

THIRD AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Third Amendment to Disposition and Development Agreement (this "**Third Amendment**") is entered into effective as of FEB 19, 2009 ("**Effective Date**") by and between Main Street West Partners, LLC, a California limited liability company ("**Developer**") and the Redevelopment Agency of the City of Suisun City, a public body corporate and politic (the "**Agency**"). Developer and Agency are hereinafter collectively referred to as the "**Parties.**"

WHEREAS, the Parties entered into that certain Disposition and Development Agreement dated as of April 17, 2006 (the "**Original DDA**") pursuant to which the Developer agreed to acquire certain real property for development of a commercial, residential and retail project (as more particularly described in the DDA, the "**Project**");

WHEREAS, the Original DDA was amended by that certain First Amendment to Disposition and Development Agreement effective as of July 25, 2006 (the "**First Amendment**") pursuant to which an additional parcel was added to the property to be developed, and the Schedule of Performance was amended;

WHEREAS, the Original DDA was further amended by that certain Second Amendment to Disposition and Development Agreement effective as of September 18, 2007 (the "**Second Amendment**") in order to further amend the Schedule of Performance and to provide for the release to the Agency of the Deposit under specified circumstances (the Original DDA as amended by the First Amendment and the Second Amended is hereafter referred to as the "**DDA**"). (Capitalized terms used without definition herein shall have the meanings ascribed to such terms in the Original DDA, the First Amendment or the Second Amendment, as applicable.);

WHEREAS, pursuant to the DDA, Developer has acquired certain real property from Agency and pursuant to Section 4.16 of the DDA, Developer has acquired parcels located at 711 and 713 Main Street, all for development of the Project in accordance with the DDA;

WHEREAS, Developer has dedicated substantial time and financial resources in connection with engineering, planning and permitting for development of the Project, and the Agency has determined that Developer remains most qualified to complete development of the Project in the manner anticipated by the DDA;

WHEREAS, due to the current economic climate, the Parties have determined that it will not be feasible to develop the Project within the timeframe set forth in the DDA;

WHEREAS, the Parties desire to modify the DDA in order to provide for an extension of time for development of the Project, including a delay in the schedule for Developer's acquisition and development of certain parcels;

WHEREAS, the Parties desire to amend the DDA to reflect the foregoing transactions, to modify the Schedule of Performance, and to provide for certain Agency financial assistance;

WHEREAS, pursuant to the Original DDA, the Agency and the City Council of the City of Suisun ("**City Council**") approved the disposition of the Property to the Developer in accordance with Health and Safety Code Sections 33431 and 33433, and in connection with the approval of the Original DDA, the Agency and the City Council approved a summary report in accordance with Health and Safety Code Section 33433 (the "**Summary Report**"); and

WHEREAS, this Third Amendment provides that Developer's future reacquisition of each parcel purchased by the Agency pursuant to this Third Amendment, for development of the Project will be at the appraised fair market value of such property at the time of such acquisition.

NOW THEREFORE, in consideration of the mutual covenants of the Parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

1. Definitions. The DDA as amended by this Third Amendment is hereafter referred to as the "**Amended DDA**".

2. Agency Acquisition. Agency agrees to purchase from Developer the real property located in the City of Suisun City identified in the following table and more particularly described in Exhibit A attached hereto (all of the foregoing, a portion of the Property, and hereafter referred to collectively as the "**Third Amendment Property**"), for the aggregate purchase price of Seven Hundred Seventeen Thousand Two Hundred and Fifty-Seven Dollars (\$717,257) as set forth below:

PROPERTY IDENTIFICATION			SITE SIZE		PURCHASE PRICE
MSW PROPERTY IDENTIFICATION	ASSESSORS PARCEL NUMBER	ACRES	SF		
Parcel 3	32-142-30	0.17	7,459	\$105,466	
Parcel 5	32-130-01	0.10	4,425	\$170,607	
Parcel 7	32-142-28	0.15	6,372	\$117,874	
Parcel 8	32-142-25	0.10	4,300	\$ 67,002	
Parcel 9	32-142-24	0.11	4,900	\$ 76,308	
711 and 713 Main Street	32-130-030 and -040	.07	3,049	\$180,000	
			TOTAL	\$717,257	

3. Conveyance of Property. The Agency will acquire the Third Amendment Property in its AS-IS condition as of the Effective Date. At the Closing, Developer will convey the Third Amendment Property to Agency pursuant to one or more grant deeds (the "**Grant Deeds**").

4. Closing. Within three (3) business days following the Effective Date, Agency shall open an escrow at Placer Title Company ("**Title Company**") at its Oliver

Road office in Fairfield, California and will deposit with Title Company a copy of this fully executed Third Amendment. Developer shall deposit the executed Grant Deeds into escrow within ten (10) days following the Effective Date, together with the executed Note (defined in Section 7 below). Closing for the conveyance of the Third Amendment Property shall take place within the later of twenty-one (21) days following the Effective Date or the satisfaction of all of the following conditions precedent:

(a) Agency shall have completed such studies of the Third Amendment Property as Agency shall deem necessary, including without limitation, completion of a Phase I report and such other environmental evaluations and physical assessments as Agency shall require;

(b) Agency's governing board shall have approved the transactions described in this Third Amendment;

(c) Title Company shall be prepared to issue CLTA owner's policies of title insurance showing title to the Third Amendment Property vested in Agency subject only to such exceptions reasonably approved by Agency, but in no event including any liens, mortgages or tax delinquencies, with the cost of the title policy to be paid by Agency;

(d) Taxes, utilities and assessments shall be pro-rated between Agency and Developer as of the Closing Date;

(e) Developer and Agency shall each pay one-half of the closing costs, transfer taxes and recording fees;

5. Schedule of Performance. The Schedule of Performance is hereby amended in its entirety as set forth in Exhibit B attached hereto.

6. Developer's Acquisition. Pursuant to the Amended DDA, Developer shall develop the Project on the Property in accordance with the Schedule of Performance set forth in Exhibit B attached hereto. Developer shall be entitled to acquire each parcel of the Property within the timeframe set forth in Exhibit B in its AS-IS condition as of the date of such acquisition. Agency shall use its best efforts to maintain the Third Amendment Property in substantially the same condition as existed upon Agency's acquisition thereof pursuant to Section 2 above. Upon Developer's acquisition of each parcel of the Third Amendment Property, Developer shall pay to Agency the fair market value of such parcel on the date of such acquisition as determined by an appraisal conducted by an MAI certified appraiser selected by Agency and Developer. Under no circumstances shall Developer's reacquisition price for any parcel of Third Amendment Property be less than the Agency's acquisition price outlined in Section 2 above. Developer's right to acquire any parcel of the Property not acquired in accordance with the schedule set forth in Exhibit B shall terminate effective on the fifth (5th) anniversary of the Effective Date (the "**Outside Acquisition Date**"). If Developer has not acquired all of the Property by the Outside Acquisition Date, Agency shall be entitled to retain the Deposit, and all rights and obligations of the Parties under the Amended DDA shall terminate other than any such rights and obligations that expressly survive the

termination of the Amended DDA.

7. Agency Financial Assistance. Agency shall provide a loan to Developer in the maximum principal amount of Five Hundred Thousand Dollars (\$500,000) (the "**Loan**"). The Loan shall be evidenced by a Secured Promissory Note (the "**Note**"). Repayment of the Note will be secured by a personal guaranty by Michael E. Rice and Frank J. Marinello, in form approved by Agency (the "**Guaranty**"). A Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing ("**Deed of Trust**") shall be recorded against Parcels 10, 12, 13, and 14 as identified in the DDA, upon Developer's acquisition of each such parcel should there be an outstanding balance payable under the Note at such time. When such parcels are so encumbered such that the Note is fully secured, the Guaranty shall terminate.

7.1 Use of Loan Proceeds. Provided all conditions to disbursement have been met, including without limitation compliance with the Agency conditions and criteria set forth in Exhibit C and such other reasonable requirements of Agency, including without limitation, the delivery to Agency of such documentation as to costs as Agency shall reasonable require, Developer shall be entitled to draw Loan proceeds solely for the following purposes: (i) granting to commercial tenants of the Project who have been approved by the Agency rent credits in the form of reduced or temporarily abated rent (i.e., Loan proceeds may be deposited into an escrow account to be used to make up operating deficits caused by such reduced or abated rent), and (ii) paying for tenant improvements for commercial tenants of the Project when such tenant improvements exceed \$30 per square foot.

7.2 Loan Terms. The Note shall bear interest at the rate of six percent (6%) interest per annum. Developer shall repay the Note in installments from the proceeds of the sale of residential units developed as part of the Project in the amount of Thirty-Five Thousand Dollars (\$35,000) per residential unit. Such installments shall be paid to Agency from escrow for the closing of the sale of each such residential unit. Upon payment of such installments to Agency, the Deed of Trust shall be reconveyed as to the applicable residential unit(s). Repayments shall be credited first toward accrued interest and then toward principal. The entire outstanding balance of the Note together with all accrued interest shall be due and payable on the fifth (5th) anniversary of the Effective Date.

8. Deposit. The Parties acknowledge that pursuant to the DDA, Developer has paid the sum of One Hundred Thousand Dollars (\$100,000) (the "**Deposit**") to the Agency. This sum shall continue to be retained by Agency for the purposes set forth in the DDA.

9. Public Improvements. Section 4.02 C. of Part One of the Original DDA is hereby amended in its entirety to read as follows:

C. The Parties agree that a parking study must be performed to identify potential solutions to a potential parking shortage. The Developer agrees to contribute the sum of Ten Thousand Dollars (\$10,000) toward such study when Developer obtains permanent financing for development of Parcels 1 and 2 (as identified in the Original DDA) but in no event later than December 31, 2009.

10. Insurance. Section 3.08 A of Part Two of the Original DDA is hereby amended in its entirety to read as follows:

A. Developer shall maintain in force during the construction of the Project, pursuant to this Agreement, public liability and property damage insurance, including personal injury, contractual, and owned and non-owned automobiles, with such coverage and limits as may be reasonably requested by Agency from time to time, but in no event for less than the sum of two million dollars (\$2,000,000) combined single limit.

11. Prevailing Wage. To the full extent required by all applicable state and federal laws, rules and regulations, if any, Developer and its contractors and agents shall comply with California Labor Code Section 1720 *et seq.* and the regulations adopted pursuant thereto ("**Prevailing Wage Laws**") in connection with the Project, and shall be responsible for carrying out the requirements of such provisions. If applicable, Developer shall submit to Agency a plan for monitoring payment of prevailing wages and shall implement such plan at Developer's expense.

12. Indemnity. Developer shall indemnify, defend (with counsel approved by Agency) and hold the Agency, the City of Suisun, and their respective elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the "**Indemnitees**") harmless from and against all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively "**Claims**") which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to: (i) Agency's or City's approval of this Third Amendment, (ii) performance of this Third Amendment, and/or (iii) the payment or requirement of payment of prevailing wages (including without limitation, all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781). It is further agreed that Agency and City do not and shall not waive any rights against Developer which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by Agency, or Developer's deposit with Agency of any of the insurance policies described in the Amended DDA. The provisions of this Section 9 shall survive the expiration or earlier termination of the Amended DDA and the issuance of a Certificate of Completion for the Project and any part thereof. Developer's indemnification obligations set forth in this Section shall not apply to Claims arising from the gross negligence or willful misconduct of the Indemnitees.

13. Marketing. All commercial properties shall be marketed for lease/sale or build-to-suit at all times with a comprehensive marketing effort by a respected commercial real estate broker. This shall include installation of professionally designed signage located on each parcel as approved/permitted by the City of Suisun. Developer shall market all commercial and residential properties on a continuous basis with the

goal that the eventual lease/sale of such properties shall be effectuated by not later than the times set forth in the Schedule of Performance.

14. DDA Remains Effective. Other than as provided in this Third Amendment, all provisions of the DDA shall remain unchanged and in full force and effect.

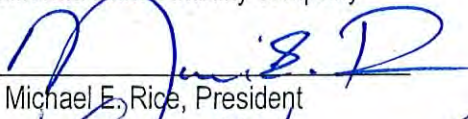
15. Counterparts. This Amendment may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the date first written above.

REDEVELOPMENT AGENCY
OF THE CITY OF SUISUN CITY

By: 
Suzanne Bragdon, Executive Director

MAIN STREET WEST PARTNERS, LLC
a California limited liability company

By: 
Michael E. Rice, President

By: 
Frank J. Marinello, Vice-President

ATTEST:

By: 
Linda Hobson, Agency Secretary
DONNA POCK, DEPUTY CITY CLERK

APPROVED AS TO FORM:

By: _____
Sky Woodruff, Agency General Counsel

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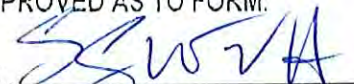
REDEVELOPMENT AGENCY
OF THE CITY OF SUISUN CITY

By: 
Suzanne Bragdon, Executive Director

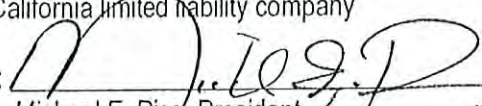
ATTEST:

By: _____
Linda Hobson, Agency Secretary

APPROVED AS TO FORM:

By: 
Sky Woodruff, Agency General Counsel

MAIN STREET WEST PARTNERS, LLC
a California limited liability company

By: 
Michael E. Rice, President


By: 
Frank J. Marinello, Vice-President

Exhibit A

THIRD AMENDMENT PROPERTY

Parcel 3

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

LOT 4, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997 IN BOOK 67 OF MAPS, AT PAGE 72, SOLANO COUNTY RECORDS.

APN: 0032-142-300

Parcel 5

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

BEING A PORTION OF LOT ONE (1) IN BLOCK TWO (2), AS THE SAME IS SHOWN ON THAT CERTAIN MAP ENTITLED: "PLAN OF SUISUN CITY, TOGETHER WITH JACKSON'S ADDITION", WHICH MAP WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SOLANO COUNTY, CALIFORNIA ON AUGUST 29, 1859 IN BOOK 1 OF MAPS, PAGE 105, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF MAIN AND SOLANO STREETS IN THE CITY OF SUISUN CITY, AS INDICATED BY THE BANK BUILDING ON SAID LOT; THENCE ALONG THE SOUTHERLY LINE OF SOLANO STREET, BEING THE NORTHERLY SIDE OF SAID BANK BUILDING, WESTERLY 94.65 FEET TO THE WEST LINE OF SAID LOT 1; THENCE ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF SAID BANK BUILDING, SOUTHERLY 46.15 FEET TO THE NORTHERLY LINE OF THE PROPERTY OF CHARLES W. KOCH; THENCE EASTERLY AT RIGHT ANGLES ALONG THE NORTHERLY LINE OF THE LAND OF SAID CHARLES W. KOCH AND ALONG THE MIDDLE OF THE PRESENT PARTY WALL, 95 FEET TO A POINT ON THE WEST LINE OF MAIN STREET, AS INDICATED BY SAID BANK BUILDING; THENCE AT RIGHT ANGLES NORTHERLY ALONG MAIN STREET, 46 FEET TO THE POINT OF BEGINNING.

APN: 0032-130-010

Parcel 7

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

PARCEL ONE:

LOT 10, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997, IN BOOK 67 OF MAPS, AT PAGE 72, SOLANO COUNTY RECORDS.

PARCEL TWO:

NON-EXCLUSIVE EASEMENTS FOR PUBLIC ACCESS AND UTILITIES APPURTENANT TO PARCEL THREE ABOVE, OVER AND ACROSS PORTIONS OF LOTS 1 AND 2, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT I, FILED SEPTEMBER 16, 1996 IN BOOK 66 OF MAPS, PAGE 42, BEING MORE PARTICULARLY DESCRIBED IN GRANT DEEDS RECORDED OCTOBER 17, 1997 INSTRUMENT NO. 1996-00070099, AND OCTOBER 3, 1997 INSTRUMENT NO. 1997-00066247, SOLANO COUNTY RECORDS.

APN: 0032-142-280

Parcel 8

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

PARCEL ONE:

LOT 11, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997 IN BOOK 67 OF MAPS, PAGE 72, SOLANO COUNTY RECORDS.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT FOR PUBLIC ACCESS, PARKING AND PUBLIC SERVICE APPURTENANT TO PARCEL SEVEN ABOVE, OVER AND ACROSS LOT D, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997 IN BOOK 67 OF MAPS, PAGE 72, SOLANO COUNTY RECORDS.

APN: 0032-142-250

Parcel 9

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

PARCEL ONE:

LOT 12, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997, IN BOOK 67 OF MAPS, AT PAGE 72, SOLANO COUNTY RECORDS.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT FOR PUBLIC ACCESS, PARKING, AND PUBLIC SERVICE APPURTENANT TO PARCEL FIVE ABOVE, OVER AND ACROSS LOT D, AS SHOWN ON THE MAP OF SUISUN HARBOR PLAZA UNIT II, FILED DECEMBER 5, 1997 IN BOOK 67 OF MAPS, PAGE 72, SOLANO COUNTY RECORDS.

APN:0032-142-240

711 -- 713 Main Street

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

THAT PORTION OF LOTS 1 AND 2 IN BLOCK 2, AS SHOWN ON THE MAP OF THE CITY OF SUISUN CITY, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SOLANO COUNTY, CALIFORNIA, AUGUST 29, 1859, DESCRIBED AS: BEGINNING AT A POINT ON THE WEST SIDE OF THE PLAZA, ALSO KNOWN AS MAIN STREET, THAT IS 93.72 FEET NORTH FROM THE NORTH LINE OF CALIFORNIA STREET, SAID POINT BEING IN A LINE WITH THE NORTH FACE OF A BRICK WALL 17 INCHES THICK WHICH FORMS THE NORTH BOUNDARY OF THE LAND DESCRIBED IN DECREE QUIETING TITLE IN FAVOR OF T.O. DOWDELL, RECORDED FEBRUARY 15, 1923, IN BOOK 265 OF DEEDS, AT PAGE 88, INSTRUMENT NO. 646; THENCE NORTH ALONG THE WEST SIDE OF SAID STREET A DISTANCE OF 36.38 FEET TO A LINE BETWEEN TWO BRICK WALLS, ONE OF WHICH IS THE BRICK WALL OF THE BUILDING LOCATED ON THE LAND HEREBY DESCRIBED AND THE SECOND OF WHICH IS THE BRICK WALL OF THE BUILDING LOCATED ON THE LAND DESCRIBED AS PARCEL NO. 3 IN DEED TO LEONORA KOCH, RECORDED DECEMBER 16, 1930, IN BOOK 65 OF OFFICIAL RECORDS, PAGE 430, INSTRUMENT NO. 5010; THENCE WEST ALONG THE LINE BETWEEN SAID TWO BRICK WALLS A DISTANCE OF 100 FEET, MORE OR LESS, TO THE WEST LINE OF SAID LOT 2; THENCE SOUTH ALONG SAID LINE A DISTANCE OF 30 FEET, MORE OR LESS, TO THE NORTH LINE OF THE PROPERTY DESCRIBED IN SAID DECREE QUIETING TITLE IN FAVOR OF T.O. DOWELL, HEREBY REFERRED TO; THENCE ALONG THE NORTHERLY LINE OF THE LAND DESCRIBED IN SAID DECREE THE FOLLOWING THREE COURSES AND DISTANCES, TO-WIT: EAST APPROXIMATELY 1 FOOT TO AN ANGLE IN BOUNDARY OF SAID LAND; THENCE SOUTH 6.42 FEET; THENCE EAST ALONG THE NORTH LINE OF THE BRICK WALL OF THE BUILDING LOCATED ON SAID LAND DESCRIBED IN SAID DECREE QUIETING TITLE A DISTANCE OF 94.97 FEET TO THE POINT OF BEGINNING.

APN: 0032-130-030 AND 0032-130-040

**EXHIBIT B
SCHEDULE OF PERFORMANCE**

ALL PARCELS

All commercial properties shall be marketed for lease/sale or build-to-suit at all times with a comprehensive marketing effort by a respected commercial real estate broker. This shall include installation of professionally designed signage located on each parcel as approved/permitted by the City of Suisun.

Developer shall market all commercial and residential properties on a continuous basis with the goal that the eventual lease/sale of such properties shall be effectuated by not later than the times set forth in this Schedule of Performance.

**COMMERCIAL PROPERTY
PARCELS 1 & 2**

1. Within two (2) months of the effective date of the Third Amendment, Developer shall have attained project shell completion, ready for tenant improvements such that a Certificate of Completion can be issued.

**COMMERCIAL PROPERTY
PARCEL 3**

Note: Developer has entitled this site and has submitted construction documents to the Building Department that will need to be revised due to updated building code requirements.

1. Subject to the availability of conventional financing on commercially reasonable terms, Developer shall be required to commence building construction on the date that is not later than within six (6) months following 75% lease-up or occupancy of the gross leasable area (demonstrated by signed leases) of the building constructed on Parcels 1 & 2. To document lack of availability of financing as a cause for delay, Developer shall submit to Agency third-party supporting documentation reasonably acceptable to Agency.
2. Close of escrow shall occur concurrent with the issuance of a building permit issued by the Suisun City Building Department. At least 60 days prior to the close of escrow, Developer shall submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and/or Construction Financing Plan").
3. Within twelve (12) months of construction commencement, Developer shall have attained project shell completion, ready for tenant improvements such that a Certificate of Completion can be issued.

**COMMERCIAL PROPERTY
PARCEL 4, 6, AND 11**

1. No later than May 1, 2011, Developer shall submit complete applications to the Planning Commission, Agency Board and all appropriate and applicable regulatory agencies for review and approval. Approval by the Planning Commission/Agency Board shall satisfy the "Final Development Plan" requirement outlined in Part One Article 1.03 of the DDA.
2. No later than 30 days after Planning Commission/Agency Board approval (whichever is later), Developer shall submit to the Agency its plans for financing the acquisition of each property ("Acquisition and/or Construction Financing Plan").
3. No later than 120 days after Planning Commission and Agency Board approval (whichever is later), Developer will submit to City and Agency (a) complete construction drawings for all parcels for plan check (including the building permit application) and (b) the construction financing plan ("Construction Financing Plan").
4. Close of escrow shall occur for each property concurrent with the issuance of a building permit issued by the Suisun City Building Department.
5. Developer shall break ground on either parcel 4 or 6 (at Developer's option) no later than 30 days after the lease or occupancy of at least seventy-five percent (75%) of the commercial and/or retail space in the building(s) constructed on parcels 1, 2, 3, 5, 7, 8, and 9. Further, Developer shall break ground on the remaining parcel (either parcel 4 or 6), as the case may be, no later than 30 days following the lease or occupancy of at least 75% of the commercial and/or retail space in the building constructed on parcel 4 or 6. Developer shall break ground on parcel 11 no later than 30 days after the lease or occupancy of at least seventy five percent (75%) of the commercial and/or retail space in the building constructed on parcel 4 or 6.
6. Notwithstanding the time-line set forth in paragraphs 4 and 5 above, Developer shall have no obligation to acquire parcel 11 if, prior to the close of escrow appropriate parking for the proposed development of said parcel is unavailable on property immediately adjacent to parcel 11 on terms acceptable to Developer in its good faith discretion and Developer has, not less than 90 days prior to the date set forth in the Schedule of Performance for the close of escrow for acquisition of said parcel, notified the Agency in writing of its decision to not acquire parcel 11.
7. Within twelve (12) months of construction commencement, Developer shall have attained project shell completion, ready for tenant improvements such that a Certificate of Completion can be issued.

**COMMERCIAL PROPERTY
PARCEL 5**

1. Agency will provide a response to Developer's submittal of evidence regarding the economic infeasibility of the proposed redevelopment of this property and a desired plan of action on this property within one hundred eighty (180) days of the effective date of the Third Amendment. Agency reserves the right to exclude this property from the Main Street West Project.

**COMMERCIAL PROPERTY
PARCEL 7**

Note: Developer has entitled this site and has submitted construction documents to the Building Department that will need to be revised due to updated building code requirements.

1. Subject to the availability of conventional financing on commercially reasonable terms, Developer shall be required to commence building construction by not later than the date that is six (6) months following 75% lease-up or occupancy of the gross leasable area (demonstrated by signed leases) of the buildings constructed on Parcels 1, 2, and 3. To document lack of availability of financing as a cause for delay, Developer shall to submit third-party supporting documentation reasonably acceptable to Agency.
2. Close of escrow shall occur concurrent with the issuance of a building permit issued by the Suisun City Building Department. At least 60 days prior to the close of escrow, Developer shall submit to the Agency its plans for financing the acquisition and construction of the property ("Acquisition and Construction Financing Plan").
3. Within twelve (12) months of construction commencement, Developer shall have attained project shell completion, ready for tenant improvements such that a Certificate of Completion can be issued.

**COMMERCIAL PROPERTY
PARCELS 8 & 9**

1. Upon 50% lease-up of the gross leasable area contained within buildings constructed on Parcels 1, 2, 3, and 7, but in no event later than April 30, 2010, Developer shall submit complete applications to the Planning Commission, the Agency Board and all appropriate and applicable regulatory agencies for review and approval. Approval by the Planning Commission/Agency Board shall satisfy the "Final Development Plan" requirement outlined in Part One Article 1.03 of the DDA.
2. No later than 30 days after Planning Commission and Agency Board approval (whichever is later), Developer shall submit to the Agency its plans for financing the acquisition of the properties ("Acquisition Financing Plan").
3. No later than 120 Days after Planning Commission and/or BCDC approval, Developer will submit to the City and Agency (a) complete construction drawings for all parcels for plan check (including the building permit application) and (b) the construction financing plan ("Construction Financing Plan").
4. Close of escrow shall occur concurrent with the issuance of a building permit issued by the Suisun City Building Department.
5. Subject to the availability of conventional financing on commercially reasonable terms, Developer shall be required to commence building construction by not later than the later of (i) thirty (30) days after issuance of building permit, or (ii) the date that is four (4) months following 75% lease-up or occupancy of the gross leasable area (demonstrated by signed leases) of the building constructed on

Parcels 1, 2, 3 and 7. To document lack of availability of financing as a cause for delay, Developer shall submit third-party supporting documentation reasonably acceptable to Agency.

6. No later than 30 days after issuance of building permit, Developer required to break ground (commencement of construction).
7. Within 12 Months of construction commencement, Developer shall have attained project shell completion, ready for tenant improvements such that a Certificate of Completion can be issued.

RESIDENTIAL PROPERTY PARCEL 10

Note: Developer has entitled this site through tentative subdivision map and received approval of the Final Development Plan.

1. No later than February 1, 2010, Developer will (a) submit complete construction drawings for parcel 10 to the City for plan check (including the building permit application); and (b) the construction financing plan ("Construction Financing Plan").
2. Subject to the availability of conventional financing on commercially reasonable terms, Developer shall be required to commence construction within ninety days of the later of (a) issuance of a building permit; or (b) when all of the following have occurred: i) two consecutive months of an increase in median values for the 94585 zip code as reported by Dataquick, and (ii) two consecutive months of declining inventory listed for sale in the 94585 zip code as reported by the Multiple Listing Service, and (iii) two consecutive months of a decline in average days on market for existing homes listed for sale as reported in the Multiple Listing Service. To document lack of availability of financing as a cause for delay, Developer shall submit third-party supporting documentation reasonably acceptable to Agency.
3. Escrow closes on the parcel concurrent with the commencement of site work.
4. Within 12 Months of construction commencement, Developer shall have Model Homes ready for final inspection such that a certificate of completion can be issued. Developer shall complete the construction of all additional homes on parcel 10 no later than 15 months after completion of the Model Homes.

RESIDENTIAL PROPERTY PARCELS 12 & 13

1. Not later than September 1, 2009, Developer shall submit complete applications to all applicable regulatory agencies for review and approval as required to fully entitle the property for development. Approval by the Planning Commission/Agency Board shall satisfy the "Final Development Plan" requirement outlined in Part One Article 1.03 of the DDA, subject to BCDC approval.

2. No later than 120 days after Planning Commission and BCDC approval (whichever is later), Developer will submit to City and Agency (a) complete construction drawings to for plan check (including the building permit application) and (b) the construction financing plan ("Construction Financing Plan").
3. Subject to the availability of conventional financing on commercially reasonable terms, Developer shall be required to commence construction within ninety days of the later of (i) issuance of a building permit or (ii) when all of the following have occurred: i) two consecutive months of an increase in median values for the 94585 zip code as reported by Dataquick, and (ii) two consecutive months of declining inventory listed for sale in the 94585 zip code as reported by the Multiple Listing Service, and (iii) two consecutive months of a decline in average days on market for existing homes listed for sale as reported in the Multiple Listing Service.
4. Escrow closes on the parcel concurrent with the commencement of site work.
5. Within 12 months of construction commencement, Developer shall have Model Homes final inspection completion such that a Certificate of Completion can be issued. Developer shall complete the construction of all additional homes on parcel 12 and 13 by no later than 24 months after completion of the Model Homes.

PROPOSED RESIDENTIAL PARCEL 14

1. Not later than September 30, 2010 Developer shall provide written evidence that Traffic, Air Quality, and any other studies required by the Community Development Director have commenced. Not later than February 1, 2011, Developer shall submit complete applications to all applicable regulatory agencies for review and approval as required to fully entitle the property for development. Approval by the Planning Commission/Agency Board shall satisfy the "Final Development Plan" requirement outlined in Part One Article 1.03 of the DDA, subject to BCDC approval. The applications necessary to complete and submit prior to the aforementioned February 1, 2010 date include but are not limited to:
 - i. Site Plan/Architectural Review Application
 - ii. Tentative Subdivision Map Application
 - iii. General Plan Amendment Application
 - iv. Specific Plan Amendment Application
 - v. Zoning/PUD Application
2. No later than 120 days after applications are approved, Developer will submit to City and Agency (a) complete construction drawings to for plan check (including the building permit application) and (b) the construction financing plan ("Construction Financing Plan").
3. Subject to the availability of conventional financing on commercially reasonable terms, Developer shall be required to commence construction within ninety days of the later of (i) issuance of a building permit or (ii) when all of the following have occurred: i) two consecutive months of an increase in median values for the 94585 zip code as reported by Dataquick, and (ii) two consecutive months of

declining inventory listed for sale in the 94585 zip code as reported by the multiple listing service, and (iii) two consecutive months of a decline in average days on market for existing homes listed for sale as reported in the multiple listing service.

4. Escrow closes on the parcel concurrent with the commencement of site work.
5. Not later than September 1, 2012, Developer required to commence with site work.
6. Within 12 months of construction commencement, Developer shall have Model Homes final inspection completion such that a Certificate of Completion can be issued. Developer shall complete the construction of all additional homes on parcel 14 by no later than 24 months after completion of the Model Homes.

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Exhibit C

CONDITIONS TO DISBURSEMENT OF LOAN PROCEEDS

Agency's obligation to disburse Loan proceeds is conditioned upon the satisfaction (or Agency's waiver) of all of the following conditions. Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Third Amendment to Disposition and Development Agreement of which this Exhibit C is a part. Loan proceeds shall be disbursed only for the purposes set forth in Section 7.1 of the Third Amendment. In Agency's sole discretion, the proceeds of the Loan shall be deposited into an escrow account for disbursement, and if the proceeds are used for rent abatements, such proceeds will be disbursed ratably over the course of the applicable tenant lease(s).

(a) Developer's delivery to Agency of each of the following documents, fully-executed and acknowledged as applicable: (i) the Third Amendment, (ii) the Note, (iii) the Guaranty, and (iv) the Deed of Trust (if applicable pursuant to Section 7 of the Third Amendment);

(b) If applicable pursuant to Section 7 of the Third Amendment, the recordation of the Deed of Trust in the Official Records of Solano County;

(c) Developer's delivery to Agency, and Agency's reasonable approval of a budget for use of the Loan proceeds;

(d) If applicable, Developer's delivery to Agency of evidence reasonably satisfactory to Agency that Developer has obtained all necessary permits (including without limitation, building permits), licenses, and approvals required to undertake the work to be funded with the Loan proceeds, or that the receipt of such permits is subject only to such conditions as Agency shall reasonably approve;

(e) If applicable, Agency shall have approved the final plans, specifications and other documentation reasonably as reasonably required for the work to be undertaken with the Loan proceeds;

(f) Owner's delivery to the Agency of evidence of insurance coverage in accordance with the requirements set forth in the Amended DDA;

(g) Owner's delivery to Agency of such documentation as Agency shall reasonably require regarding Owner's organizational status and authority to execute and perform Owner's obligations under the Amended DDA and the documents described in paragraph (a) above;

(h) Owner's delivery to Agency of all of the following as applicable: (1) budget for work to be undertaken with the requested disbursement of Loan proceeds; (2) construction contract; (3) performance bonds or other assurance of completion reasonably acceptable to Agency; (4) evidence acceptable to Agency regarding tenant occupancy, including without limitation, copies of executed tenant leases; (5) copies of third-party invoices, (6) lien releases, and (7) such other documents as Agency may reasonably request.