for no additional consideration or payment, upon request by Buyer (i) execute and promptly deliver to such appropriate Authorities such applications, submittals, documents, instruments and other items reasonably requested by Buyer in connection with the Development Approval process for the Property; (ii) as reasonably requested by Buyer, appear at any public hearings or other, meetings for or with Authorities or neighborhood meetings in connection with, and support of the Development Approvals for the Property; and (iii) otherwise cooperate as reasonably requested by Buyer in connection with Buyer's obtaining the Development Approvals of the Property. Except as set forth in Section 4.6 below, nothing herein contained shall be deemed to grant Seller and Seller hereby confirms that Seller has no right, and it hereby waives any right, to object to the Development Approval matters relating to the Property.

4.5. Inquiry. Subject to the provisions of Section 10 below, Buyer and its representatives, employees, agents and independent contractors shall have the right, at its sole cost and expense, to (i) meet with all City, County, district and other Authorities; and (ii) discuss with any such entities and agencies the condition of the Property and Buyer's proposed development of the Property. Seller shall have the right to participate in any such meetings arranged by Buyer with Authorities.

4.6. Design Review. Buyer's design and improvement plans for Phase 2 and Phase 3 of the Property shall be subject to Seller's reasonable approval thereof, which approval shall not be unreasonably withheld, delayed or conditioned. Buyer agrees to submit its plans to Seller prior to submission to the City, and Seller shall have fifteen (15) calendar days to submit any objections to the same. Failure to approve or disapprove Buyer's plans within such time period shall be deemed an approval. This right shall be personal to the Seller named in this Agreement, and shall not run to the benefit of any other parties, whether successors or assigns or otherwise.

5. Closing.

5.1. Timing. The Closing on the Property shall take place in three Phases as set forth herein to provide the time needed to create the legal parcels comprising the Property. Closing shall occur at the offices of Escrow Agent during normal business hours or at such other location as Buyer and Seller may mutually agree.

5.2. Phased Closings. Subject to Buyer's contingencies to Closing under this Agreement, including the Sale Order being a Final Order, and assuming that the Parcel 8/15 Final Map is recorded on or prior to the First Closing, the Closing on (i) Phase 1 shall occur no later than four (4) months following entry of the Sale Order ("**First Closing**"); (ii) Phase 2 shall occur no later than twelve (12) months following entry of the Sale Order ("**Second Closing**"); and (iii) Phase 3 shall occur no later than twenty (20) months following entry of the Sale Order ("**Third Closing**"). The consummation of a prior Closing shall be a condition precedent to the consummation of any subsequent Closing under this Agreement.

5.3. Closing Extensions.

5.3.1 Seller's. Notwithstanding the foregoing, if the Parcel 8/15 Final Map is not recorded by the Outside Map Date notwithstanding Seller's use of all commercially reasonable and diligent efforts, then unless Buyer exercises Buyer's Self-Help Right, Seller shall have the right to extend the Outside Map Date by a period of up to thirty (30) days to allow Seller time to record the Parcel 8/15 Final Map.

5.3.2 Buyer's. Notwithstanding the foregoing, if the Final Maps are not recorded by the dates set forth above for the Second Closing or the Third Closing, respectively, notwithstanding Buyer's use of all commercially reasonable and diligent efforts, then Buyer shall have the right to extend each such date for the Second Closing and/or the Third Closing by a period of thirty (30) days for each affected Closing to allow Buyer time to record the Final Maps.

5.4. Outside Conditions Date. Notwithstanding anything to the contrary contained in this Agreement, in the event Seller is not able, on or before January 15, 2018, to obtain entry of the Sale Order or satisfy the other conditions to Closing for Buyer's benefit hereunder, or if the Sale Order has not become a Final Order by such date, in each case through no fault of Seller and Seller shall have used all commercially reasonable efforts to satisfy the foregoing conditions by such date ("**Outside Conditions Date**"), then Seller shall have the right to extend the Outside Conditions Date for a period of up to sixty (60) calendar days; and following such extension if the foregoing conditions have not been satisfied during such sixty (60) day period, then Buyer shall have the right to terminate this Agreement and receive a refund of the Deposit, and the Parties shall have no further obligations to each other hereunder.

5.5. Payment of Purchase Price Balance. Provided that (i) Seller has deposited all of the items required by this Section 5.5 no later than two (2) business days prior to the Closing Date, (ii) all conditions precedent set forth in this Agreement have been satisfied or waived, and (iii) the Title Company has confirmed to Buyer in writing that it is in receipt of all items required to be deposited by Seller and is unconditionally prepared to issue the Title Policy (defined below) to Buyer upon consummation of the Closing subject only to the Permitted Exceptions, and payment of the applicable policy premium, Buyer shall deposit with Escrow Agent the Purchase Price for the applicable Phase less the Deposit already in Escrow and adjusted by Buyer's share of prorations and Closing costs pursuant to Sections 5.8 and 5.9 below, together with the other adjustments provided for under this Agreement.

5.6. Delivery of Closing Documentation.

(a) Seller's Delivery. No later than two (2) business days prior to Closing, Seller shall execute, acknowledge, and deliver to Escrow Agent, (i) Seller's grant deed transferring good and marketable title to the Property, free and clear of all liens and encumbrances, except Permitted Exceptions in the form attached hereto as Exhibit D (the "**Grant Deed**"), (ii) a non-foreign person affidavit in the form attached hereto as Exhibit E ("**FIRPTA**"), (iii) a bill of sale and assignment in the form of attached hereto as Exhibit F ("**Bill of Sale**"), (iv) evidence that Seller is exempt from the withholding obligations imposed by California Revenue and Taxation Code Sections 18805, 18815, and 26131, and (v) such other bills of sale, assignments, and other documents or instruments of transfer or conveyance as Buyer or Escrow Agent may reasonably request or as may be otherwise necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Property to Buyer at no material additional cost, obligation or liability to Seller. Seller shall, at no cost or liability to Seller, cooperate with Buyer by providing to the Title Company, at or prior to Closing, any customary affidavits, agreements and documents reasonably required by the Title Company to issue the Title Policy together with any extended coverage desired by Buyer.

(b) Buyer's Delivery. No later than two (2) business days prior to Closing, Buyer shall execute, acknowledge, and deliver to Escrow Agent (i) the Bill of Sale and (ii) such other documents or instruments as Escrow Agent may reasonably request or as may be otherwise necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Property.

5.7. Agreement to Cooperate. Each Party shall execute, acknowledge and deliver, after the Effective Date, including at or after Closing, such further assurances, instruments and documents as the other may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby. Following a reasonable request for further assurances, instruments and/or documents from one Party to the other, the requested Party shall reasonably respond to the request within two (2) business days, and shall not unreasonably withhold compliance with the request. The provisions of this Section 5.7 shall survive each Closing and delivery of the Grant Deed and shall not be merged with such deed. Buyer shall cooperate with Seller so that any density transfers for units allowed for the Property in excess of those used by Buyer in its sole and absolute discretion for its Project may be allocated to Seller.

5.8. Prorations. All non-delinquent real estate taxes, and all other public or governmental charges and public or private assessments against the Property, if any, shall be adjusted and prorated, on the basis of a three hundred sixty-five (365) day year, between the Parties as of the day of Closing and shall thereafter be assumed and paid by Buyer, whether or not assessments have been levied as of the date of Closing. Seller shall be responsible for paying all delinquent taxes, and if Seller is not able to do so by the Closing, then Buyer agrees to pay such amounts, in which event such amount shall be credited against the Purchase Price for Buyer's benefit. Any tax proration based on an estimate shall be subsequently readjusted upon receipt of a tax bill. The obligation to adjust shall survive Closing. After Closing, Seller shall remain solely responsible for and shall promptly pay before delinquency any real estate taxes and assessments for the Property relating to periods prior to the Closing Date. The provisions of this

Section 5.8 shall survive each Closing and delivery of the Grant Deed for a period of twelve (12) months.

5.9. Closing Costs. Seller shall pay the cost of the Title Policy (standard coverage) and any endorsements requested by Buyer as agreed to by Seller in order to remove a Disapproved Exception. Seller shall pay the County transfer taxes and any City transfer taxes. Buyer shall pay any premium increment for the extended form of Title Policy (if so elected by Buyer) and the cost of any survey obtained by Buyer, if any. Seller and Buyer shall equally pay any recording fees. Seller and Buyer shall equally pay the Escrow Agent's escrow fees. All other Closing costs, escrow fees, and other fees shall be allocated between the Parties as is customary in the County.

6. Condemnation and Damage.

6.1. Condemnation. If after the Buyer has given its Notice of Approval and prior to Closing all or any part of the Property is taken or threatened to be taken by eminent domain or condemnation, Buyer may elect either (a) to terminate this Agreement, in which event Escrow Holder shall immediately return all documents, instruments and monies (including, without limitation, the Deposit) to the Party which deposited same in respect of the Closing and this Agreement shall terminate and be of no further force or effect except for those matters that expressly survive the termination hereof; or (b) to consummate Closing as herein provided, in which event Seller shall pay or assign to Buyer all condemnation awards or payments in respect of the Property. If Buyer elects to proceed under clause (b) above, Seller shall not compromise, settle or adjust any claims to such award without Buyer's prior written consent. If this Agreement is terminated pursuant to this Section 6.1, neither Party shall have any further rights, duties, obligations or liabilities, at law or in equity, arising out of or relating to this Agreement except for those that specifically survive termination of this Agreement pursuant to other sections hereof.

6.2. Damage. If any damage or destruction to any of the Property occurs prior to Closing, Seller shall immediately give Buyer written notice of such damage or destruction, and Buyer shall have the option, exercisable within ten (10) days after notice of such damage, either to (i) terminate the Escrow, in which case Escrow Holder shall immediately return all documents, instruments and monies (including, without limitation, the Deposit) to the Party which deposited same in respect of the Closing and this Agreement shall terminate and be of no further force or effect except for those matters that expressly survive the termination hereof, or (ii) accept the Property in its condition at that time, and receive an assignment of all of Seller's rights to any insurance proceeds payable by reason of such damage or destruction together with a credit against the Purchase Price equal to Seller's insurance deductible. If Buyer elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any such insurance claims without Buyer's prior written consent.

7. Conditions Precedent to Closing.

7.1. Buyer's Conditions. Buyer's obligation to complete each Closing (unless a different date is set forth below) shall be conditioned upon the satisfaction (or Buyer's written waiver thereof) of each of the conditions precedent set forth in this Section 7.1 below. If these

conditions are not satisfied or affirmatively waived by Buyer in Buyer's sole and absolute discretion (except that the recording of any maps to create legal parcels may not be waived by either Party), then, without limiting any other remedies Buyer may have hereunder, and subject to Section 11, Buyer shall have the right to terminate this Agreement, in which case the Deposit shall be promptly returned from Escrow Agent to Buyer without further instruction from Seller, and neither Party shall have any duty, obligation or liability to the other except as expressly provided for herein.

(a) Title Policy. Seller, at its sole expense, shall cause Title Company to deliver to Buyer an ALTA owner's coverage policy of title insurance issued by the Title Insurer, with such endorsements as Buyer may reasonably request, insuring Buyer in the amount of the Purchase Price of the applicable Phase and showing the Property to be subject to no exceptions to title other than the Permitted Exceptions and such other exceptions as may expressly be approved by Buyer in writing (the "**Title Policy**").

(b) Notice of Approval. Buyer shall have given the Notice of Approval.

(c) Seller's Performance. Seller shall have performed all material obligations to be performed by Seller pursuant to this Agreement prior to Closing.

(d) Seller's Representations and Warranties. Seller's representations and warranties set forth herein shall be true and correct as of the Closing.

(e) Sale Order. The Sale Order shall have been entered and shall be a Final Order.

(f) Monetary Liens. Pursuant to the Sale Order, the portion of the Property subject to a Closing shall be free and clear of Monetary Liens, including, without limitation, the Lender's Lien and all liens for delinquent taxes.

(g) Assignment of Grants. As of the First Closing, Seller (and the City as such written consent may be required under the applicable grant agreements) shall have transferred and assigned to Buyer the Park Grant Amount and the Street Grant.

(h) Parcel 8/15 Final Map. As to Phase 1, Seller shall have recorded the Parcel 8/15 Final Map by the Outside Map Date.

(i) Final Maps. As to each of Phase 2 and Phase 3, the Final Maps shall have been approved and recorded.

(j) Cost Sharing Agreements. As of the First Closing, Seller shall have duly executed the cost sharing agreements required under this Agreement to be recorded concurrently therewith.

(k) Development Agreements. Seller shall have caused all of the development agreements affecting the Property (applicable to the master development of the Overall Project) to be released from the Property on or prior to the Closing for each Phase.

(1) Other Conditions. Seller shall have satisfied its covenants under this Agreement by the Outside Conditions Date.

7.2. Seller's Conditions. Seller's obligation to complete each Closing (unless a different date is set forth below) shall be conditioned upon the satisfaction (or its written waiver thereof) of each of the conditions precedent set forth in this Section 7.2. If these conditions are not satisfied or affirmatively waived by Seller in its sole and absolute discretion (except that the recording of any maps to create legal parcels may not be waived by either Party), then, without limiting any other remedies Seller may have hereunder, and subject to Section 11, Seller shall have the right to terminate this Agreement, upon which the Deposit shall be promptly returned from Escrow Agent to Buyer, and neither Party shall have any duty, obligation or liability to the other except as expressly provided for herein.

7.2.1 Purchase Price. Buyer shall have delivered the balance of Purchase Price in immediately available funds in accordance with the terms of this Agreement.

7.2.2 Seller's Performance. Buyer shall have performed all material obligations to be performed by Buyer pursuant to this Agreement prior to Closing.

7.2.3 Seller's Representations and Warranties. Buyer's representations and warranties set forth herein shall be true and correct as of the Closing.

7.2.4 Sale Order. The Sale Order shall have been entered and shall be a Final Order.

7.2.5 Lender's Lien. If not otherwise addressed in the Sale Order, Seller shall have received a release of the Lender's Lien as to the portion of the Property being acquired by Buyer.

7.2.6 Assignment of Grants. On or prior to the First Closing, Seller shall have obtained the City's written agreements for the transfer and assignment of the Park Grant Amount and the Street Grant to Buyer.

7.2.7 Development Agreements. On or prior to the Closing for each Phase, Seller shall have obtained the City's written release of all development agreements affecting the Property (applicable to the master development of the Overall Project).

8. Closing.

8.1. Escrow Agent's Actions. Upon the Closing Date, when Escrow Agent holds the items required to be deposited by Seller and Buyer as described above and Title Company is prepared to issue and deliver to Buyer the Title Policy for the applicable Phase, Escrow Agent is instructed and authorized to perform the following actions:

(a) record the Grant Deed in the office of the County Recorder of the County;

(b) pay any transfer taxes (to the extent the sale is not exempt from transfer taxes pursuant to Section 1146(a) of the Bankruptcy Code pursuant to the terms of the Sale Order);

(c) pay any pro-rated real estate taxes and assessments and any other charges to be paid by Buyer, out of proceeds deposited into Escrow by Buyer;

(d) unless otherwise provided in the Sale Order, pay any pro-rated real estate taxes and assessments and any other charges to be paid by Seller, out of the proceeds deposited into Escrow by Buyer and held for the account of Seller;

(e) instruct the County Recorder to return the recorded Grant Deed;

(f) unless otherwise provided in the Sale Order, disburse to Seller from the funds deposited into Escrow by Buyer, the Purchase Price including the Deposit not previously released to Seller, if any, less Seller's escrow and cash charges as prorated in accordance with Section 5.8 and Section 5.9;

(g) disburse from funds deposited by Buyer amounts toward payment of all other items chargeable to the account of Buyer hereunder, and disburse the balance of such funds if any, to Buyer, and promptly deliver (1) to Buyer the Bill of Sale and the Title Policy; (2) to Seller a copy of the recorded Grant Deed and the Bill of Sale; and (3) to Buyer and Seller conformed copies of all recorded documents.

8.2. Escrow Cancellation Charges. Responsibility for the payment of escrow cancellation charges shall be borne as follows: (i) If the Closing does not occur because of the default of a Party, then, notwithstanding anything to the contrary contained herein, the defaulting Party shall bear all escrow cancellation charges. (ii) If the Closing does not occur because of the failure to obtain timely entry of the Sale Order, or because the Sale Order does not timely become a Final Order, then Seller shall bear all escrow cancellation charges. (iii) If the Closing does not occur for any reason other than the reasons in clause (i) or (ii) of this Section 8.2, then Buyer and Seller shall each pay one-half of any escrow cancellation charges, if so charged by Escrow Agent. As used herein, "**escrow cancellation charges**" means all fees, charges and expenses actually incurred by Escrow Agent, as well as all expenses related to the services of the Title Company in connection with the issuance of the Title Commitment and other title matters.

8.3. Possession. Upon Closing, Seller shall deliver to Buyer exclusive possession of the Property, subject to any and all Permitted Exceptions.

9. Condition and Inspection of Property. Except as provided in this Agreement, Seller makes no representation or warranty regarding the condition of the Property, its past use, or its suitability for Buyer's intended use.

(A) Unless otherwise expressly provided in this Agreement, neither Seller nor any employee or agent of Seller has made or will make, either expressly or impliedly, any representations, guaranties, promises, statements, assurances or warranties of any kind concerning any of the following matters (collectively referred to herein as the "**Property Conditions**"): (i) the suitability or condition of the Property for any purpose or its fitness for

any particular use, (ii) the profitability and/or feasibility of owning, developing, operating and/or improving the Property, (iii) the physical condition of the Property, including, without limitation, the current or former presence or absence of environmental hazards or Hazardous Materials, asbestos, radon gas, underground storage tanks, electromagnetic fields, or other substances or conditions which may affect the Property or its current or future uses, habitability, value or desirability, (iv) the rentals, income, costs or expenses thereof, (v) the net or gross acreage, usable or unusable, contained therein, (vi) the zoning of the Property, (vii) the condition of title, (viii) the compliance by the Property with applicable zoning or building laws, codes or ordinances, or other laws, rules and regulations, including, without limitation, environmental and similar laws governing or relating to environmental hazards or Hazardous Materials, asbestos, radon gas, underground storage tanks, electromagnetic fields, or other substances or conditions which may affect the Property or its current or future uses, habitability, value or desirability, (ix) water or utility availability or use restrictions, (x) geologic/seismic conditions, soil and terrain stability, or drainage, (xi) sewer, septic, and well systems and components, (xii) other neighborhood or Property conditions, including, schools, proximity and adequacy of law enforcement and fire protection, crime statistics, noise or odor from any sources, landfills, proposed future developments, or other conditions or influences which may be significant to certain cultures or religions, or (xiii) any other past, present or future matter relating to the Property which may affect the Property or its current or future use, habitability, value or desirability.

(B) Buyer is strongly encouraged to conduct its own inspection and investigation of the Property Conditions referred to above and is further encouraged to obtain, at its expense, expert advice as to such matters from professional inspectors and others. Buyer acknowledges that as of the Closing, it has been given the full opportunity to inspect and investigate such Property Conditions to its own satisfaction or cause such an inspection and investigation by experts engaged by Buyer. Buyer represents to Seller that it is relying solely upon such inspection and investigation in connection with its purchase of the Property and not upon any express or implied representations, guaranties, promises, statements, assurances or warranties of Seller or any of Seller's employees or agents as to such Property Conditions, unless otherwise expressly provided under this Agreement and that subject to Seller's expressed representations and warranties and post-Closing obligations of Seller set forth in this Agreement, and Buyer's inspection of the Property made during the Due Diligence Period, Buyer is acquiring the Property "AS IS."

(C) Effective upon the Closing of the Property or any portion thereof, by initialing below, Buyer, for itself and its agents, affiliates, successors and assigns, hereby waives, releases and forever discharges Seller and its agents, affiliates, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this Agreement or at Closing, which Buyer has or may have in the future, arising out of the physical, environmental or economic condition or suitability of the Property, but specifically excluding (i) the representations, warranties and covenants of Seller under this Agreement, (ii) any intentional misrepresentation, or (iii) fraud. Buyer specifically waives the provision of California Civil Code Section 1542, which specifically provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO
CLAIMS WHICH THE CREDITOR DOES NOT KNOW

OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

Buyer



10. Additional Covenants and Agreements. Notwithstanding anything to the contrary contained in this Agreement, the following additional covenants and agreements shall apply to the Parties:

10.1. Right to Contact Government Officials. In conjunction with Buyer's due diligence review and obtaining any entitlements, Buyer shall have the right to contact local, state and federal officials ("**Government Officials**").

10.2. Master Association. Buyer is advised, and acknowledges and agrees that the Project, including the Property, is subject to covenants, conditions, and restrictions recorded in the Official Records of the County Recorder's Office, which, inter alia, authorize the formation of an owners' association, certain use requirements and restrictions and the imposition of assessments. If within the reasonable control of Seller at the applicable time, Buyer shall be entitled to a proportionate number of seats on the board of the owner's association at such time as it is formed. The provisions of this Section shall survive and shall continue in full force and effect after Closing.

10.3. Costs of Approvals. Except as expressly set forth in this Agreement, including, without limitation, the costs related to the Parcel 8/15 Final Map and satisfaction of the related conditions imposed by the City and payment of all fees in order to finalize and record such map and such other amounts as described in this Agreement (which shall be Seller's sole responsibility), Buyer assumes all other costs, duties, risks, liabilities and obligations for improving the Property and obtaining all required Permits and Approvals (including the Final Maps for Phase 2 and Phase 3, and the related conditions thereto, but specifically excluding the Parcel 8/15 Final Map and its related costs or conditions) for Buyer's intended use thereof for the Project, and paying all costs and fees in connection therewith, including, but not limited to, building permit fees.

10.4. Parcel 8/15 Final Map. Seller shall process and obtain final approval of the Parcel 8/15 Final Map and record it as a condition to the First Closing for Buyer's benefit. Seller shall process and record the Parcel 8/15 Final Map no later than ninety (90) calendar days following entry of the Sale Order ("**Outside Map Date**"). Seller shall be responsible for all costs and expenses for preparing, approving and recording the Parcel 8/15 Final Map, including, without limitation, all bonding and warranty costs, and conditions thereto.

10.5. Park Work. The provisions of the Recitals pertaining to the Park Work are hereby incorporated by reference.

10.6. Street Work. The provisions of the Recitals pertaining to the Street Work are hereby incorporated by reference.

10.7. Buyer's Self-Help Right. In the event that Seller fails to complete processing and recording the Parcel 8/15 Final Map by the Outside Map Date, or completing any obligations required in connection therewith such as the payment of any delinquent taxes, or any other material obligations required of Seller under this Agreement, and Buyer shall have given written notice of such failure and the opportunity to cure the same within ten (10) calendar days of such notice (collectively, "**Incomplete Work**"), then Buyer shall have the right to elect to complete the Incomplete Work in accordance with the following provisions affecting Buyer's Self-Help Right. Buyer may exercise Buyer's Self-Help Right with respect to any portion of the Incomplete Work, and any partial exercise shall not relieve Seller of Seller's obligation to complete the remainder of the Incomplete Work with respect to which Buyer has not exercised Buyer's Self-Help Right.

10.7.1 Direct Payment. In exercising Buyer's Self-Help Right, Buyer shall have the right to use Buyer's contractors and consultants to complete any Incomplete Work. To the extent Buyer exercises Buyer's Self-Help Right, Buyer shall have the right to pay all contractors and consultants directly. The amounts paid by Buyer for the actual and reasonable costs to complete any Incomplete Work shall be the self-help costs (collectively, the "**Self-Help Costs**").

10.7.2 Credit to Purchase Price. All Self-Help Costs shall be credited against and reduce the amount of the Purchase Price on a dollar-for-dollar basis for Buyer's benefit.

10.7.3 Ongoing Assignment of Seller's Rights.

(a) Assignment of Plans and Contracts. Concurrently with the Closing, Seller shall sign and deliver to Buyer that certain Assignment of Plans and Contracts in the form attached hereto as Exhibit G ("**Assignment of Plans and Contracts**"). Pursuant to the Assignment of Plans and Contracts and this Agreement, Seller shall and does hereby assign to Buyer, to the extent assignable, on a non-exclusive basis, without representation or warranty, all of its rights and interests in, to and under all of the following whether now or hereafter existing: (a) all plans, drawings, specifications, surveys, reports, data and similar documents relating to Seller's development of the Property and construction of the offsite and onsite improvements together with all express or implied warranties related thereto (collectively, "**Plans**"); (b) all Intangible Property owned by Seller in connection with Seller's development of any portion of the Property, and all other governmental permits, entitlements, approvals and licenses, including, without limitation, all applications for any of the foregoing (collectively, "**Permits**"); and (c) all agreements and contracts relating to the preparation, issuance, ownership or use of the Plans and Permits and the construction of all improvements contemplated thereby with respect to the Property (collectively, "**Contracts**").

(b) Consents. It is the intention of the Parties that, subject to the requirements of this Section 10.7.3, by virtue of the Assignment of Plans and Contracts, Buyer will have full rights, power and authority to use, re-use or rely upon all of the Plans, Permits and Contracts in connection with its development of the Property in connection with Buyer's Self-Help Right, but without any obligation to cure any default or breach on Seller's part thereunder. Seller shall use commercially reasonable efforts to obtain (a) all necessary written consents to

said assignment of Plans, Permits and Contracts (“**Necessary Consents**”) from the firms preparing or entering into the Plans, Permits and Contracts, and (b) written acknowledgments (“**Right to Use Acknowledgment**”) from the firms preparing or entering into the Plans, Permits and Contracts that each of them have read the terms and conditions of this Section and agrees to comply with its terms and recognize Buyer’s rights, power and authority to use, re-use or rely upon all of the Plans, Permits and Contracts, which shall be obtained during the Due Diligence Period. The form by which Seller will obtain Necessary Consents and Right to Use Acknowledgments in substantial conformance therewith is attached hereto as Exhibit H. Further, Seller shall immediately advise Buyer of such inability to obtain any of the Necessary Consents and/or Right to Use Acknowledgments so that Buyer may directly discuss said request with such non-consenting parties. Seller shall also use commercially reasonable efforts to obtain all Necessary Consents and Right to Use Acknowledgments for the Plans, Permits and Contracts from all appropriate Authorities. If Seller is unable to obtain any or all Necessary Consents and Right to Use Acknowledgments, then upon request by Buyer, Seller will promptly (and in any event within fourteen (14) days thereafter) prepare and file a motion pursuant to Sections 363, 365 and/or 525 of the Bankruptcy Code to approve the assignment to Buyer (subject to the Closing of the sale of the portion of the Property to which the Plans, Permits and Contracts relate) of all of Seller’s right, title and interest in and to the Plans, Permits and Contracts, which motion may be included within the Chapter 11 Plan or other motion for entry of the Sale Order.

(c) Run with the Land. Notwithstanding anything to the contrary contained herein, to the fullest extent permitted by law, all Plans, Permits and Contracts shall run with the Property and, to the extent agreed upon by the applicable party, firm, consultant, agency or regulatory authority, no party, firm, consultant, agency or regulatory authority (other than Seller and Buyer) shall have any ownership interest therein or legal or other claim or rights thereto.

10.8. No Opposition. By purchasing the Property, Buyer acknowledges Seller’s right to obtain the consent of all governing agencies to develop the remaining portions of the real property within the Overall Project (not including the subject Property) in whatever reasonable manner Seller shall choose (but specifically excluding the development of the remaining Overall Project into townhouses which may be opposed by Buyer provided that the Closing for each Phase of the Property has timely occurred). Buyer, on behalf of itself and its officers, partners, directors, employees, agents, partners, members, successors and assigns, agrees that it will not in any way challenge, contest, oppose, litigate, or seek to hinder or delay, directly or indirectly, administratively, judicially, publicly or privately, including by referendum or initiative, and will not in any way assist, support, encourage or provide cooperation, direct or indirect, to others who challenge, contest, oppose, litigate, or seek to hinder or delay; (i) the processing and issuance of entitlements for the development, use, occupancy, and/or sale of the Overall Project or any matter in any way related thereto (but specifically excluding the development of the remaining Overall Project into townhouses which may be opposed by Buyer provided that the Closing for each Phase has timely occurred); (ii) any governing agency ordinances, permits, approvals or determinations in any way related to the development, construction, use, occupancy, and/or sale of any portion of the Overall Project, including, but not limited to, any development agreement, tentative or final map, or the conditions applicable thereof, (iii) ordinances, permits, approvals or determinations in any way related to the construction of public works, and/or offsite improvements related to the Overall Project; (iv) matters related to the implementation of the

Overall Project ordinances, permits, approvals, determinations or other entitlements, (v) financial agreements with governing agencies and community facilities districts or bonds issued pursuant thereto, (vi) any other documentation related to development, construction, use, occupancy, and/or sale of any portion of the Overall Project, or (vii) any modification, renewal, extension, or amendment of any of the foregoing. Buyer shall execute and acknowledge such documents, agreements, consents, waivers, or other instruments and shall take such other actions as Seller, in the exercise of its sole discretion, may deem necessary, expedient or appropriate to confirm Buyer's consent to the development of the Overall Project in accordance with the provisions of this paragraph. Seller alone shall have the right to enforce, all restrictions, covenants and agreements imposed by this paragraph, including the right to prevent the violation of any such restrictions, covenants, or agreements; order the abatement of any activity undertaken by Buyer in violation of any such restrictions, covenants, or agreements; and the right to recover damages or other amounts due for such violation. All rights, options and remedies of Seller are cumulative, and no one of them shall be exclusive of any other. Seller (and/or its assignee) shall have the right to pursue any one or all of such rights and remedies or any other remedy or relief which may be available at law or in equity, whether or not stated in this paragraph. The provisions of this paragraph shall survive and shall continue in full force and effect after the First Closing for a period of sixty (60) months.

10.9. SWPPP Indemnity. TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER AND ANY OF ITS AFFILIATES FROM AND AGAINST ANY CLAIMS, DEMANDS, DAMAGES, FINES, PENALTIES, VIOLATIONS, NOTICES OF VIOLATIONS, REASONABLE ATTORNEYS' FEES, COSTS, OR EXPENSES OF ANY TYPE OR NATURE TO THE EXTENT ARISING FROM OR RELATED TO, DIRECTLY OR INDIRECTLY, THE FAILURE OF SELLER TO (i) SATISFY SELLER'S STORM WATER OBLIGATIONS DURING THE PERIOD OF SELLER'S OWNERSHIP, OR (ii) OTHERWISE FAIL TO PROPERLY PERFORM ANY STORM WATER RELATED ACTIONS REQUIRED ON THE PART OF SELLER PRIOR TO THE CLOSING ON THE PROPERTY (OR ANY PORTION THEREOF) BY BUYER.

10.10. Assignment of Declarant Status and Development Agreement. At each Closing, Seller shall partially assign to Buyer (and/or its assignee) declarant status under the existing CC&Rs relative to matters concerning the entitlement, development, improvement and use of the parcels constituting the Property being acquired at such Closing, by executing and delivering the Assignment of Declarant Status in the form and content required under the CC&Rs and pursuant to a written assignment agreement to be prepared and entered into between the Parties prior to the expiration of the Due Diligence Period. Seller shall use commercially reasonable efforts to cause any and all development agreements (applicable to the master development of the Overall Project) to be released from the Property, with respect to the first Phase concurrently with the recordation of the Parcel 8/15 Final Map, and prior to the Closing for each subsequent Phase; provided, that, Seller agrees to partially assign any incentives or fee reduction programs under such development agreements, if any, to Buyer.

10.11. Dirt. During the walk-through, the Parties shall assess whether development of the intended Project will require importation of fill dirt to cause the parcels to consist of a level pad. In the event that the pads are determined not to be sufficiently level for construction of Buyer's Project, Buyer shall complete all work to compact the sites at Buyer's

cost and expense, but Seller agrees to make available to Buyer any excess onsite dirt currently located on the Property at no additional cost to Buyer. The dirt needs for the Property and availability of onsite excess dirt shall be evaluated by Buyer during the Due Diligence Period.

10.12. No Other Offers. Unless required by the Bankruptcy Court, following the expiration of the Due Diligence Period and Buyer's election to proceed with the transactions contemplated hereby, during the term of this Agreement Seller shall not accept or enter into any backup offers or other agreements for the sale of the same Property to any other person or entity.

11. Default.

11.1. Buyer Default. LIQUIDATED DAMAGES: BUYER AND SELLER AGREE THAT FOLLOWING BUYER'S DELIVERY OF THE NOTICE OF APPROVAL AND ENTRY OF THE SALE ORDER, IN THE EVENT THE CONDITIONS PRECEDENT TO CLOSING OF THIS AGREEMENT HAVE BEEN SATISFIED OR WAIVED BY BUYER, AND BUYER DEFAULTS ON ITS OBLIGATION TO COMPLETE THE CLOSING PURSUANT TO THIS AGREEMENT, SUBJECT TO THE TERMS AND CONDITIONS OF SECTION 11.3 BELOW, AND PROVIDED THAT SELLER IS NOT IN DEFAULT OF THIS AGREEMENT BEYOND ANY APPLICABLE NOTICE AND CURE PERIODS, THE DAMAGES TO SELLER WOULD BE DIFFICULT AND IMPRACTICAL TO DETERMINE. BUYER AND SELLER FURTHER AGREE THAT THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF THE RESULTING DAMAGES TO SELLER, SUCH DAMAGES INCLUDING COSTS OF NEGOTIATING AND DRAFTING OF THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER UPON BUYER'S DEFAULT, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HERewith. ACCORDINGLY, BUYER AND SELLER HAVE AGREED TO FIX AS LIQUIDATED DAMAGES THE AMOUNT OF THE DEPOSIT THEN IN ESCROW, AND SELLER MAY RECOVER AND/OR RETAIN SUCH AMOUNT WITHOUT RESTRICTION AS LIQUIDATED DAMAGES, AND WHICH SHALL CONSTITUTE SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH DEFAULT. SELLER'S RETENTION OF SAID SUMS AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY UNDER CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. SELLER AGREES THAT THESE LIQUIDATED DAMAGES SHALL BE IN LIEU OF ANY OTHER MONETARY RELIEF OR OTHER REMEDY, INCLUDING, WITHOUT LIMITATION, SPECIFIC PERFORMANCE, TO WHICH SELLER OTHERWISE MIGHT BE ENTITLED UNDER THIS AGREEMENT, AT LAW OR IN EQUITY. THE LIMITATIONS CONTAINED IN THIS SECTION SHALL NOT APPLY TO ANY INDEMNITY OBLIGATIONS CONTAINED IN THIS AGREEMENT OR TO ANY REMEDY AVAILABLE TO SELLER UNDER SECTION 11 OF THIS AGREEMENT. BUYER AND SELLER SPECIFICALLY ACKNOWLEDGE THEIR AGREEMENT TO THE FOREGOING LIQUIDATED DAMAGES PROVISION BY INITIALING THIS PARAGRAPH IN THE APPROPRIATE SPACES PROVIDED BELOW:

Buyer's Initials: DR

Seller's Initials: S

11.2. Seller's Default. In the event of any default hereunder by Seller to convey the Property as required under this Agreement upon entry of the Sale Order (and subject to Seller's conditions to Closing), or the breach of any material provisions hereunder, Buyer shall have the right, IN LIEU OF ANY AND ALL OTHER REMEDIES AVAILABLE AT LAW OR IN EQUITY, to either (i) if reasonably practical, pursue Buyer's Self-Help Right and receive a credit against the Purchase Price for all of Buyer's costs, expenses, fees and other amounts expended in satisfaction of Seller's obligations under this Agreement in order to complete the purchase of the Property in accordance with this Agreement, (ii) cancel this Agreement either in its entirety or only as to a given portion of the Agreement that is not yet performed, or (iii) to pursue an action for specific performance of this Agreement, and if Buyer shall be the prevailing Party in such action for specific performance, Seller shall pay the actual and reasonable cost of Buyer's attorneys' fees and other costs of prosecuting such action. If Buyer cancels this Agreement, then (a) the Deposits shall be immediately returned to Buyer without further instruction from Seller, (b) Seller will reimburse Buyer for all of its reasonable and actual out-of-pocket expenses incurred in connection with the transactions contemplated by this Agreement up to a maximum amount of \$50,000.

11.3. Return of Deposit. For clarity purposes, in addition to any and all other remedies provided for under this Agreement, the Deposit shall be returned to Buyer in the event that (i) Buyer elects to terminate this Agreement during the Due Diligence Period, (ii) Buyer's conditions to Closing are not satisfied and Buyer does not otherwise waive the same, (iii) Seller does not obtain entry of the Sale Order by the Outside Conditions Date, or if the Sale Order has been entered but is not a Final Order by such date, (iv) a new Monetary Lien is identified in any Updated Title Documents that Seller is not able or not willing to remove, or (v) Seller is in breach of this Agreement and Buyer elects to terminate this Agreement as a result thereof.

11.4. Cure Period. Notwithstanding the provisions of Section 11 above and any other provisions in this Agreement applicable to a breach or default by either Party, no default by Buyer or Seller shall result in a termination or limitation of any rights of Buyer or Seller unless and until the non-defaulting Party shall have notified the other in writing of said default, in reasonably sufficient detail, and the defaulting Party shall have failed to cure said default within five (5) business days after the receipt of said written notice. This cure period does not apply to the payment of any fees or deposits, which shall be made timely.

12. Notices. All notices required hereunder shall be in writing, and shall be delivered by personal delivery, facsimile, commercial courier, or by mailing such notice by first-class mail, certified, return receipt requested, postage and fees prepaid, addressed as follows:

To Buyer:	Anthem United Homes, Inc. 3001 Douglas Blvd., Suite 200 Roseville, CA 95661 Attention: Brendan Leonard Telephone: 916-960-0240 Facsimile: 916-960-0242 Email: BLEonard@AnthemUnited.com
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With copies to: Stoel Rives LLP
500 Capitol Mall, Suite 1600
Sacramento, CA 95814
Attention: Sylvia S. Arostegui
Telephone: 916-447-0700
Facsimile: 916-447-4781
Email: Sylvia.Arostegui@stoel.com

To Seller: Capitol Station 65 LLC
410 Park Avenue, 14th Floor
New York, NY 10022
Attention: Suneet Singal
Telephone: 916-213-5272
Facsimile: 916-914-2487
Email: s@firstcapitalre.com

With copies to: Nuti Hart LLP
411 30th Street, Suite 408
Oakland, CA 95609
Attention: Gregory C. Nuti
Telephone: 510-507-7152
Email: gnuti@nutihart.com

Escrow Agent: First American Title Company
4750 Willow Road, Suite 100
Pleasanton, CA 94588
Attention: Diane Burton, Escrow Holder
Telephone: 925-201-6603
Facsimile: 866-648-7806
Email: dburton@firstam.com

or to such other address as either Party may designate by written notice to the other. All notices shall be deemed delivered upon actual receipt or refusal of delivery. Email addresses are provided herein for convenience only, and are not deemed to be an acceptable method for delivery of notices, unless otherwise specifically set forth in this Agreement.

13. Brokers. Seller hereby agrees to indemnify, defend and hold Buyer free and harmless from and against any and all claims for any real estate brokerage commission or finder's commission or fee owed by Seller to any broker, agent, finder or third party retained by Seller. Buyer hereby agrees to indemnify, defend and hold Seller free and harmless from and against any and all claims for any real estate brokerage commission or finder's commission or fee owed to any broker, agent, finder or third party retained by Buyer. Each Party shall be responsible for any finder's fee agreed to by such party pursuant to separate agreements that such Party executed in connection with the same.

14. Representations, Warranties and Covenants.

14.1. Buyer's Warranties and Representations. To induce Seller to enter into this Agreement, Buyer represents and warrants to Seller as follows:

(a) Buyer's Authority. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.

(b) Actions. All requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby.

(c) Signatory. The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer and the officers of Buyer, if any, have the legal power, right, and actual authority to execute this Agreement and consummate the transaction contemplated herein.

(d) Enforceability. Subject to entry of the Sale Order, this Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting Parties generally in a case or proceeding concerning Buyer.

(e) Conflicting Documents. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party.

(f) Patriot Act. Buyer is not, and will not be, a person or entity with whom Seller is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 162 Public Law 107-56 (commonly known as the "**USA Patriot Act**") and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including, without limitation, persons and entities named on the office of Foreign Asset Control Specially designated Nationals and Blocked Persons List.

14.2. Seller's Representations. Seller hereby makes the following representations and warranties as of the Effective Date, which representations and warranties shall be deemed to be remade by Seller to Buyer as of the Closing Date. All representations and warranties that are expressly qualified "to Seller's knowledge" shall be deemed to refer to actual (but not constructive) knowledge, without any duty of inquiry or personal liability for the same, of Al Esquivel ("**Seller's Representative**") without Seller's Representative having any

obligation to make an independent inquiry or investigation. In the event of any breach of any representation or warranty by Seller above, Seller's Representative shall not be personally liable for such breach and recourse may not be had against Seller's Representative personally. Seller represents and warrants that Seller's Representative is the person charged with the day-to-day operation of the Property and the person most likely to have knowledge of the truth and accuracy of the below representations and warranties by Seller. Seller has not made and shall have no duty to make any special inquiry or investigation of any of the matters referred to in this Section for purposes of making the representations and warranties stated below. Seller shall not be deemed to have breached any warranty or made any misrepresentation if it has disclosed the truth of the matter in question in a Seller Update Certificate (as defined below). Except as explicitly set forth in this Agreement, Seller makes no representation concerning the Property and Buyer agrees that any representation made by Seller or any of its agents prior to date of this Agreement is not binding upon Seller, nor may Buyer rely thereto, except to the extent such representation is explicitly set forth in this Agreement. If, prior to the Closing Date, Seller acquires actual knowledge of any facts or circumstance which would cause the representations contained in this Section 14.2 to become untrue if such representations were made as of the date Seller becomes aware of such fact or circumstance, Seller shall immediately disclose the same to Buyer by delivery to Buyer of a written notice duly executed by Seller (herein the "**Seller Update Certificate**") identifying any such representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. If, despite the changes or other matters described in such Seller Update Certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such Seller Update Certificate and Seller shall have no liability to Buyer for any such changes, matters or statements made in such Seller Update Certificate except to the extent the same are materially inaccurate when made in such Seller Update Certificate.

(a) Seller's Authority. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California and, subject to Bankruptcy Court approval and entry of the Sale Order, has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(b) Actions. All requisite limited liability company action has been taken by Seller in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby and, to Seller's knowledge, except for entry of the Sale Order, does not require the consent of any other partner, shareholder, trustee, trustor, beneficiary, creditor, investor, Authority or other party. Further, to Seller's knowledge, other than may be required by a development agreement affecting the Property, any entitlement or conditions thereto or any other document disclosed by Buyer to Seller, no action by any Authority is necessary to make this Agreement a valid instrument binding upon Seller in accordance with its terms.

(c) Signatory. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller and the officers of Seller, if any, have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof.

(d) Enforceability. Subject to entry of the Sale Order, this Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms except to the extent that such enforcement may be limited by applicable principles relating to or limiting the rights of contracting Parties generally.

(e) Patriot Act. Seller is not, and will not be, a person or entity with whom Buyer is restricted from doing business under the USA Patriot Act and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto, including, without limitation, persons and entities named on the office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

(f) Foreign Person. Seller is not a “foreign person” as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and applicable regulations.

(g) Condemnation. To Seller’s knowledge, there are no pending or threatened condemnation proceedings affecting the Property, or any part thereof.

(h) Hazardous Materials. To Seller’s knowledge: (i) there is not, and to the best of Seller’s knowledge has not been, any violation of “Environmental Laws” related to the Property or the presence or release of “Hazardous Materials” on or from the Property, (ii) except as may be disclosed in the Documents delivered to Buyer, to Seller’s knowledge, neither Seller nor any prior or other occupant has manufactured, introduced, released or discharged from or onto the Property any “Hazardous Materials” or any toxic wastes, substances or materials (including, without limitation, asbestos) during the period of Seller’s ownership. To Seller’s knowledge, Seller has not used the Property or any part thereof for the generation, treatment, storage, handling or disposal of any Hazardous Materials, in violation of any Environmental Laws. To Seller’s knowledge (i) there are no underground storage tanks located on the Property, (ii) there have been no claims made or threatened in writing by any third party against Seller or the Property relating to damage, cost recovery compensation, contribution loss or injury resulting from any Hazardous Materials, and (iii) there are no enforcement, cleanup, removal or other Authority actions instituted, completed or threatened in writing pursuant to any applicable federal, state or local laws relating to any Hazardous Materials and affecting the Property. The term “**Environmental Laws**” includes, without limitation, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act and other federal laws governing the environment as in effect on the date of this Agreement, together with their implementing regulations, guidelines, rules or orders as of the date of this Agreement, and all state, regional, county, municipal and other local laws, regulations, ordinances, rules or orders that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Materials. The term “**Hazardous Materials**” includes petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas or such synthetic gas), and any substance, material, waste, pollutant or contaminant listed or defined as hazardous or toxic under any Environmental Law.

(i) Leases. Seller has not entered into any lease, license or other agreement permitting any person or entity to occupy or use any portion of the Property or otherwise affect the Property or any part thereof except as disclosed in the Documents delivered to Buyer.

(j) No Other Contracts. Seller has not granted to any person or entity, and to Seller's knowledge, no person or entity has, any conditional or unconditional right and/or option to purchase the Property, and/or right of first refusal or right of first offer to purchase the Property.

(k) Title. Seller holds sole fee title to the Property and upon entry of the Sale Order shall have full rights to convey the same to Buyer, and no person (including, without limitation, any tenant) has any option to purchase or first refusal rights with respect to the Property or any part thereof.

(l) No Violations. Except as may be disclosed in the Documents delivered to Buyer, to Seller's knowledge, Seller has not received (i) any written notice of any existing violation of any statute, ordinance, regulation or administrative or judicial order concerning the Property, nor (ii) any notice from any Authority that any work of repair, maintenance, or improvement needs to be performed upon the Property.

(m) Instruments Delivered to Buyer. To Seller's knowledge, all instruments, documents, lists, schedules and items, including the Documents, prepared by Seller and required to be delivered to Buyer fairly present the information set forth in a manner that is not misleading and will be true, complete and correct in all respects on the date of delivery and upon each Closing Date, as they may be updated, modified or supplemented in accordance with this Agreement; provided, however, that Seller does not warrant the content or accuracy of any third-party information or report. To Seller's knowledge, Seller has provided all Documents in Seller's possession pertaining to the Property.

(n) Notification of Change in Condition. Seller shall promptly notify Buyer of any event or circumstance which makes any representation or warranty of Seller under this Agreement untrue or misleading, it being understood that the Seller's obligation to provide notice to Buyer shall in no way relieve Seller of any liability for a breach by Seller of any of Seller's representations, warranties or covenants under this Agreement.

14.3. Survival. Unless otherwise expressly stated to the contrary in this Agreement, the representations and warranties of the Parties set forth herein shall be true as of the Effective Date and the date of each Closing, and shall survive each Closing and delivery of each Grant Deed for a period of six (6) months. Seller shall notify Buyer in writing immediately if any representation made by Seller becomes untrue or misleading in light of information obtained by Seller after the Effective Date and prior to Closing.

14.4. Seller's Covenants. From and after the date hereof and through and including the last Closing, Seller shall, at the Seller's sole cost and expense: (a) keep in full force and effect, and/or renew to the extent necessary, all existing licenses, permits, and entitlements for the Property; and (b) continue to maintain the Property in accordance with Seller's existing

business practices and in such condition so that the Property shall be in substantially the same condition on the Closing as of the Effective Date hereof. Further, so long as this Agreement remains in force, Seller shall not (i) cause, permit or, through Seller's acts or omissions, suffer to exist any encumbrance, charge or lien to be placed or claimed upon the Property which would survive past Close of Escrow; (ii) lease, convey or otherwise transfer all or any portion of the Property; (iii) do any act or execute any document which would affect the Property and Buyer's rights under this Agreement without the prior written consent of Buyer, not to be unreasonably withheld; (iv) seek, initiate or facilitate the creation either before or after Closing of any new or additional public assessment district, Mello-Roos tax or other assessment constituting a lien against the Property for any purpose, including, without limitation, the financing of any off-site improvements under any subdivision improvement agreement or otherwise; and (v) cause any action to be taken which would cause any of the representations or warranties made by Seller in this Agreement to be false on or as of the Closing Date.

15. General.

15.1. Entire Agreement. This Agreement constitutes the final and entire Agreement between the Parties, and they shall not be bound by any terms, covenants, conditions, representations or warranties not expressly contained herein. This Agreement may not be amended except by a written instrument executed by both Parties.

15.2. Partial Invalidity. If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

15.3. Time of the Essence. Time is of the essence of this Agreement and the performance of each and every one of the terms and conditions hereof.

15.4. Successors and Assigns. Subject to the limitations set forth below, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, successors and assigns. Buyer and Seller shall not assign, hypothecate, or otherwise transfer such rights hereunder, or delegate such duties hereunder, without the prior written consent of the other party, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Buyer may assign, convey, or otherwise transfer its rights and obligations hereunder, without Seller's consent but upon prior written notice to Seller, to (i) any affiliate, subsidiary or related entity of Buyer, or (ii) any entity affiliated with Buyer established to hold title to the Property. No assignment shall relieve Buyer from its obligations, responsibilities or liabilities under this Agreement.

15.5. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15.6. Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided for convenience of reference only, and shall not be considered in construing their contents.

15.7. Exhibits and Schedules. Each writing or map or plan referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit is incorporated herein by reference and made a part hereof. The following exhibits and schedules are attached to this Agreement:

Exhibit A	Parcels, COE and Pricing
Exhibit B:	Tentative and Final Maps
Exhibit C:	List of Documents
Exhibit D:	Form of Grant Deed
Exhibit E:	Form of FIRPTA Affidavit
Exhibit F:	Form of Bill of Sale
Exhibit G:	Assignment of Plans and Contracts
Exhibit H:	Right to Use Acknowledgement
Schedule 1:	Park Work

15.8. Time Periods. Any and all references in this Agreement to time periods which are specified by reference to a certain number of days refer to calendar days, unless “business days” is otherwise expressly provided. Therefore, if (a) the last date by which a Closing is permitted to occur hereunder, or (b) any date by which a Party is required to provide the other Party with notice hereunder, occurs on a Saturday or a Sunday or a banking holiday in the jurisdiction where the Property is located, then and in any of such events, such applicable date shall be deemed to occur, for all purposes of this Agreement, on that calendar day which is the next succeeding day, which is not a Saturday, Sunday or banking holiday. The term “business days” shall have the meaning ascribed to it in California Civil Code Section 9.

15.9. No Partnership. Nothing in this Agreement shall be deemed in any way to create between the Parties any relationship of partnership, joint venture or association, and the Parties disclaim the existence thereof.

15.10. Waivers. No Party shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and no delay or omission by any Party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

15.11. Choice of Law. This Agreement shall be given effect and construed by application of California law.

15.12. Attorneys’ Fees. In the event of any legal action or arbitration proceeding between the Parties regarding this Agreement or the Property, the prevailing Party shall be entitled to payment by the non-prevailing Party of its reasonable attorneys’ fees, costs, and litigation or arbitration expenses as determined in the course of the proceeding.

15.13. Cooperation in Exchange. In the event that Seller intends to enter into a contract with a qualified intermediary for the purpose of effecting a tax-deferred exchange in accordance with Section 1031 of the U.S. Internal Revenue Code of 1986, as most recently amended, Buyer shall reasonably cooperate with Seller; shall execute, acknowledge, and deliver any and all documents which Seller may reasonably request, provided that such documents are given to Buyer at least ten (10) business days before such documents are to be so delivered; and shall deal with any intermediary as Seller may direct; provided, however, that Buyer shall not be required to (i) incur any escrow or title cost or any liability in connection with any proposed exchange, (ii) delay the Closing, (iii) be responsible for locating exchange property, or (iv) take title to any property other than the Property. Seller shall indemnify and hold Buyer harmless from and against any liability, including reasonable attorneys' fees and costs, in any way related to the exchange, including, but not limited to, any liability as a result of the exchange being a taxable or non-taxable event. Buyer makes no representation as to whether or not the transfer of the Property is a tax-deferred exchange. Seller shall reimburse Buyer for reasonable attorneys' fees incurred in the review of documents which Seller requests Buyer to execute pursuant to this Section, whether or not the tax-deferred exchange is in fact consummated. Seller shall apply the amount to be reimbursed toward payment of the Purchase Price at the Closing. Seller's obligation to cause the conveyance of the Property to Buyer in the time and manner provided in this Agreement is not contingent upon Seller's ability to effectuate a tax-deferred exchange. Each Party agrees to sign a Notice of Assignment prior to Close of Escrow confirming that such Party has received the Notice of Assignment and consents to the assignment.

15.14. Publicity. Each of the Parties agrees that it shall not issue or permit the issuance of a press release regarding this Agreement prior to the filing of the Chapter 11 Plan (or motion for entry of the Sale Order) without the prior written consent of the other Party, which consent may be withheld in the other Party's sole and absolute discretion; provided, however, that the foregoing provisions shall not apply to any disclosure requirements under applicable corporate and securities laws.


15.15. Representation by Counsel. Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty shall not be construed against either Seller or Buyer based upon authorship of any of the provisions hereof. Seller and Buyer each hereby warrant, represent and certify to the other as follows: (a) that the contents of this Agreement have been completely and carefully read by the representing Party and counsel for the representing Party; (b) that the representing Party has been separately represented by counsel and the representing Party is satisfied with such representation; (c) that the representing Party's counsel has advised the representing Party of, and the representing Party fully understands, the legal consequences of this Agreement; and (d) that no other person (whether a party to this Agreement or not) has made any threats, promises or representations of any kind whatsoever to induce the execution hereof, other than the performance of the terms and provisions hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed under seal this Agreement as of the Effective Date.

SELLER:

CAPITOL STATION 65 LLC,
a California limited liability company,
as Debtor and Debtor in Possession

By: 

Name: Suneet Singal

Title: CEO / CHIEF MAN

Date: 7/27/17

BUYER:

ANTHEM UNITED HOMES, INC.,
a Washington corporation

By: 

Name: DAVID REGLAND

Title: V.P.

Date: 7/27/17

ACCEPTANCE BY ESCROW AGENT

The undersigned joins in the execution of the Agreement for the purpose of agreeing to act as Escrow Agent under the Agreement and to be bound by and perform the terms thereof as such terms apply to Escrow Agent.

ESCROW AGENT:

FIRST AMERICAN TITLE COMPANY

By: *Barbara Clarke*
Name: *BARBARA CLARKE*
Title: Escrow Officer
Date: *7-27-2017*

EXHIBIT A TO PURCHASE AGREEMENT

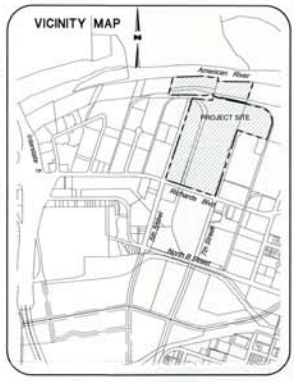
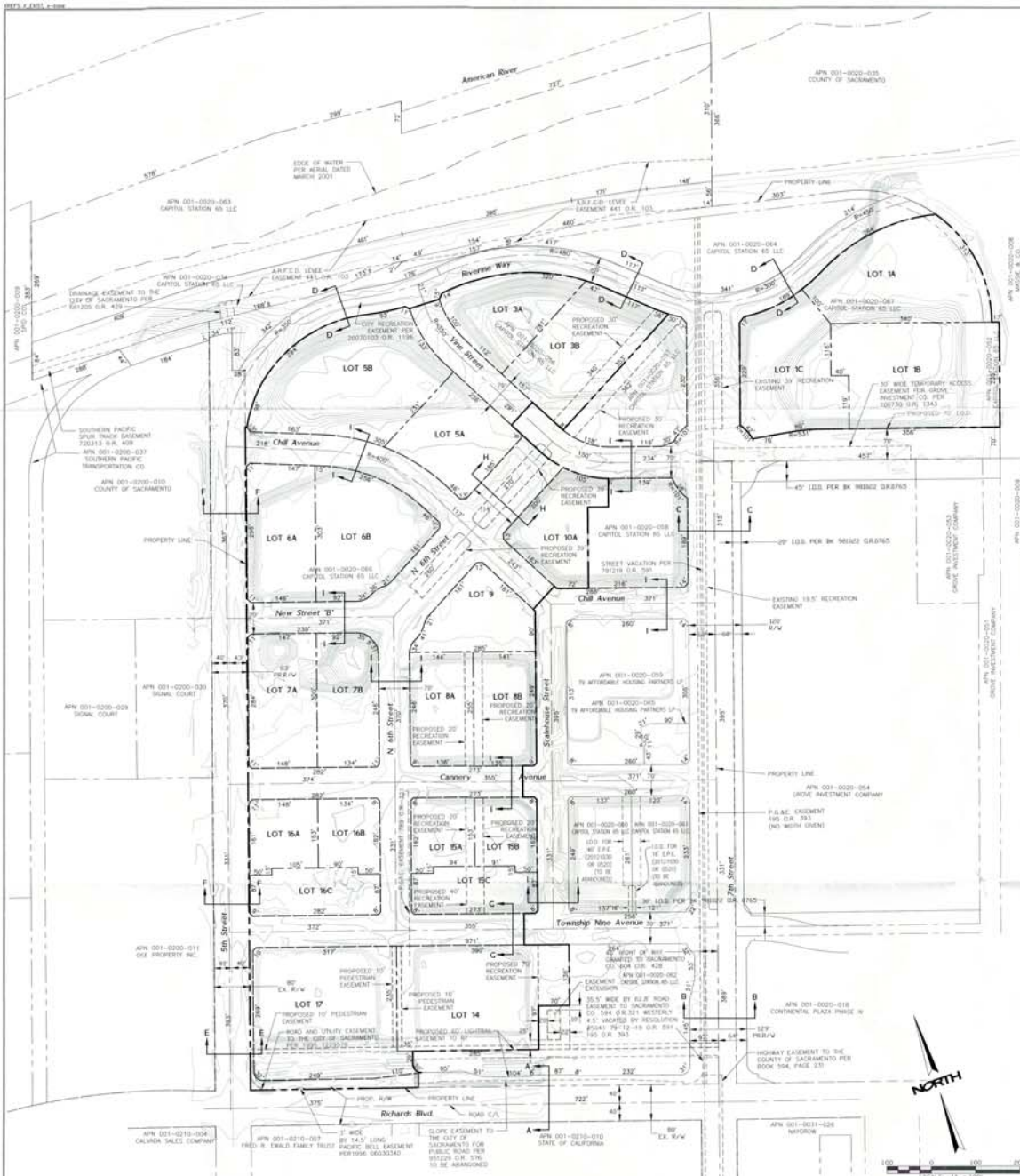
PARCELS, COE AND PRICING

PHASE	PARCEL	PRESUMED YIELD	PURCHASE PRICE	COE - MONTHS AFTER ENTRY OF SALE ORDER
<u>TOWNHOUSES</u>				
1	8A - townhouses	22	\$1,364,000	4
1	8B - townhouses	22	\$1,364,000	4
1	15A/B - affordable	16	\$160,000	4
1	15A/B - townhouses	12	\$744,000	4
2	7A - townhouses	25	\$1,650,000	12
2	7B - townhouses	25	\$1,650,000	12
2	16A/B - affordable	9	\$90,000	12
2	16A/B - townhouses	19	\$1,254,000	12
2	12A - townhouses	16	\$1,056,000	12
2	6A - townhouses	26	\$1,716,000	12
2	6B - townhouses	30	<u>\$1,980,000</u>	12
	Subtotal Land	222	\$13,028,000	
	Fee Credits		\$1,968,030	
	Total Valuation - Townhouses		\$14,996,030	
<u>MULTIFAMILY</u>				
3	12C - MF	95	\$2,185,000	20
3	15C - MF	56	\$1,232,000	20
3	16C - MF	56	<u>\$1,232,000</u>	20
	Subtotal Land	207	\$4,649,000	
	Fee Credits		\$1,835,055	
	Total Valuation - MF		\$6,484,055	
	<u>TOTAL Land Purchase</u>	429	\$17,677,000	
	<u>TOTAL Fee Credits</u>		\$3,803,085	
	<u>TOTAL Valuation</u>		\$21,480,085	

EXHIBIT B TO PURCHASE AGREEMENT

TENTATIVE AND FINAL MAPS

[SEE ATTACHED]



GENERAL NOTES:

OWNER/SUBDIVIDER
Capitol Station 65 LLC
640 Berard Drive, Suite C
Sacramento, CA 95811
Attn: Steve Schaefer
(916) 482-7900

ENGINEER/PLANNER
W.S. Mc
2525 Wetmore Plaza Drive, Suite 8000
Sacramento, CA 95833
Attn: Jay F. Robe
(916) 441-8100

ASSESSOR PARCEL NUMBERS:
All or portions of parcels:
001-0220-096, and 067, County of Sacramento, CA

LEGAL DESCRIPTION
Designated Remainder 1, Designated Remainder 2, and Lot 1, as shown on the map entitled Township 9, Phase 1, Subdivision No. PFD-020-C, filed for record November 13, 2012 in Book 378 of final maps, page 1, Sacramento County Records.

SUBDIVISION NAME
Township 9

AREA
64.42 ac. Gross

TOTAL NUMBER OF LOTS
24 LOTS
23 Residential Mixed Use Lots
1 Open Space Lot

EXISTING ZONING
08-PUD SPD & RM-PUD SPD

PROPOSED ZONING
08-PUD SPD & RM-PUD SPD

EXISTING LAND USE
Vacant

PROPOSED LAND USE
Park/Open Space, Multi-Family Residential, Office, Commercial

FIRE DISTRICT
City of Sacramento

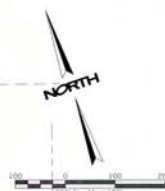
SCHOOL DISTRICT
Crestwood Union High
North Sacramento Elementary

UTILITIES
Sewer: City of Sacramento
Water: City of Sacramento
Gas: Pacific Gas and Electric
Telephone: AT&T
Cable: Comcast

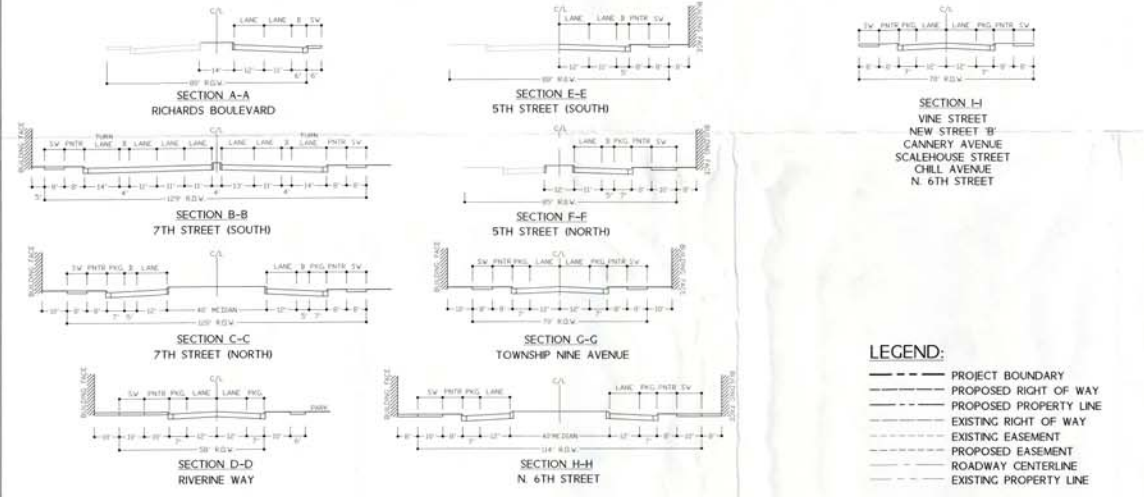
PHASING
This project will be phased with multiple final parcel maps.

NOTES:

1. Lots 1A, 1B, 1C, 2A, 2B, 3-5, and 14-17 are proposed for construction, only.
2. All existing structures within the project boundaries have been removed.
3. All existing trees and shrubs within the project boundaries have been removed.



TYPICAL STREET SECTIONS



LOT #	LAND USE	ACRES
LOT 1A	Resid./Multi-Family Residential	1.70
LOT 1B	Resid./Multi-Family Residential	1.94
LOT 1C	Resid./Multi-Family Residential	1.44
LOT 2A	Resid./Multi-Family Residential	0.94
LOT 2B	Resid./Multi-Family Residential	1.38
LOT 2A	Resid./Multi-Family Residential	1.02
LOT 2B	Resid./Multi-Family Residential	2.13
LOT 2A	Resid./Multi-Family Residential	1.09
LOT 2B	Resid./Multi-Family Residential	1.42
LOT 3A	Resid./SF Residential/MF Residential	1.08
LOT 3B	Resid./SF Residential/MF Residential	0.95
LOT 3A	Resid./SF Residential/MF Residential	0.94
LOT 3B	Resid./SF Residential/MF Residential	0.82
LOT 9	Open Space	0.80
LOT 10A	Resid./Multi-Family Residential	0.86
LOT 13	Office/Resid./Multi-Family Residential	2.44
LOT 14	Office/Resid./Multi-Family Residential	1.84
LOT 15A	Resid./SF Residential/MF Residential	0.52
LOT 15B	Resid./SF Residential/MF Residential	0.51
LOT 15C	Resid./SF Residential/MF Residential	0.67
LOT 15A	Resid./SF Residential/MF Residential	0.52
LOT 15B	Resid./SF Residential/MF Residential	0.51
LOT 15C	Resid./SF Residential/MF Residential	0.69
LOT 16C	Resid./SF Residential/MF Residential	0.51
LOT 17	Office/Resid./Multi-Family Residential	2.24
TOTAL		28.47

PARK PARCELS AND EASEMENTS:

LOCATION	NET ACREAGE
LOT 3B	0.24
LOT 4	0.25
LOT 8A	0.13
LOT 8B	0.12
LOT 9	0.85
LOT 14	0.27
LOT 15A	0.07
LOT 15B	0.07
LOT 15C	0.10
LOT 17	0.00
PARK BLVD MEDIAN	0.36
N. 7TH STREET MEDIAN	0.64
TOTAL	3.13

LEGEND:

- PROJECT BOUNDARY
- PROPOSED RIGHT OF WAY
- PROPOSED PROPERTY LINE
- EXISTING RIGHT OF WAY
- EXISTING EASEMENT
- PROPOSED EASEMENT
- ROADWAY CENTERLINE
- EXISTING PROPERTY LINE

REVISED

PROJECT: P17-06B

DATE: 8/28/17

BY: [Signature]

CHECKED: [Signature]



FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



2495 NATOMAS PARK DRIVE, FOURTH FLOOR, SACRAMENTO, CA. 95833
916.641.9100 TEL 916.641.9222 FAX WWW.NVS.COM
SHEET 1 OF 8

OWNERS STATEMENT:

THE UNDERSIGNED HEREBY CONSENTS TO THE PREPARATION AND RECORDATION OF THIS FINAL MAP OF TOWNSHIP 9 - PHASE 1 AND OFFER FOR DEDICATION AND DOES HEREBY DEDICATE TO ANY AND ALL PUBLIC USE THE PUBLIC STREETS, AVENUES, WAY AND BOULEVARD SHOWN HEREON AND ALSO OFFER FOR DEDICATION AND DO HEREBY DEDICATE FOR SPECIFIC PURPOSES THE FOLLOWING:

- EASEMENT FOR THE INSTALLATION AND MAINTENANCE OF SEWER PIPES, UNDERGROUND DRAINAGE PIPELINES, ELECTROLIERS, WATER PIPES, GAS PIPES, UNDERGROUND WIRES FOR CABLE TELEVISION, ELECTRIC AND TELEPHONE SERVICES TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER, UNDER AND ACROSS THOSE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "PUBLIC UTILITY EASEMENT" (P.U.E.).
- PURSUANT TO THE PROVISIONS OF SECTION 66475 OF THE SUBDIVISION MAP ACT, IRREVOCABLE OFFER OF DEDICATION FOR A RECREATIONAL EASEMENT, TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER AND ACROSS AS SHOWN HEREON AND DESIGNATED AS "MOD FOR EXCLUSIVE PARK EASEMENT" (E.P.E.).
- PURSUANT TO THE PROVISIONS OF SECTION 66475 OF THE GOVERNMENT CODE, WE HEREBY IRREVOCABLY OFFER FOR DEDICATION TO THE CITY OF SACRAMENTO, AN EASEMENT FOR ANY PUBLIC ROAD PURPOSES, ON OVER, UNDER AND ACROSS THE STRIPS OF LAND SHOWN HEREON AND DESIGNATED "ROAD IRREVOCABLE OFFER OF DEDICATION" (R.I.O.D.).
- EASEMENT FOR PUBLIC SIDEWALK AND PEDESTRIAN ACCESS TOGETHER WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER AND ACROSS STRIPS OF LAND SHOWN HEREON AND DESIGNATED AS "PUBLIC SIDEWALK AND PEDESTRIAN EASEMENT."

CAPITOL STATION 65, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: Scott C. Syphax NAME: _____
DATE: 10/23/12 DATE: _____

NOTARY ACKNOWLEDGMENT:

STATE OF CALIFORNIA }
COUNTY OF Sacramento } SS

ON Oct. 23, 2012 BEFORE ME,
Mary L. Ackman, Notary Public, PERSONALLY APPEARED
Scott C. Syphax 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 CAPACITIE(S), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE
INSTRUMENT THE PERSON(S) OR 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 IS TRUE AND CORRECT.

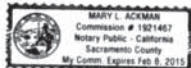
WITNESS MY HAND AND OFFICIAL SEAL.

Mary L. Ackman NOTARY'S SIGNATURE
Mary L. Ackman PRINT NOTARY'S NAME

MY PRINCIPLE PLACE OF BUSINESS IS Sacramento COUNTY.

COMMISSION NO. 1921467

MY COMMISSION EXPIRES: Feb. 8, 2015



BENEFICIARY'S STATEMENT:

ISIS LENDING, LLC, AS BENEFICIARY UNDER THAT CERTAIN DEED OF TRUST RECORDED
DECEMBER 24, 2008 IN BOOK 20081224 AT PAGE 865 OFFICIAL RECORDS OF SACRAMENTO
COUNTY, CONSENTS TO THE PREPARATION AND FILING OF THIS FINAL MAP.

ISIS LENDING, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: Garry J. Spanner
NAME: GARRY J. SPANNER
TITLE: PRESIDENT
DATE: 10-18-12

NOTARY ACKNOWLEDGMENT:

STATE OF CALIFORNIA }
COUNTY OF San Mateo } SS

ON 18 October 2012 BEFORE ME,
Garry J. Spanner, Notary Public, PERSONALLY APPEARED
Garry J. Spanner 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 CAPACITIE(S), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE
INSTRUMENT THE PERSON(S) OR 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 IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

L.G. Riley NOTARY'S SIGNATURE
L.G. Riley PRINT NOTARY'S NAME

MY PRINCIPLE PLACE OF BUSINESS IS San Mateo COUNTY.

COMMISSION NO. 1920023

MY COMMISSION EXPIRES: 18 March 2015

SURVEYOR'S STATEMENT:

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF CAPITOL STATION 65, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION IN JANUARY, 2010. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL MONUMENTS ARE OF CHARACTER AND OCCUPY THE POSITIONS INDICATED AND SHALL BE SET BY JANUARY 31, 2013 AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED.

Sherrrie J. Zimmerman
SHERRIE J. ZIMMERMAN, PLS 8964
LICENSE EXPIRES: 09/30/2014

OCTOBER 25, 2012
DATE:



CITY SURVEYOR'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP ENTITLED "TOWNSHIP 9-PHASE 1", AND FIND IT SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP APPROVED BY THE CITY PLANNING COMMISSION OF THE CITY OF SACRAMENTO AND ANY APPROVED ALTERATIONS THEREOF, THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ALL APPLICABLE CITY ORDINANCES HAVE BEEN COMPLIED WITH, AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

I HEREBY APPROVE THIS FINAL MAP OF "TOWNSHIP 9-PHASE 1" AND ACCEPT, ON BEHALF OF THE PUBLIC, SUBJECT TO IMPROVEMENTS, THE PUBLIC STREETS AND THE EASEMENTS HEREOF OFFERED FOR DEDICATION, BUT REJECT AT THIS TIME THE IRREVOCABLE OFFER OF DEDICATION (R.I.O.D.), SAID OFFER MAY BE ACCEPTED BY THE CITY AT ANY TIME. THE ABANDONMENTS OF THE EASEMENTS LISTED HEREON PURSUANT TO SECTION 66434(G) OF THE GOVERNMENT CODE ARE HEREBY APPROVED.

Faith B. Recio Nov 1, 2012
CITY SURVEYOR DATE:
FAITH B. RECIO, PLS 8424
EXP. DATE 12/31/2012
CITY OF SACRAMENTO



CITY CLERK'S STATEMENT:

I HEREBY ATTEST TO THE APPROVAL OF THIS FINAL MAP ENTITLED "TOWNSHIP 9-PHASE 1".

Wendy Sorensen 11-1-12
CITY CLERK DATE
CITY OF SACRAMENTO

RECORDER'S STATEMENT:

FILED THIS 13th DAY OF NOVEMBER, 2012 AT 10:47 A.M. IN BOOK 378 OF
FINAL MAPS, AT PAGE 001, AT THE REQUEST OF CAPITOL STATION 65, LLC, TITLE TO
THE LAND INCLUDED IN THE SUBDIVISION BEING VESTED AS PER CERTIFICATE NO. 7080
ON FILE IN THIS OFFICE.

SIGNED: CRAIG A. KRANER
COUNTY RECORDER

BY: _____
DEPUTY

DOCUMENT NO: 8K2012113 Pg 0929
FEE: \$159.00

378-1-1

FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



2495 NATOMAS PARK DRIVE, FOURTH FLOOR, SACRAMENTO, CA. 95833
916.6419100 TEL. 916.6419222 FAX WWW.NV5.COM

SHEET 2 OF 8

INDEX SHEET

LEGEND

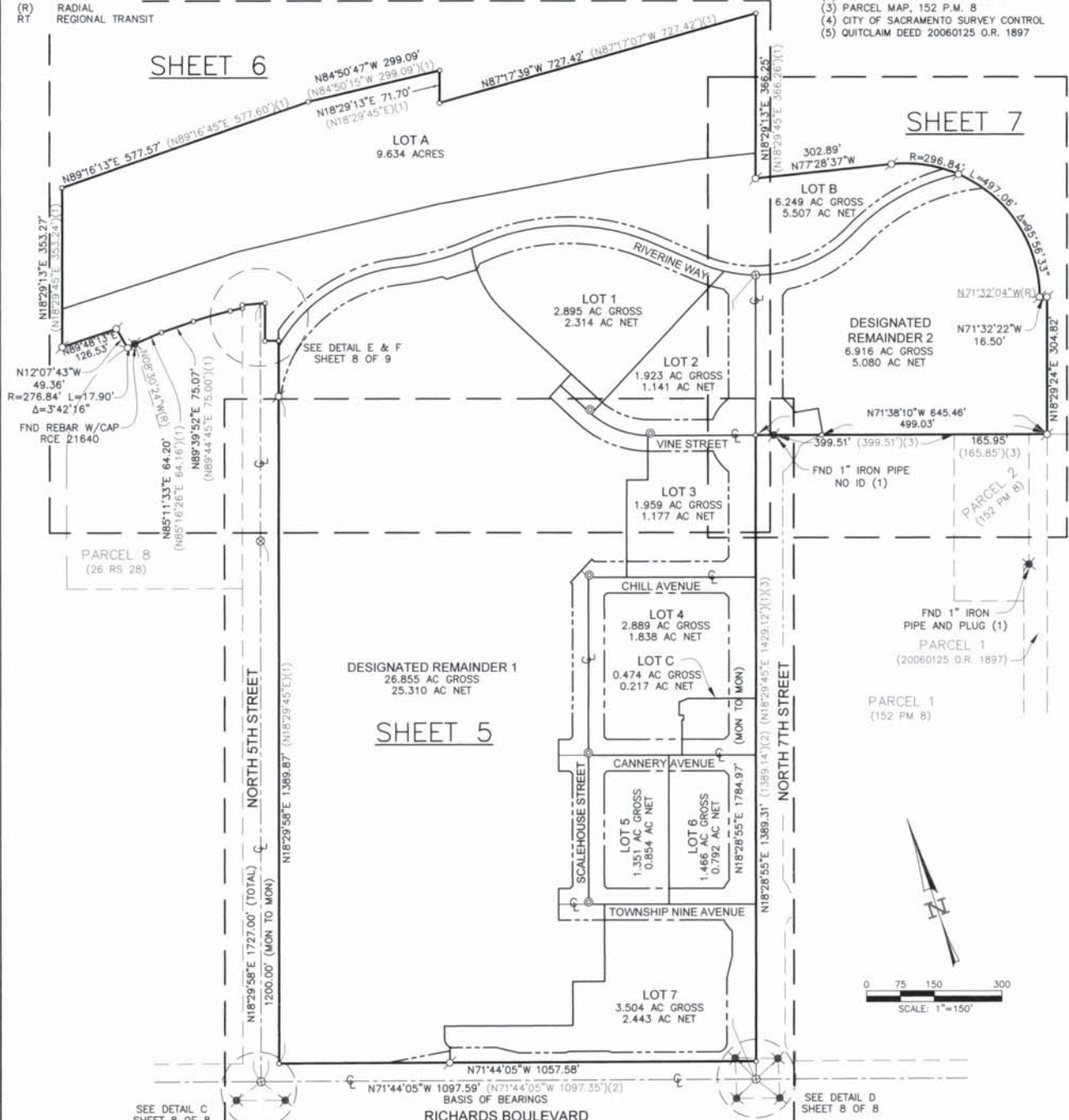
- DIMENSION POINT (NOTHING FOUND OR SET)
- ⊗ FOUND MONUMENT AS NOTED
- ⊕ SET 3/4" REBAR WITH CAP STAMPED LS 8964
- ⊙ SET 1/2" DIA. X 2" MAG & WASHER LS 8964 PER CITY MANAGER DESIGNEE (16.44.050)
- ⊗ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
- I.O.D. IRREVOCABLE OFFER OF DEDICATION
- E.P.E. EXCLUSIVE PARK EASEMENT
- CL CENTERLINE
- FND FOUND
- (R) RADIAL
- RT REGIONAL TRANSIT

CONDOMINIUM NOTE

LOTS 1, 2, 3, 4, 5 & 6 ARE APPROVED FOR CONDOMINIUM PURPOSES

REFERENCES

- (1) RECORD OF SURVEY 26 R.S. 28
- (2) RECORD OF SURVEY 58 R.S. 4
- (3) PARCEL MAP, 152 P.M. 8
- (4) CITY OF SACRAMENTO SURVEY CONTROL
- (5) QUITCLAIM DEED 20060125 O.R. 1897



- NOTES:**
1. SHEET 2 IS AN INDEX SHEET AND SHOWS BEARINGS AND DISTANCES FOR THE SUBDIVISION EXTERIOR BOUNDARY.
 2. FOR BASIS OF BEARINGS SEE SHEET 3 OF 8.
 3. SHEET 3 OF 8 IS A DETAIL OF HOW THE PROPERTY WAS ESTABLISHED.
 4. SHEET 4 OF 8 IS A DETAIL SHOWING THE LOCATIONS OF THE EXISTING EASEMENTS.
 5. THE TOTAL AREA OF RIGHT-OF-WAY TO BE DEDICATED PER THIS MAP IS ±9.808 ACRES.
 6. THE OWNER/DEVELOPER MUST DISCLOSE TO FUTURE/POTENTIAL OWNERS THE EXISTING 21KV ELECTRICAL FACILITIES.
 7. LOTS A, B & C SHALL BE GRANTED I.O.D. IN FEE TITLE TO THE CITY OF SACRAMENTO FOR PARK PURPOSES.
 8. THE LOCATION OF THE GREAT WESTERN POWER COMPANY EASEMENT RECORDED IN BOOK 412 OF DEEDS AT PAGE 491 IS NOT DISCLOSED BY RECORD INFORMATION AND IS NOT SHOWN ON THIS MAP.
 9. THE TOTAL AREA OF THIS SUBDIVISION IS ±66.114 ACRES.
 10. ALL DISTANCES AND DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
 11. THE FOLLOWING EASEMENTS FOR I.O.D. NOT SHOWN HEREON ARE HEREBY ABANDONED PURSUANT TO SECTION 66434(g) OF THE GOVERNMENT CODE:
75.5' PUBLIC UTILITY EASEMENT PER 800910 O.R. 795,
20' WIDE FIRE PROTECTION EASEMENT PER 800710 O.R. 983
25' X 75.5' UTILITY EASEMENT PER 800710 O.R. 983
PUBLIC ROAD AND UTILITY EASEMENT PER 20010330 O.R. 171
SLOPE EASEMENT PER 951229 O.R. 576

378-1-2

FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



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916.641.9100 TEL. 916.641.9222 FAX WWW.NOLTE.COM

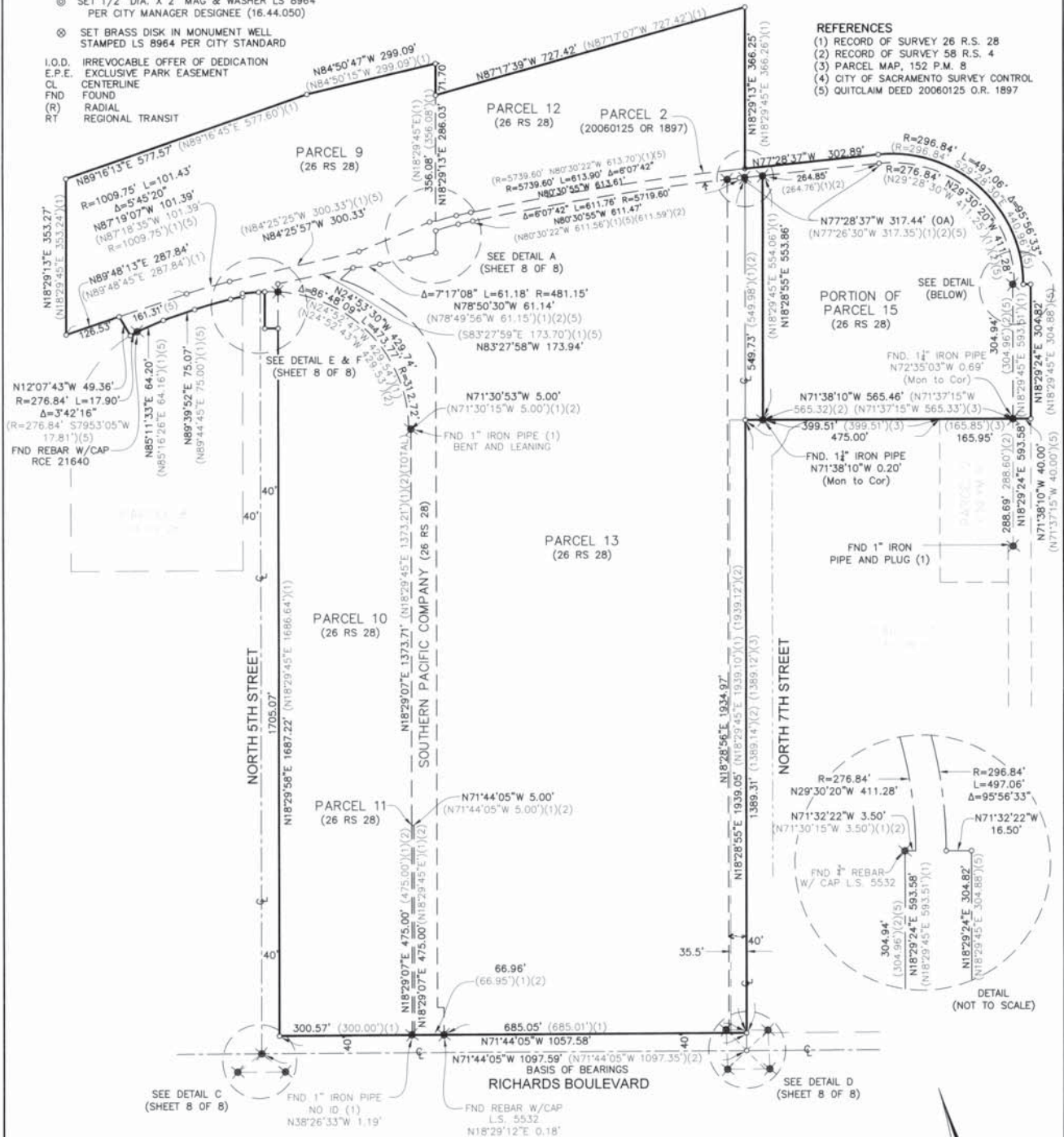
SHEET 3 OF 8

LEGEND

- DIMENSION POINT (NOTHING FOUND OR SET)
 - ✱ FOUND MONUMENT AS NOTED
 - ⊕ SET 3/4" REBAR WITH CAP STAMPED LS 8964
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 - ⊗ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
- I.O.D. IRREVOCABLE OFFER OF DEDICATION
E.P.E. EXCLUSIVE PARK EASEMENT
CL CENTERLINE
FND FOUND
(R) RADIAL
RT REGIONAL TRANSIT

REFERENCES

- (1) RECORD OF SURVEY 26 R.S. 28
- (2) RECORD OF SURVEY 58 R.S. 4
- (3) PARCEL MAP, 152 P.M. 8
- (4) CITY OF SACRAMENTO SURVEY CONTROL
- (5) QUITCLAIM DEED 20060125 O.R. 1897



BASIS OF BEARINGS:
THE BASIS OF BEARINGS OF THIS SURVEY IS IDENTICAL WITH THAT OF THE CENTERLINE OF RICHARDS BOULEVARD, AS SHOWN ON THAT RECORD OF SURVEY RECORDED IN BOOK 58 OFFICIAL SURVEYS, PAGE 4 SACRAMENTO COUNTY OFFICIAL RECORDS. THE BEARING IS GIVEN AS NORTH 71°44'05" WEST.

378-1-3

FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012

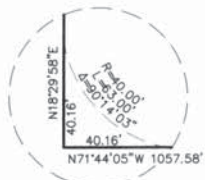
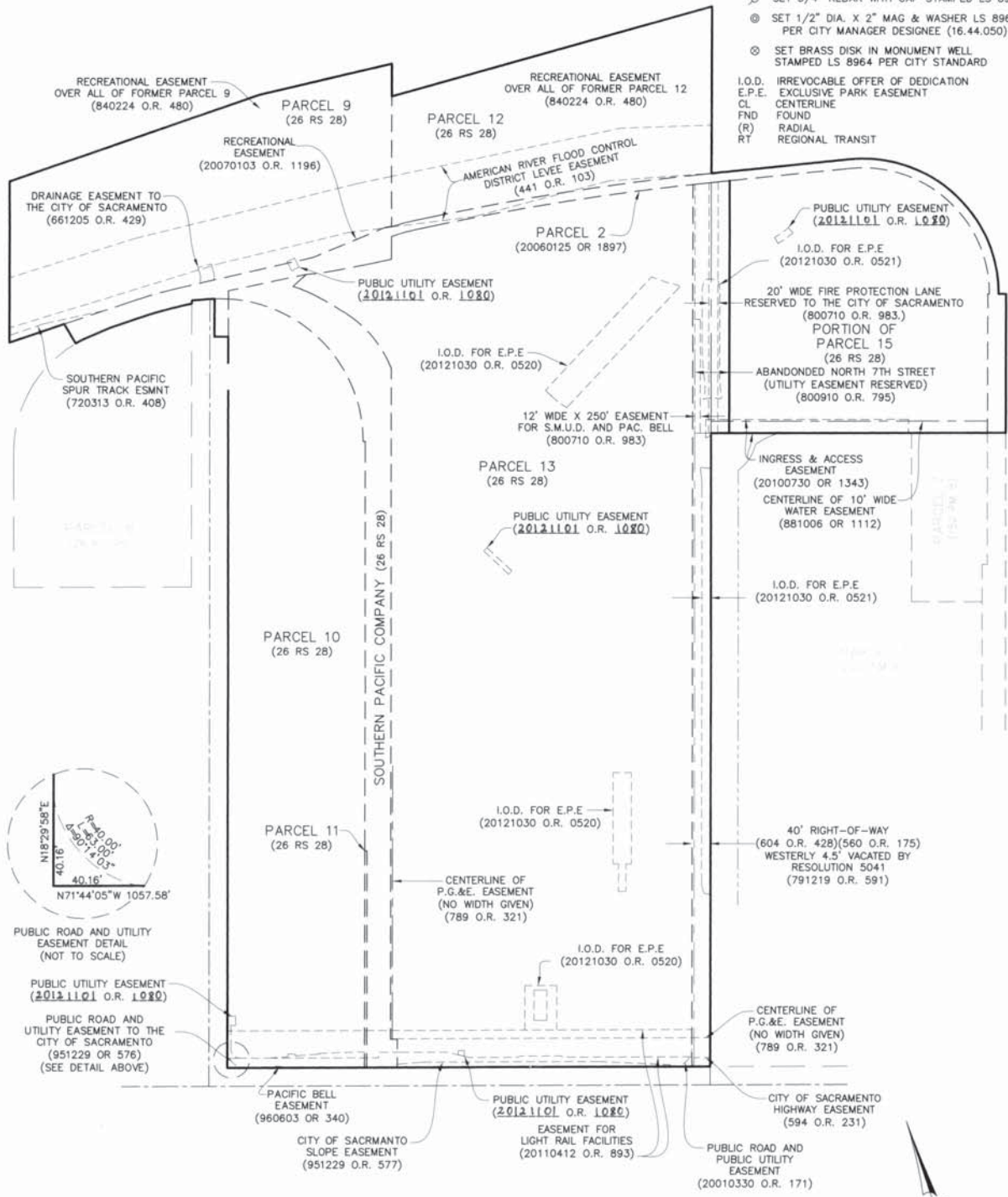


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SHEET 4 OF 8

LEGEND

- o DIMENSION POINT (NOTHING FOUND OR SET)
- ✕ FOUND MONUMENT AS NOTED
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- E.P.E. EXCLUSIVE PARK EASEMENT
- CL CENTERLINE
- FND FOUND
- (R) RADIAL
- RT REGIONAL TRANSIT



EASEMENT NOTES:

1. THE LOCATION OF THE GREAT WESTERN POWER COMPANY EASEMENT RECORDED IN BOOK 412 OF DEEDS AT PAGE 491 IS NOT DISCLOSED BY RECORD INFORMATION AND IS NOT SHOWN ON THIS MAP.
2. THE LOCATION OF THE TEMPORARY ACCESS EASEMENT RECORDED IN BOOK 20110428 OFFICIAL RECORDS AT PAGE 805 IS NOT DISCLOSED BY RECORD INFORMATION AND IS NOT SHOWN ON THIS MAP.



378-1-4

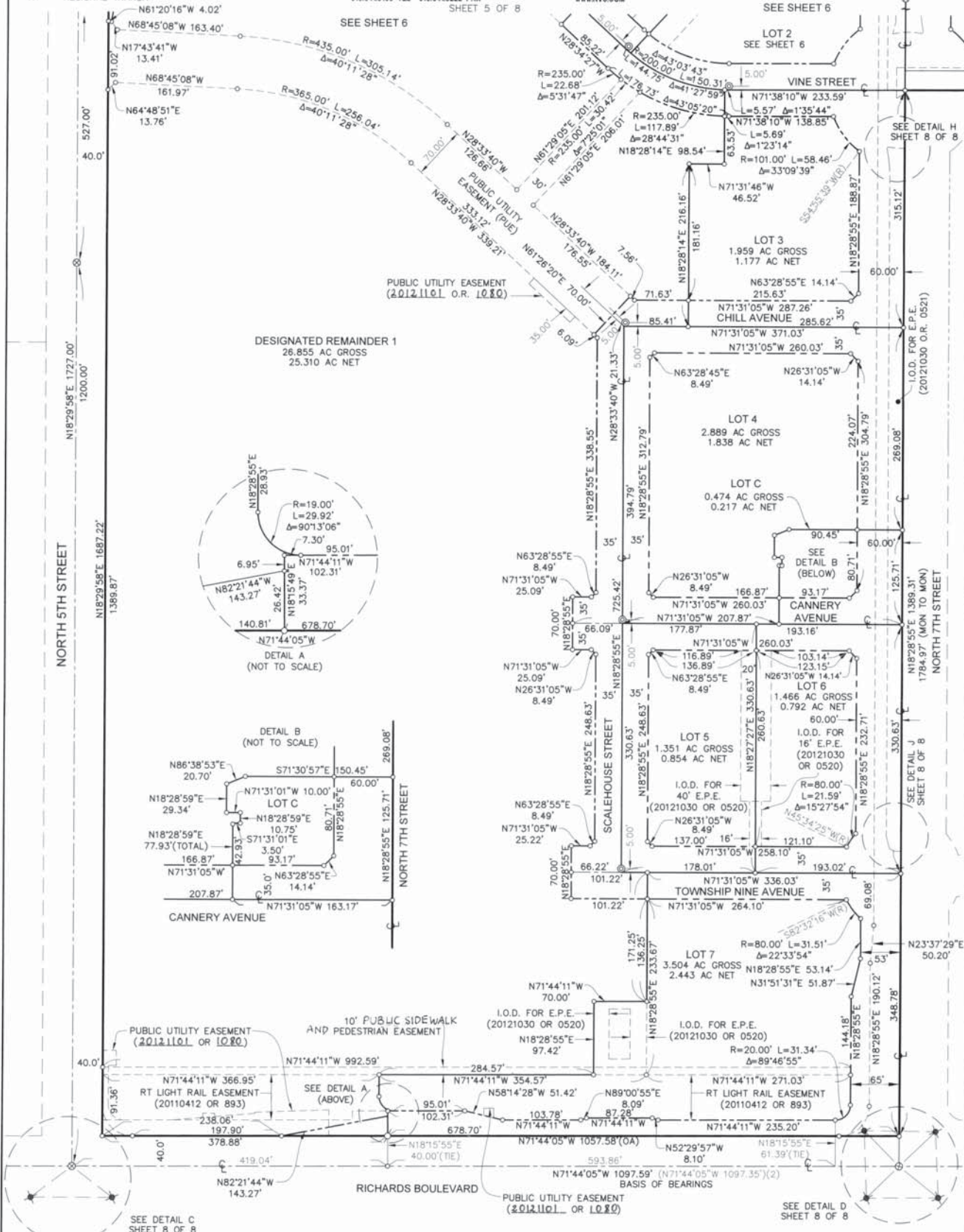
- LEGEND**
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 - E.P.E. EXCLUSIVE PARK EASEMENT
 - CL CENTERLINE
 - FND FOUND
 - (R) RADIAL
 - RT REGIONAL TRANSIT

**FINAL MAP OF
TOWNSHIP 9 - PHASE 1**

SUBDIVISION NO P10_036
PARCEL 9, 10, 11, 12, 13 AND A PORTION OF 15 OF 26 RS 28,
AND A PORTION OF S.L.S. 949 CITY OF SACRAMENTO, CALIFORNIA.
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



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378-1-5

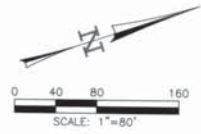
FINAL MAP OF TOWNSHIP 9 - PHASE 1

SUBDIVISION NO P10_036
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OCTOBER 2012



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SHEET 6 OF 8

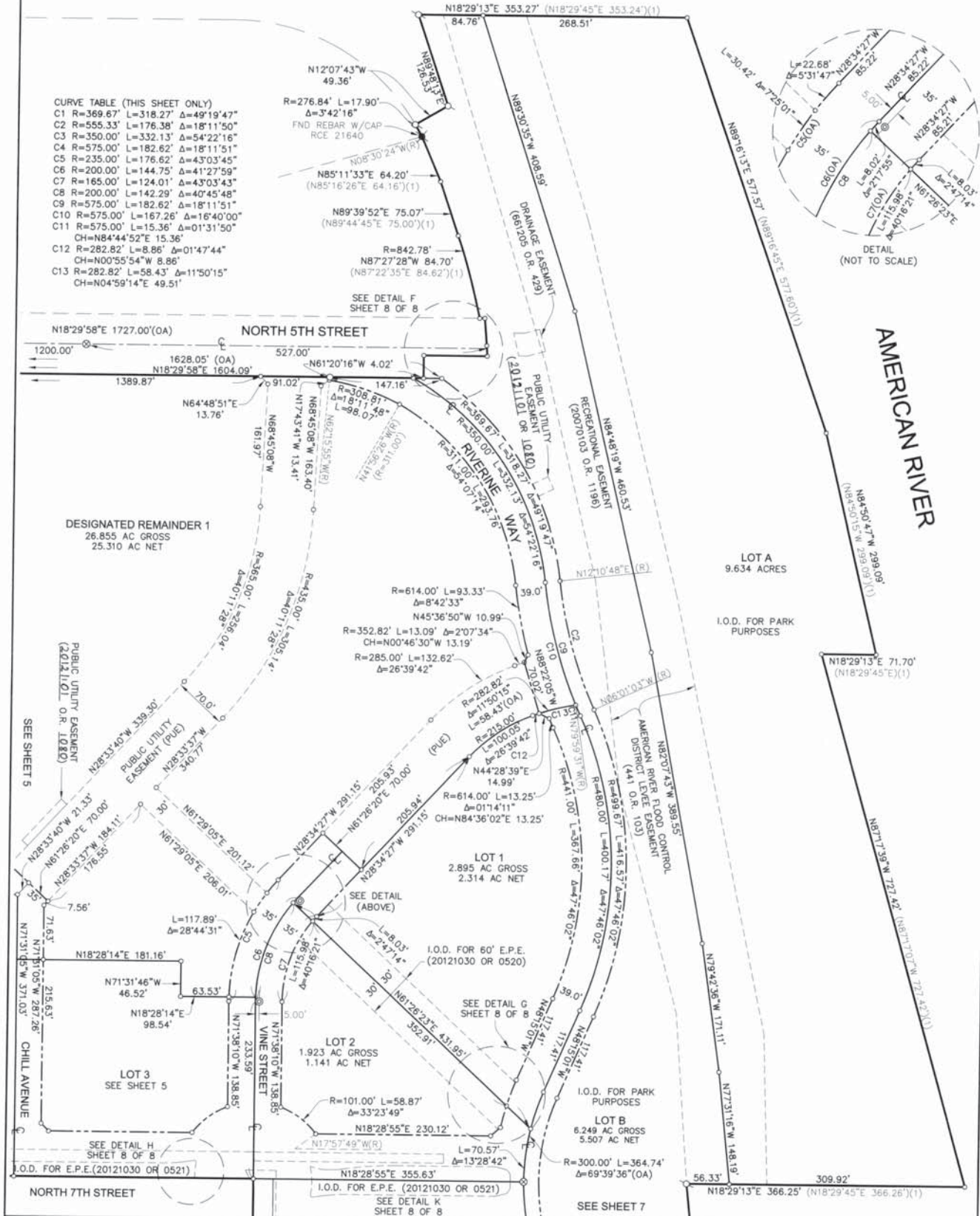


- LEGEND**
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 - CL CENTERLINE
 - FND FOUND
 - (R) RADIAL
 - RT REGIONAL TRANSIT

CURVE TABLE (THIS SHEET ONLY)

C1	R=369.67'	L=318.27'	Δ=49°19'47"
C2	R=555.33'	L=176.38'	Δ=18°11'50"
C3	R=350.00'	L=332.13'	Δ=54°22'16"
C4	R=575.00'	L=182.62'	Δ=18°11'51"
C5	R=235.00'	L=176.62'	Δ=43°03'45"
C6	R=200.00'	L=144.75'	Δ=41°27'59"
C7	R=165.00'	L=124.01'	Δ=43°03'43"
C8	R=200.00'	L=142.29'	Δ=40°45'48"
C9	R=575.00'	L=182.62'	Δ=18°11'51"
C10	R=575.00'	L=167.26'	Δ=16°40'00"
C11	R=575.00'	L=15.36'	Δ=01°31'50"
C12	R=282.82'	L=8.86'	Δ=01°47'44"
C13	R=282.82'	L=58.43'	Δ=11°50'15"

CH=N84°44'52"E 15.36'
CH=N00°55'54"W 8.86'
CH=N04°59'14"E 49.51'



378-1-6

TOWNSHIP 9 - PHASE 1

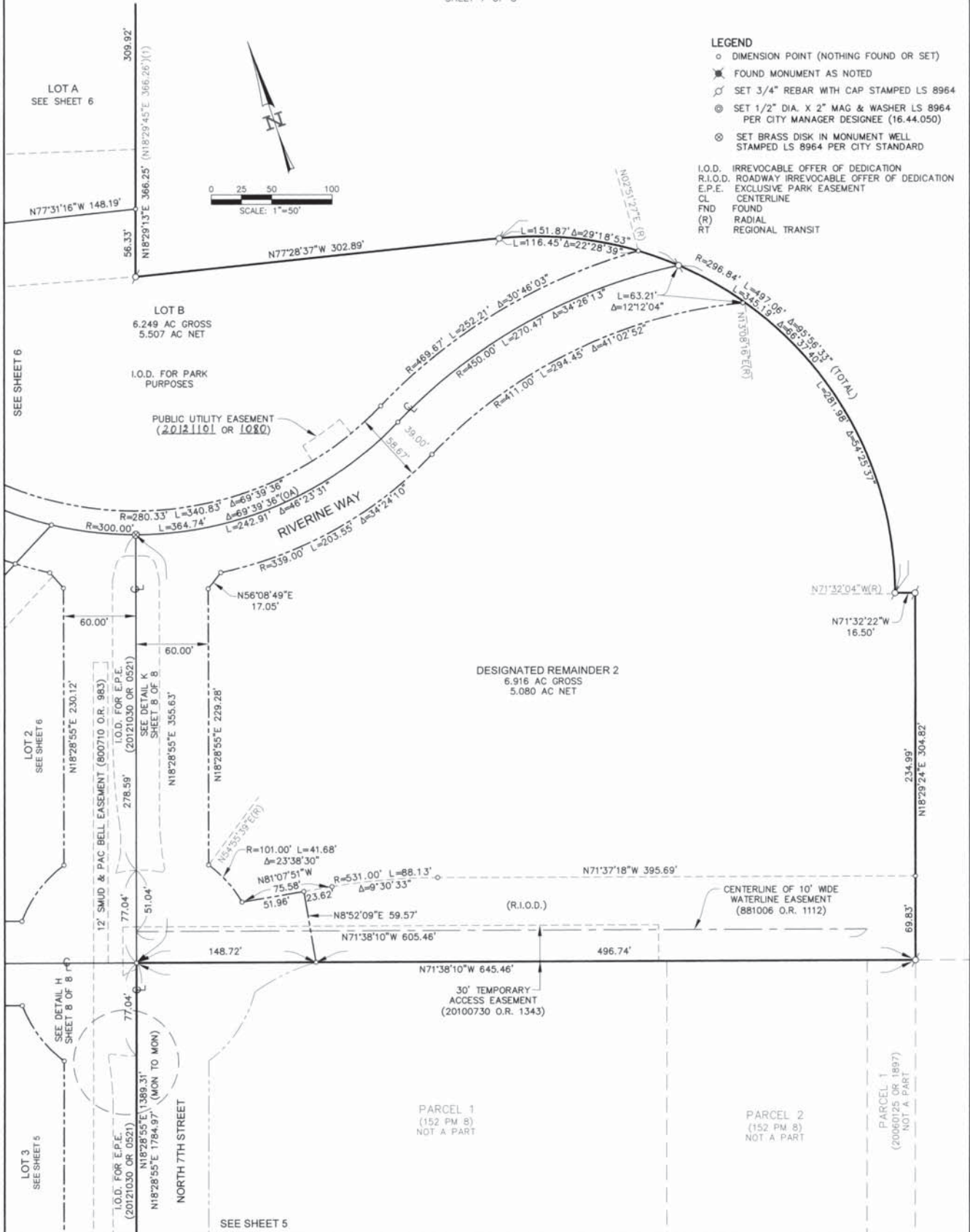
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CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
OCTOBER 2012



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SHEET 7 OF 8

LEGEND

- DIMENSION POINT (NOTHING FOUND OR SET)
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- ⊕ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
- I.O.D. IRREVOCABLE OFFER OF DEDICATION
- R.I.O.D. ROADWAY IRREVOCABLE OFFER OF DEDICATION
- E.P.E. EXCLUSIVE PARK EASEMENT
- CL CENTERLINE
- FND FOUND
- (R) RADIAL
- RT REGIONAL TRANSIT



378-1-7

- LEGEND**
- DIMENSION POINT (NOTHING FOUND OR SET)
 - ✕ FOUND MONUMENT AS NOTED
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 - ⊙ PER CITY MANAGER DESIGNEE (16.44.050)
 - ⊙ SET BRASS DISK IN MONUMENT WELL STAMPED LS 8964 PER CITY STANDARD
 - I.O.D. IRREVOCABLE OFFER OF DEDICATION
 - E.P.E. EXCLUSIVE PARK EASEMENT
 - RT REGIONAL TRANSIT CENTERLINE
 - FND FOUND
 - (R) RADIAL

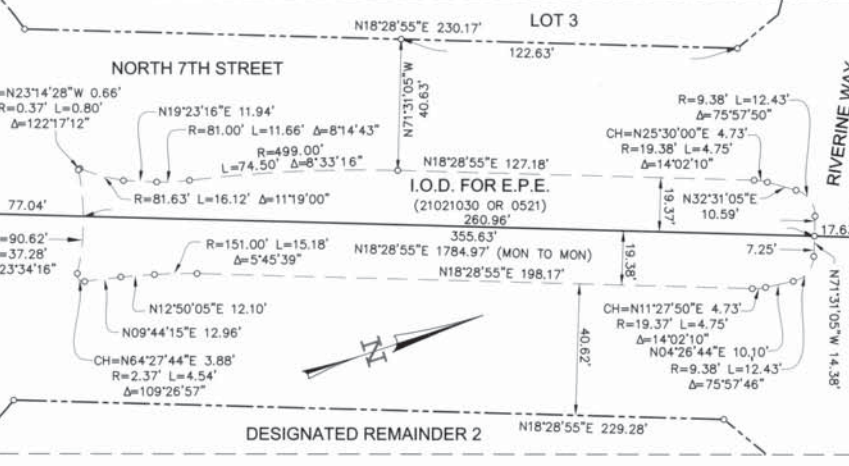
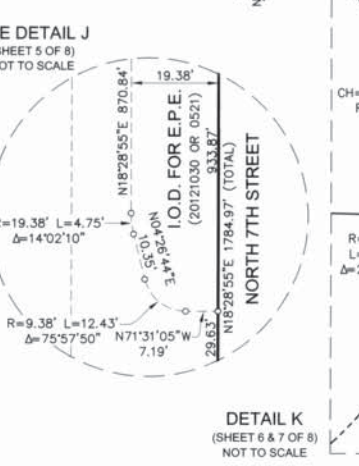
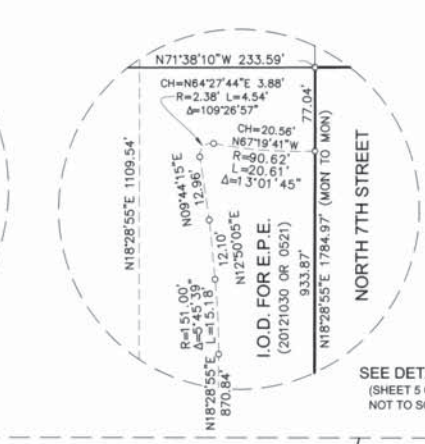
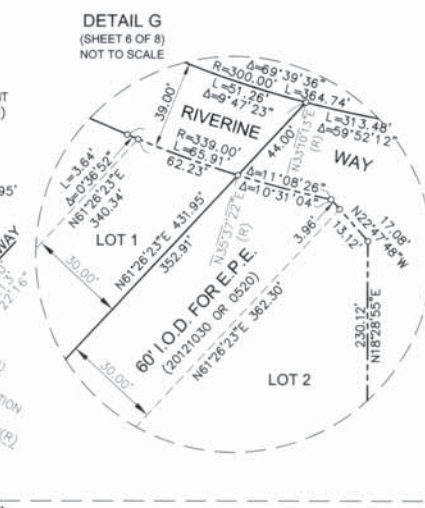
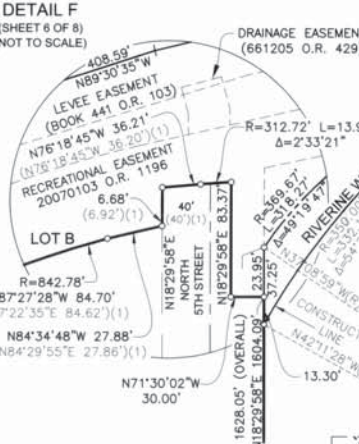
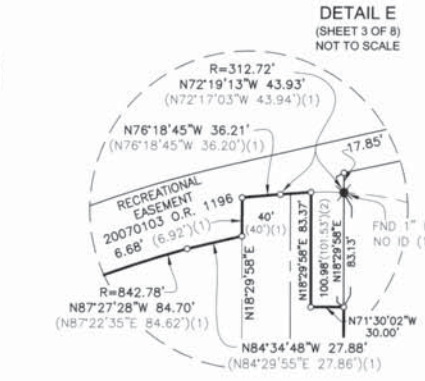
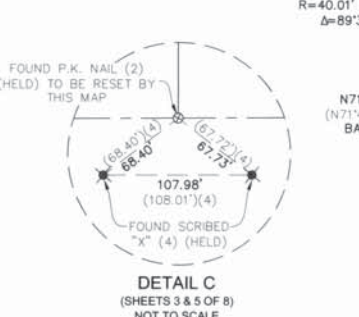
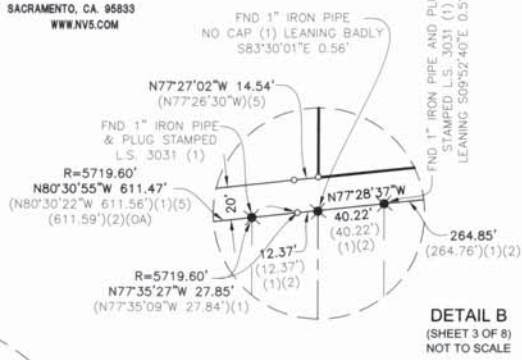
TOWNSHIP 9 - PHASE 1

FINAL MAP OF
 SUBDIVISION NO P10_036
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 OCTOBER 2012

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SHEET 8 OF 8



378-1-8

EXHIBIT C TO PURCHASE AGREEMENT

LIST OF DOCUMENTS

1. All COAs and Design Review approvals;
2. EIR – Executive Summary, Draft, Final and the related permits and mitigation; measures
3. Any and all Development Agreements and any Amendments thereto;
4. Any plans, maps, soils reports, including Phase I preliminary site assessments, biological survey assessments, plans, permits and other items in Seller's immediate possession;
5. Any existing survey of the Property;
6. A copy of Seller's title policy related to the Property;
7. Copies of tax bills statements for the Property for tax years 2014, 2015 and 2016 relating to personal and ad valorem taxes and rental and special assessments;
8. Copies of any and all environmental, soils, endangered species, traffic, and engineering studies and reports;
9. Copies of any and all plats, site plans, elevations, topographical maps, surveys, tentative maps, draft final maps, improvement plans, landscape plans, utility designs, and architecture;
10. Copies of any and all utility documents and agreements, management agreements, service and maintenance agreements and equipment leases;
11. Copies of all permits and licenses;
12. Any and all information regarding condemnation notice(s), proceedings and awards;
13. Copies of all publicly recorded or filed financing, commitments, notes, bonds, mortgages, deeds of trust, financing statements and other indebtedness securing the Property;
14. Copies of all Authority and third-party approvals related to the Property, including all approvals, permits, and authorizations necessary for development, construction, use or occupancy of the Property and the subdivision of the land, and all required public improvement agreements, easements, dedications or other similar agreements in connection with the Property; and
15. Any additional information reasonably requested by Buyer pertaining to the proposed development of the Property in Seller's immediate possession.

EXHIBIT D TO PURCHASE AGREEMENT

FORM OF GRANT DEED

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Anthem United Homes, Inc.
3001 Douglas Blvd., Suite 200
Roseville, CA 95661

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The Undersigned Grantor(s) Declare(s):
Documentary Transfer Tax is \$ _____; City Transfer tax is: \$ _____

computed on full value of interest or property conveyed, or
 computed on full value less value of liens or encumbrances remaining at time of sale
 unincorporated area, or City of _____
Tax Parcel No. – See Exhibit A hereto

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____, a _____ (“**Grantor**”), hereby grants to
_____, a _____ (“**Grantee**”), the following real property located in the
City of _____, County of _____, State of California (“**Property**”), as
further described on Exhibit A attached hereto, together with all rights, privileges, easements and
appurtenances held by Grantor, if any, appertaining to the Property. This conveyance is made
subject to the lien of non-delinquent real property taxes and assessments and covenants,
conditions, restrictions, easements, rights-of-way, servitudes, encumbrances and all other matters
of record as of the date hereof, if any.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth
below.

GRANTOR: **[INSERT]**

By: _____

Its: _____

Date: _____

[Notary Acknowledgment on Next Page]

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____

_____ 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: _____ (Seal)

Exhibit A to Grant Deed

Legal Description

[TO BE ATTACHED BY ESCROW HOLDER]

EXHIBIT E TO PURCHASE AGREEMENT

FORM OF FIRPTA AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by CAPITOL STATION 65 LLC, a California limited liability company (“Seller”), the undersigned hereby certifies the following on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Seller is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii) of the Internal Revenue Code;

3. Seller’s U.S. employer identification number is _____;
and

4. Seller’s office address is _____.

Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

[ENTITY TO BE CONFIRMED],

a _____

By: _____

Name: _____

Its: _____

DATED: _____

EXHIBIT F TO PURCHASE AGREEMENTFORM OF BILL OF SALE¹

This ASSIGNMENT AND BILL OF SALE (this “**Bill of Sale**”) is made as of _____, 2017, by CAPITOL STATION 65 LLC, a California limited liability company (“**Assignor**”), in favor of ANTHEM UNITED HOMES, INC., a Washington corporation (“**Assignee**”), pursuant to that certain Agreement of Purchase and Sale of Land and Joint Escrow Instructions, by and between Assignor and Assignee, dated _____, 2017 (the “**Purchase Agreement**”). This Bill of Sale is subject to the terms and provisions of the Purchase Agreement, and in the event of any inconsistency between the Purchase Agreement and this Bill of Sale, the terms and provisions of the Purchase Agreement shall control.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, conveys, delivers, transfers and assigns to Assignee, without warranty of any kind, all of Assignor’s right, title and interest in, to and under, and Assignee assumes all rights, duties and obligations under, any and all of the following items, only to the extent that they are related to that certain real property located in the City of Sacramento, County of Sacramento, State of California, which is more particularly described in the Purchase Agreement (the “**Land**”):

(a) all zoning, use, occupancy, and operating permits, and all other Authority permits, licenses, approvals, applications, subdivision maps, entitlements, conditions of approval, Environmental Permits, certificates, rights and obligations under any development agreement, cost sharing agreements, environmental impact reports and mitigation monitoring programs, school fee mitigation agreements, building permits, development allocations, and development rights relating to the Land;

(b) all utility and other permits relating to the Land;

(c) all fee credits and license tax credits; all prepaid expenses, fees, and deposits applicable to the Land, and the right to any refunds thereunder or rebates thereof, including, without limitation, all refunds of utility deposits;

(d) all plans and specifications for buildings, structures and fixtures located on the Land, whether existing or anticipated;

(e) all tax and assessment protest actions and claims to seek reductions in the valuation of the Land for property tax purposes, and rights to prosecute same, for any period after the Closing Date, including, without limitation, all of Assignor’s right, title and interest in and to all tax and assessment refunds or rebates now or hereafter payable for any period after the Closing Date. Assignor shall not be responsible therefore or entitled to any refunds resulting therefrom. Assignor agrees to cooperate with Assignee by executing such documents and providing to Assignee or the appropriate governing body or agency such items as Assignee or

¹ **NOTE: Bill of Sale to be revised to reflect and conform to terms of Sale Order.**

such governing body or agency may reasonably request, so as to facilitate Assignee's prosecution of tax and assessment protest actions and claims, provided such cooperation entails no material cost or expense to Assignor;

(f) Assignor's rights to any warranties and indemnities received by Assignor from third parties affecting the Property conveyed at the Closing, and Assignor's rights and/or remedies under any contract it or its predecessors in interest may have with any design professionals, construction contractors, construction subcontractors, other contractors involved in the improvement of the lots, or other aspects of the physical improvement of the Property for claims, damage or losses directly related to the Property; and

(g) All of Assignor's right, title and interest in and to the Intangible Property and entitlements (as such terms are defined in the Purchase Agreement);

(all of the above being referred to herein collectively as the "**Personal Property**").

Assignor covenants that, without cost or liability to Assignor, Assignor shall, at any time and from time to time upon written request therefor, execute and deliver to Assignee such documents and instruments as Assignee may reasonably request in order to fully assign, transfer and vest the Personal Property in Assignee.

The covenants, warranties and agreements of Assignor contained herein shall survive the consummation of the purchase and sale of the Land and the execution and delivery of the deed and this Assignment and Bill of Sale and shall not be merged thereby.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

The provisions of this Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of Assignor and Assignee, respectively.

ASSIGNOR:

CAPITOL STATION 65 LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE:

ANTHEM UNITED HOMES, INC.,
a Washington corporation

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT G TO PURCHASE AGREEMENT
ASSIGNMENT OF PLANS AND CONTRACTS

[TO BE PREPARED DURING DUE DILIGENCE PERIOD]

EXHIBIT H TO PURCHASE AGREEMENT

RIGHT TO USE ACKNOWLEDGEMENT

[TO BE PREPARED DURING DUE DILIGENCE PERIOD]

SCHEDULE 1 TO PURCHASE AGREEMENT

PARK WORK

[TO BE ATTACHED DURING DUE DILIGENCE PERIOD]