SPECIAL EL CERRITO MUNICIPAL SERVICES CORPORATION MEETING

AGENDA

Tuesday, April 2, 2013
Immediately Following the Adjournment of the 7:00 p.m. Regular City Council Meeting
City Council Chambers

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Greg Lyman – Chairperson
Vice Chairperson Janet Abelson
Boardmember Rebecca Benassini
Boardmember Scott Hanin
Boardmember Jan Bridges
Boardmember Mark Friedman
Boardmember Karen Pinkos

ROLL CALL
CONVENE SPECIAL MUNICIPAL SERVICES CORPORATION MEETING

1. BOARD / STAFF COMMUNICATIONS
2. ORAL COMMUNICATIONS FROM THE PUBLIC
   All persons wishing to speak should sign up with the Board Secretary. Remarks are limited to 3 minutes per person and are limited to items listed on this special Municipal Services Corporation meeting agenda only.
3. PRESENTATIONS – None
4. ADOPTION OF THE CONSENT CALENDAR – Item No. 4A
   Approval of Minutes
   Approve the March 19, 2013 special meeting minutes.
5. POLICY MATTER
   Authorization to Enter into an Exclusive Negotiating Rights Agreement with Build, Inc. for the Mayfair Block
   Adopt a resolution designating Build, Inc. as the proposed developer for the Mayfair Block, and authorize execution of an Exclusive Negotiating Rights Agreement (ENRA) for negotiation of a Disposition and Development Agreement (DDA).

ADJOURN SPECIAL MUNICIPAL SERVICES CORPORATION MEETING
SPECIAL EL CERRITO MUNICIPAL SERVICES CORPORATION MEETING

MINUTES
Tuesday, March 19, 2013
Immediately Following the Adjournment of the 7:00 p.m. Regular City Council Meeting
City Council Chambers

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Greg Lyman – Chairperson

Vice Chairperson Janet Abelson
Boardmember Rebecca Benassini
Boardmember Scott Hanin

Boardmember Jan Bridges
Boardmember Mark Friedman
Boardmember Karen Pinkos

ROLL CALL
Directors Abelson, Benassini, Bridges, Friedman, Hanin, Pinkos and Chair Lyman all present.

CONVENE SPECIAL MUNICIPAL SERVICES CORPORATION MEETING
Chair Lyman convened the special Municipal Services Corporation meeting at 8:29 p.m.

1. BOARD / STAFF COMMUNICATIONS – None
2. ORAL COMMUNICATIONS FROM THE PUBLIC – No speakers.
3. PRESENTATIONS – None
4. ADOPTION OF THE CONSENT CALENDAR – Item No. 4A
Moved, seconded (Friedman/Abelson) and carried unanimously to approve Consent Calendar Item No. 4(A) in one motion as indicated below.

Approval of Minutes
Approve the March 5, 2013 special meeting minutes.
Action: Approved minutes.

5. POLICY MATTER
Authorization to Enter into an Exclusive Negotiating Rights Agreement with Build, Inc. for the Mayfair Block
Approve a motion authorizing staff to develop an Exclusive Negotiating Rights Agreement (ENRA) with Build, Inc., as a proposed developer for the Mayfair Block. Upon completion of a
draft ENRA, staff will return to the Municipal Services Corporation Board in April for authorization to execute the ENRA related to the negotiation of a Disposition and Development Agreement (DDA) that would describe the terms and conditions for the development of the project.

**Presenter:** Dwayne Dalman, Senior Economic Program Manager.

**Action:** Moved, seconded (Friedman/Abelson) and carried unanimously to authorize staff to develop an Exclusive Negotiating Rights Agreement with Build, Inc. as a proposed developer for the Mayfair Block and return to the Municipal Services Corporation Board in April for authorization to execute the ENRA.

**ADJOURNED SPECIAL MUNICIPAL SERVICES CORPORATION MEETING** at 9:28 p.m.
**El Cerrito**  
**Municipal Services Corporation**

**Date:** April 2, 2013  
**To:** El Cerrito Municipal Services Corporation Board  
**From:** Dwayne Dalman, Senior Economic Development Program Manager  
**Subject:** Authorization to Enter into an Exclusive Negotiating Rights Agreement with Build Inc. for the Mayfair Block

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**ACTION REQUESTED**

Adopt a resolution designating Build Inc. as the proposed developer for the Mayfair Block, and authorize execution of an Exclusive Negotiating Rights Agreement (ENRA) for negotiation of a Disposition and Development Agreement (DDA).

**BACKGROUND**

The “Mayfair Block” is an approximately 1.75 acre site bordered by San Pablo and Knott Avenues, Kearney Street, and Cutting Boulevard. The block is immediately adjacent to the Del Norte BART station, and consists of three parcels of land (APNs 502-062-003, 502-062-029, 502-062-028) that have been purchased by the former El Cerrito Redevelopment Agency (RDA) over a period of time and were transferred to the El Cerrito Municipal Services Corporation (MSC) pursuant to a property conveyance agreement and performance deed of trust.

In 2005, the Olson Company proposed a mixed-use residential apartment project on the site. However, with the downturn in the residential market and the economy, Olson pulled out of the project in 2007. Prior to dissolution of the Redevelopment Agency, staff continued to move forward with the goal of promoting transit-oriented development adjacent to the City’s two BART stations, including this property.

Over the years, numerous developers had approached the former RDA about potential projects at the Mayfair site although none developed into an actual project. The former RDA, prior to dissolution, had also corresponded with BART staff about joint projects at the site and the adjacent BART property but no concrete plans ever materialized. The former RDA periodically considered a formal solicitation, but with the failing economy and the loss of redevelopment, including the associated uncertainties around the ultimate disposition of the site, no formal solicitation was undertaken prior to the dissolution of the Agency.

In conjunction with the City’s draft San Pablo Avenue Specific Plan, the City developed vision and goals for the City’s two BART station areas. The vision includes the redevelopment of the BART station areas as complete, walkable, transit-oriented neighborhoods. On November 21, 2011, City staff presented to the City Council the results of the Del Norte Transit-Oriented Development Strategy. The Strategy, prepared by AECOM and CHS Consulting, analyzed near-term development feasibility for development types that would be consistent with the vision of the draft Specific Plan and
appropriate parking strategies to achieve transit-oriented development. The conclusions of that analysis included supporting catalyst multifamily residential development at appropriately high densities at Del Norte.

Approximately nine months ago, staff became aware of Build Inc., a San Francisco real estate development firm that specializes in mixed-use residential infill projects. Initial conversations with Build Inc. focused on the firm’s apparent interest in the development potential around the Del Norte BART station. Initially, it was not clear if their expertise was believed to lend itself more in acting either in a master planning role or as a direct developer. Based on periodic meetings with staff, Build Inc. decided to submit the attached conceptual proposal to develop the Mayfair block with a high-quality, mixed-use residential project.

Staff evaluation of the Build Inc. development proposal concluded that it meets and complements the vision and goals of the draft Specific Plan and fits well within the highest and best use development types analyzed by the Del Norte Transit-Oriented Development Strategy. Additionally, staff feels that the proposal is consistent with or even exceeds the expected results of a formal solicitation process.

**DISCUSSION/ANALYSIS**

On March 19, 2013 the MSC Board authorized staff to negotiate an ENRA with Build Inc. and to come back to the Board for authorization to execute the agreement. MSC legal counsel has prepared and Build Inc. has reviewed and found acceptable a draft ENRA, which is Attachment 2 to this report.

The ENRA establishes procedures and standards for the negotiation of a DDA, including achievement of certain predevelopment tasks to determine the feasibility of the development. The ENRA does not obligate either party to acquire or convey any property, grant Build Inc. the right to develop the properties, or obligate the parties to undertake any activities or costs, except for the preliminary analysis and negotiations contemplated in the ENRA. The purpose of the negotiations includes determining the conditions under which the MSC would sell its property to Build Inc., and the process and schedule for the development of the overall Mayfair Block. A summary of the most significant terms of the ENRA follows:

- **The negotiating period is fifteen months, which can be extended 120 days if Build Inc. has met all of the requirements of the ENRA and the extension is necessary to complete the environmental review or title of the project.**
- **During the term of the ENRA, the MSC may not negotiate with any other party regarding the disposition or development of its property at the Mayfair block.**
- **Build Inc. will pay a nonrefundable $15,000 ENRA Fee and a $45,000 Good Faith Deposit, which is intended to cover the MSC’s consultant costs. Any unused portion of the Good Faith Deposit will be returned to Build Inc. if no DDA is executed and Build Inc. is not in breach.**
- **Within 15 days of the execution of the ENRA, the MSC and Build Inc. shall mutually select an appraiser to perform an appraisal to assist in the determination of the purchase price.**
- **Within 60 days of ENRA execution, Build Inc. will provide the MSC with a proposed detailed schedule of performance, including the dates for obtaining**
land use entitlements, the date for the submittal of construction plans to the City, and the date for satisfaction of all preconditions to conveyance. These dates will be based on the City of El Cerrito’s schedule of completion of the San Pablo Avenue Specific Plan and the corresponding program Environmental Impact Report (EIR).

- The MSC and Build Inc. will seek to agree upon the purchase price for the MSC-owned property within 60 days of the execution of the ENRA. In connection with the purchase price negotiation Build Inc. will provide the MSC with a detailed financial analysis for the project.

- Within 90 days of the execution of the ENRA the MSC and Build Inc. will work together to produce a term sheet outlining the purchase price and material terms of the purchase and sale agreement. Within 30 days of an agreement on the purchase price, the MSC will bring the term sheet to the MSC Board for approval.

- Prior to execution of a DDA, Build Inc. will be required to provide the MSC with copies of its organizational documents evidencing that Build Inc. exists and is in good standing to perform its obligations under the DDA.

- Build Inc. will pay for, and the City will have prepared, any environmental documentation required by the California Environmental Quality Act (“CEQA”) for consideration of approval of the DDA and the project. The ENRA does not compel the City to approve or make any particular findings with respect to CEQA documentation. Failure to pay City CEQA fees in a timely manner would constitute a default under the ENRA.

Should the Board approve the ENRA, MSC staff and Build Inc. will reach out to BART to explore the purchase of the small parcel of land adjacent to the MSC-owned property that Build Inc. has identified in its conceptual site layout and discuss the possibility of additional development on the BART owned properties around the Del Norte BART Station.

**DEVELOPMENT PROPOSAL**

The initial development proposal from Build Inc. contains the following information that is typically found in a Request for Qualifications (RFQ):

**Proposed Project**

Build Inc. has conceptually proposed a mixed-use, residential project with a total of 282 apartment units and 18,000 square feet of ground floor flex/retail space. The project is designed to be built on the approximate two-acre site that is comprised of the land owned by the El Cerrito Municipal Services Corporation, the vacating of Kearney Street between Knott Avenue and Cutting Boulevard, and a small sliver of land owned by BART adjacent to the BART tracks.

The initial design shows a project that includes two six-story buildings fronting San Pablo Avenue and one three story building adjacent to the BART tracks. The two six-story buildings are proposed to be 65 feet in height and contain five stories of residential over a first floor parking podium. Approximately 13,000 square feet of ground-floor retail will wrap the parking podium. The rear building will serve as the transition between San Pablo Avenue to the west of the property and the residential neighborhood.
and BART to the east of the property. It will be 35 feet in height and contain two stories of residential over 5,000 square feet of ground-floor retail and live/work space.

The proposed development is designed to provide a neighborhood-friendly design that will create a sense of place in the north end of town. The project will include private as well as public amenities. Private amenities include balconies, inner courtyards, a gym/recreation area, a common room, bike parking and a roof deck. Public open space and amenities include a green area mews in place of the vacated Kearney Street.

**Developer Information/Experience**

The development proposal demonstrates that Build Inc. is a successful and experienced regional developer. In addition, the management team has a great deal of personal experience and success.

Build Inc. is a San Francisco real estate development company that specializes in high-quality, mixed-use residential development. Over the last 25 years, the partners in the company have extensive experience managing the development of over 10,000 homes and apartments in the Bay Area. The company is known for collaboration, strong community support and a commitment to place-making. A summary of their current and recent projects include the following:

- 142-unit *Homes at Esprit Park* – San Francisco Dogpatch neighborhood.
- Three residential projects in San Francisco approved or in entitlement. Two of these projects are in partnership with Avalon Bay.
- Mint Plaza – a public-private partnership that transformed a derelict alleyway in San Francisco into a vibrant, public plaza.
- Linden Alley – conversion of a small San Francisco street into a pocket park
- The Yellow Building – conversion of a historic, San Francisco warehouse building into a commercial community hub.

Build Inc. has a management team with an extensive background in residential and commercial development. Their President, Lou Vasquez, has over 30 years of experience in developing over 8,000 multi-family homes and has worked in senior management positions for a number of well-known development companies. Their Vice President, Loring Sagan, has over 35 years of design and real estate development experience, having founded three design and construction companies.

Build Inc’s acquisition partner is Grant Barbour. Mr. Barbour also serves as in-house legal counsel having been a real estate and land-use attorney for the American Land Conservancy and the Trust for Public Land. The company’s entitlement partner is Michael Yarne, who oversees Build Inc’s entitlement and land use strategy. Mr. Yarne has municipal entitlement experience, having served for four years as Development Advisor in the San Francisco Mayor’s Office. Finally, the construction partner for Build Inc is Doug Ross. In partnership with Build Inc, Mr. Ross runs Ross Construction and Palisades Builders, responsible for building over 10,000 homes in the Bay Area.

**Financial Qualifications**

Build Inc’s proposal discusses a demonstrated track record of securing both equity and debt for its projects. They have a banking relationship with First Republic Bank which
lists working capital assets available to assist with acquiring and entitling projects. They also show a relationship with CityView, a national real estate investment fund. In addition, they have recently partnered with two national Real Estate Investment Trusts (REITs), Avalon Bay and Archstone. In summary, Build Inc. feels confident that they have both the internal resources and external financial relationships to complete this project.

**FINANCIAL CONSIDERATIONS**

Financial terms and requirements for the Municipal Services Corporation will be identified during the DDA negotiations. No budget adjustments are currently necessary.

**RECOMMENDATION**

Based on the information enclosed in the initial proposal, staff feels that Build Inc’s development concept meets the criteria that the MSC Board and our community have voiced over the past few years including high-quality, transit-oriented development adjacent to the Del Norte BART station. The initial development layout shows a project that works to integrate a number of desirable concepts including:

- High-density project containing approximately 120-units/acre
- Minimum silver LEED certification
- Integration of public spaces and amenities
- Designed to maintain view corridors and promotion of alternative transportation through lower parking standards and use of public transit
- Designed to maximize success of retail space.

Staff recommends that the MSC Board adopt a resolution to designate Build Inc. as the developer for the Mayfair Block, and authorize the execution of an Exclusive Negotiating Rights Agreement.

Reviewed by:

Scott Hanin, Executive Director

Attachments:
1. Build Inc. Initial Development Proposal
2. Exclusive Negotiating Rights Agreement
3. Resolution
Looking North Along Kearney Street: “Sound Wall” building shapes and protects new public open space within the street right of way.

**Tabulations**

**Building 1**  
Type III  
120 apartments/ 60-2BR/ 45-1BR/ 15 Studios

**Building 2**  
Type III  
120 apartments/ 60-2BR/ 45-1BR/ 15 Studios

Podium (under Buildings 1&2) Type I/ fifteen feet high/ one level above grade / optional second level subterranean

13,000sf retail, 5,000sf leasing/ common space, 4,000sf service spaces

254 cars in a single level utilizing hydraulic stackers. An additional 120 spaces possible in a subterranean level.

**Building 3** Type V

34 studio and 1BR flats in two levels over 5,000sf retail and 8-10 live/work townhouses fronting onto a common mews over the Kearney Street ROW.

Short term parking in two surface lots at each end of Kearney (16 cars) and within the adjacent garage.

**Residential Total:** 282 apartments  
**Retail Total:** 18,000sf  
**Parking Total:** 270-390 cars
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EXECUTIVE SUMMARY

EL CERRITO DEL NORTE PROPOSAL

Build Inc. is pleased to submit this statement of qualifications and development vision to the City of El Cerrito. We believe that our unique mix of real estate development experience, financial resources, entitlement expertise, a neighborhood-friendly design philosophy and proven place-making skills will generate substantial economic and social value for the City of El Cerrito and, indirectly, BART.

The Del Norte site represents an exceptional opportunity to develop a high-quality stand-alone project that will catalyze a larger economic and civic revitalization of the entire Del Norte BART station area. Accordingly, our central goal is to set the urban design standard for future transit-oriented development in the area, while also satisfying the City's practical need to be compensated for its past investment in the subject property.

As the developer of the award-winning 142-unit Homes at Esprit Park project in San Francisco’s Dogpatch neighborhood—a high-density residential mixed-use project that received unanimous support from both the neighborhood and the San Francisco Planning Commission—we know first hand how to deliver on both public aspirations and private investor demands. We take pride in our extensive history of place-making projects in San Francisco, having guided the creation of such memorable and walkable civic places such as Mint Plaza and Linden Alley. And with over 600 units in four projects under various stages of development in San Francisco, Build Inc. brings tremendous experience and project management capacity to the table. A full description of our firm, along with the biographies of our five partners, is included beginning page 13 of this presentation.

DESIGN VISION

Our vision is driven by Build Inc’s urbanist values and a belief that private projects should give back to the surrounding neighborhood. Accordingly, our design proposes the creation of a green pedestrian-mews along the existing Kearny Street right-of-way, activated by corner retail (within 200 yards and a clear sight-line of BART station exits) and townhome-style live/work units. While we need to accommodate on-site parking, we propose to wrap the parking podium in active uses that engage and energize the street edge, especially along Cutting Boulevard and San Pablo Avenue. Finally, we propose a full-block build-out, providing much-needed urban form and scale to a site that currently feels unprotected, empty and uninviting.

Our proposed project would occupy the entire block bounded by San Pablo, Knott Avenue, Cutting Boulevard and Kearny Street. With the cooperation of the City and BART, we also hope

continued next page
to develop the “sliver parcel” of land located between the eastern edge of Kearny Street and the western edge of the elevated BART tracks, as set forth in our site plan, enclosed. Our conceptual design would add two 5-story buildings (Building 1 and Building 2) containing a combined 240 units over a single 15’-tall parking podium, wrapped with approximately 13,000-SF of flex retail use, 5,000-SF of leasing & common area and 4,000-SF of building services. Taken as a whole, the project would be six stories and 65’ tall. The sliver parcel would be developed with a lower, three-story building (Building 3) rising approximately 35’-tall, with a 15’-ground floor retail and commercial podium, topped with two floors of residential units. This linear structure would provide a sound and visual wall between BART and the proposed project and Kearny Mews, while also accommodating 34 residential units, 8-10 live/work units and 5,000-SF of retail. The combined project would provide 274 residential units, 8-10 live/work units and over 20,000-SF of potential retail space.

The project could be constructed in a single phase or in three phases, depending on financing and market demand. Phase 1 would build out the parking and retail podium and Building 1; Phase 2 would add Building 2; and Phase 3 would add Building 3 and finish the development of the Kearny Mews. We are happy to further explore the issue of phasing with the City.

ENTITLEMENT PROCESS

Our master planning and development process is rooted in a deep understanding of the competing (and sometime contradictory) neighborhood, planning, environmental, public and private investor goals associated with true transit-oriented development. Accordingly, we view all of our projects as “public-private” partnerships, regardless of the scale, financing sources or number of parties involved. In this case, given the draft status of El Cerrito’s San Pablo Specific Plan and zoning ordinances, we propose working in a close partnership with City staff to successfully integrate the proposed project into the larger rezoning and CEQA review process. Based on our initial review, we believe that the proposed project could be incorporated into a programmatic EIR as a “catalyst” or demonstration project. In this way, our proposal would receive project-level CEQA clearance while the rest of the plan would receive programmatic clearance. We feel that our two objectives – final adoption of the San Pablo Specific Plan and approval of our individual project – are mutually beneficial. Furthermore, we are open to funding some if not all of the CEQA costs needed to complete the San Pablo Specific Plan EIR. Based on future conversations with City staff over the next several months, we would hope to propose a specific timeline of deliverables for such an integrated planning effort.
CONCLUSION

In sum, our intention is to craft a far-reaching vision that will ultimately generate a new identity and sense of place that draws life and investment interest to the larger Del Norte BART station area. We will leverage all of Build Inc.’s ideas, financial resources and relevant experience to accomplish this goal. We look forward to advancing this conversation with the City of El Cerrito to the next level.
Looking north across Cutting Boulevard from the western entrance to the BART station along the proposed “Kearney Mews.” A three-story, 35’-tall linear building would provide much-needed sound and visual barrier from the elevated BART tracks, while creating an inviting and green new public open space within the Kearny Street right of way that would be activated by small-scale, ground-floor retail and live/work townhomes.
A. PROPOSED PROJECT

SUMMARY DATA

City Site:
- 240 apartment units in two buildings above a ground floor parking podium
- Approximately 120 2-bedroom units; 90 1-bedroom units & 30 studio units
- Approximately 65’-tall, six-story building (including ground floor/podium level)
- Type III wood-frame construction over Type I concrete podium
- 13,000-SF ground floor flex / retail
- 5,000-SF ground floor leasing & common areas
- 254 enclosed parking spaces with hydraulic stackers; parking podium “wrapped” in active uses; optional subterranean parking floor possible.
- Private open space provided in balconies, inner courtyards and on “Golden Gate view” roof deck
- Public open space & green area provided in new Kearny Mews within existing street right-of-way

BART Site:
- 34 apartment units and 8-10 live/work townhome units in one linear building
- Approximately 35’-tall, three-story building with 15’-floor-to-ceiling ground floor
- Type V wood-frame construction
- 5,000-SF ground floor retail
- 16 surface parking spaces at each end of the proposed Kearny Mews
- Public open space & green area provided in proposed Kearny Mews within existing street right-of-way

Combined Site:
- 282 apartment units
- 18,000-SF ground floor flex / retail
- 270 to 390 parking spaces
Podium Level / Ground Floor Plan
Floors 2 - 3: Representative Plan
A. PROPOSED PROJECT

11600 San Pablo Avenue / El Cerrito, CA
Prepared for Building Inc by Jon Worden Architect

Massing Diagrams

Top: Bird’s Eye looking Northwest
Bottom: Lower Level - Cut away looking NW
Looking Northeast from San Pablo Boulevard: Break the mass of the project up into a series of distinct building components.

Looking East across San Pablo Boulevard: Courtyards create breaks between building components while adding usable public open space between retail spaces.
Looking East across San Pablo Boulevard: Podium access stair and roof deck bridge connect the north and south halves of the project.

Bird’s Eye View looking Northeast: Roof Gardens connected by central bridge and flanked by solar panels.
B. DEVELOPER

Build Inc. is a San Francisco real estate development firm specializing in high-quality mixed-use residential development, with over 700 units of new multifamily housing in the development pipeline. Build Inc. is recognized for its uniquely collaborative approach to development, strong neighborhood support and proven commitment to place-making that transcends its projects. Over the past 25 years, the Build partners have managed the acquisition, financing, entitlement, development, construction, management, and disposition of over 10,000 homes and apartments in San Francisco and the greater Bay Area. Our experience is extensive and deep.

Build is known for developing high-quality and creative projects that respond to community needs while also generating strong financial returns. By doing what we say we are going to do, we have earned the trust of our investors, the Planning Department, the Board of Supervisors and, most importantly, the neighborhoods in which we work.

Build’s most recently completed project, the 142-unit Homes at Esprit Park, located in the heart of the Dogpatch neighborhood, received the San Francisco Business Times “Real Estate Deal of the Year” Award in 2008 and praise from both the Planning Commission and the neighborhood. In July 2012, Build secured unanimous Planning Commission approval for a 182-unit residential mixed-use project in San Francisco’s Hayes Valley neighborhood in partnership with Avalon Bay, a national Real Estate Investment Trust.

Build’s current projects include a 350-unit, six-story project in Dogpatch across the street from the Homes at Esprit Park. Another partnership with Avalon Bay, this project is just starting entitlements, with Planning Commission approval expected in 18 months. In August 2012, Build closed on another prime development site in Dogpatch, 650 Indiana Street, and has commenced design and entitlements on a proposed 120-unit, mixed-use residential project that may include an exciting public-private partnership to finance and build a new public art plaza. A few blocks away, Build is in contract to purchase another 60-unit residential site. In addition to these three residential projects, Build is in the process of acquiring and redeveloping two unique historic commercial buildings in the newly emerging Mission Creek neighborhood of San Francisco. With these acquisitions, Build will diversify its portfolio beyond multifamily residential to include smaller-scale tech office, retail and artisanal manufacturing assets.

Examples of Build’s public place-making expertise include the award-winning Mint Plaza public-private partnership that transformed a derelict alleyway into a $3.2M, 18,000-SF vibrant public plaza that also incorporates best practices urban storm water management design. The Plaza was awarded the EPA’s 2010 National Award for Smart Growth Achievement for Civic Places. Build Inc. also played a critical role in securing the largest Community Challenge Grant awarded in 2006 for the greening of Linden Alley, a prototypical award-winning transformation of an urban alleyway into a community green space.
PLACEMAKING

Build Inc. has a proven record of creating strategic public-private partnerships & investments in the public realm that add tremendous financial value to private real estate in proximate areas. Past examples include Mint Plaza, Linden Alley, & the Yellow Building in Dogpatch.

Mint Plaza: Large-scale closure & conversion of former downtown street to public plaza & urban watershed

Linden Alley: Small-scale street to pocket park conversion

The Yellow Building: Conversion of historic warehouse to mixed-use commercial community hub
BUILD INC DEVELOPMENT TEAM

PARTNERS
Lou Vasquez, President
Loring Sagan, Vice President
Grant Barbour, Acquisitions
Michael Yarne, Entitlements
Doug Ross, Construction

ASSOCIATES
Tyler Kepler, Analyst
Carlos Vasquez, Development Associate
Regina Parker, Accounting
LOU VASQUEZ
President | BUILD INC.

Mr. Vasquez is President of Build Inc. and oversees the firm’s business strategy, underwriting and administration. Over the course of his 30-year career in real estate development, Mr. Vasquez has participated in the acquisition, entitlement, development and construction of over 8,000 multi-family homes as well as more than 250 single-family homes. Prior to joining Build nine years ago, Mr. Vasquez worked in senior management at a number of prominent residential and commercial real estate development companies in the Bay Area, including Trammell Crow, Greenbriar Homes, Oxford Development, and Archstone Communities. Through his volunteer work with Habitat for Humanity and as a founding board member of Mission Preparatory School, Mr. Vasquez is committed to ensuring that San Francisco remains a diverse city providing opportunities for its most vulnerable citizens.

SIGNIFICANT PROJECTS
The following projects are relevant to this proposal.

**Willow Glen Apartments**, San Jose, CA, 414 units, new construction, with Archstone, 2000.


**Monterey Grove Apartments**, San Jose, CA, 212 units, new construction, with Archstone, 1998.


**Delta Square Shopping Center**, Antioch, CA, 200,000-SF retail center, new construction, with Oxford Development, 1987.

**Fountain Grove I & II**, Santa Rosa, CA, two 51,000 SF office buildings, new construction, with Oxford Development, 1986.
LORING SAGAN
Vice President | BUILD INC.

Mr. Sagan is Vice President of Build, Inc., leading its design vision and managing its growing capital needs and partnerships. Mr. Sagan brings over 35 years of design-build and real estate development experience to Build, having founded Sagan Design Group and Sagan Rich Construction Mgt. in 1978 to design and build luxury lakeside homes in the Tahoe basin, and then co-founding Resort Design Group in 1994 to design, build, and manage environmentally-responsible boutique lodges in California, Belize and Fiji. Several of RDG’s projects, most notably Post Ranch Inn, Cousteau Fiji Islands Resort, and The Lodge at Skylonda, won international awards for design, planning, and environmental stewardship.

Mr. Sagan also co-founded Sagan Piechota Architecture (SPA) with architect Daniel Piechota in 1998, an on-going business venture that primarily designs high-end, modern single-family homes and restaurants in California. Prior to starting his career in architecture and real estate development, Mr. Sagan was a full-time professional artist, focusing in ceramics, sculpture and drawing, both in Switzerland and Tahoe. He applies his passion for design excellence to all of Build’s projects. In addition to real estate, Mr. Sagan invested in and incubated various ventures, including Blue Bottle Coffee Company, the award-winning Piccino Restaurant in San Francisco’s Dogpatch neighborhood, and Lynden Energy Corp., a public corporation based in Vancouver, Canada. Collaborating with diverse and creative entrepreneurs based on pragmatic experience is the foundation of Loring’s business success.

SIGNIFICANT PROJECTS
The following projects are relevant to this proposal.


Post Ranch Inn, Big Sur, CA, 30-room luxury lodge, 1994.

GRANT BARBOUR
Partner, Acquisitions | BUILD INC.

Mr. Barbour is Director of Acquisitions at Build Inc. and in-house legal counsel for ongoing transactions. In this capacity, Mr. Barbour directs the Build team in identifying and analyzing potential properties for development, and leads negotiations with owners, lenders, and investors for acquisitions. Prior to joining Build Inc., Mr. Barbour was a real estate and land use attorney focusing on complex land transactions, both from a legal and business perspective. As an attorney-attorney consultant for the American Land Conservancy and the Trust for Public Land, Mr. Barbour worked with ranchers in the Western states to save ecologically valuable land from development by negotiating land exchanges or “swaps” between private owners and governmental agencies such as the Forest Service and Bureau of Land Management. Prior to working on public land issues, Mr. Barbour spent over 15 years as an attorney specializing in private real estate workouts, litigation, bankruptcy, and acquisition of distressed property, in both a large firm setting and as a solo practitioner. Mr. Barbour brings his combined 25 years of public and private real estate transactional experience to bear on both simple and complex real estate transactions, applying a blend of business savvy and practical legal skill to forge win-win solutions.

SIGNIFICANT PROJECTS
The following projects are relevant to this proposal.

Shilo Industrial Center, Windsor, CA. Acquisition of contaminated industrial facility, loan workouts, intervening bankruptcy, and toxic cleanup with regulatory oversight, 2003.

Regional Land Conservation Initiative, Reno, NV. Acquisition of fee title and conservation easements funded by governmental agencies, non-governmental agencies, and donors to preserve environmentally sensitive lands, 2003.

Mr. Yarne, the newest partner at Build Inc., oversees entitlements and land use strategy. He brings over 10 years of applied expertise in local entitlement, public-private partnerships, development management and local government. Prior to joining Build in 2012, Yarne served four years as Development Advisor in the Mayor’s Office, where he negotiated and secured approval of the 152-acre, $7B, 30-year Parkmerced Development Agreement that will add 5,600 new units and fund over $200M in transportation improvements in the SE corner of the City. Mr. Yarne also spearheaded public-private partnerships to finance new parks and infrastructure, including the City’s first Infrastructure Finance District (IFD) on Rincon Hill. At the Martin Building Company, he secured entitlements for a variety of mixed-use historic rehabilitation residential projects, totaling over 300 units. He also led the development of Mint Plaza, the first privately funded conversion of a downtown street into a public plaza, financed through a novel combination of a Community Facility District and a Business Improvement District. Prior to Martin, Mr. Yarne was an attorney at Farella Braun & Martel, focusing on land use, CEQA and historic tax credits. Mr. Yarne has helped launch and manage several local non-profits, including City Carshare, North America’s largest non-profit carsharing company. His passion for public service began in the Peace Corps, where he started three women-owned micro-credit unions and trained farmers to germinate and plant over 10,000 trees to combat desertification.

**SIGNIFICANT PROJECTS**

The following projects are relevant to this proposal.

- **Parkmerced Development Agreement**, SF, CA. 30-year, $7B agreement to add 5,600 housing units, 200,000-SF transit oriented commercial and light rail extension. Approved in 2011.

- **Moscone Center Master Plan**, SF, CA – 20-year, $500M+ public-private partnership to finance and expand convention facilities. Ongoing, started in 2011.


DOUG ROSS
Partner, Construction | BUILD INC.

Mr. Ross is a founding partner and Principal of Construction at Build, Inc. Together with his existing 100-person staff at Ross Construction and Palisades Builders, Mr. Ross has supervised and managed the construction of more than 10,000 homes in the Bay Area, including both for-profit luxury housing and permanently affordable, low-income housing with respected non-profit partners like Mid Peninsula Housing, Santa Clara Housing Authority, and Eden Housing. Ross Construction is known for innovative and pioneering building technologies in order to improve efficiency. In addition to managing several hundred million dollars annually of multifamily residential housing, Mr. Ross has also managed a variety of successful Bay Area hotel projects including the Vineyard Creek Hotel and Conference Center in Santa Rosa, The Lodge at Sonoma, and Garden Court Hotel in Palo Alto.

SIGNIFICANT PROJECTS
The following projects are relevant to this proposal.

555 Ygnacio Valley Road, Walnut Creek, CA, 87 unit condominium project, new construction, 2009.

Paulson Park Apartments, 90 Sierra Vista Ave, Mountain View, CA, 253 unit senior apartment project, 2008.

The Laurels at North Park, 3411 Zanker Road, San Jose, CA, 535 unit apartments project, new construction, 2007.

The Redwoods at North Park, 150 Alicante Drive, San Jose, CA, 430 unit apartment project, new construction, 2006.

The Mercer, 1741 Cole Avenue, Walnut Creek, CA, 181-unit condominium project, 2007.

The Sycamores at North Park, 185 Estancia Dr., San Jose, CA, 440 unit apartment project and recreation center, 2005.


One Ecker Place, SF, CA, 52 unit condo, retrofit of a 1908 Historic Wood and Brick Building, 2005.
Build Inc. has a demonstrated track record of securing equity and debt for its projects. We also have substantial working capital available for pursuing, acquiring and entitling projects. Our relationship with First Republic Bank, our banker since our inception over ten years ago, is excellent.

We have partnered with two national Real Estate Investment Trusts on projects in San Francisco over the past two years. Our partnership with Avalon Bay on the Oak and Octavia project resulted in the successful entitlement of a 182-unit multi-family project. This project will break ground in 2013. In partnership with Archstone, we are working on the entitlements for a 347-unit project at 800 Indiana St. in San Francisco’s Dogpatch district, across the street from our 142-unit Homes at Esprit Park project, completed in 2009.

Additionally, we have a long-standing relationship with CityView, a national real estate investment fund headed by Henry Cisneros.

In October, we purchased another site in San Francisco, at 650 Indiana St. This 120-unit multi-family project is being funded by a $3mm “friends and family” equity investment group.

In moving forward with the Del Norte BART station project, we have a variety of potential investment partners, as well as our own funds to get the process rolling. References on each of the abovementioned projects can be provided upon request.
December 11, 2012

To Whom It May Concern:

CityView is one of the nation’s premier institutional investment firms focused on urban real estate, in-city housing, and metropolitan infrastructure. Founded in 2000 by Henry Cisneros, Secretary of the U.S. Department of Housing and Urban Development in President Clinton’s Administration, CityView has generated more than $2 billion in urban investment in 45 communities across the United States. Please view our website at http://www.cityview.com if you would like more information about CityView and the projects we invest in.

CityView is currently seeking residential projects in the San Francisco Bay Area. Its focus is multifamily residential projects in the 40-400 apartment size range in urban San Francisco in any phase of entitlement. For unentitled projects, we typically fund earnest money and option payments along with entitlement costs, with closing to occur upon entitlements.

CityView has been working with Build Inc. for several years and our strong working relationship gives CityView a great deal of confidence in Build Inc.’s ability to acquire, entitle, and build residential projects. Subject to our usual due diligence process, we are in a position to fund the acquisition, and ultimately, construction, of residential projects in which Build Inc. is our partner. We are available to meet with property owners to confirm CityView’s funding parameters, and to provide written commitments to fund specific projects.

We pride ourselves on our ability to move quickly. We can perform our due diligence well within the typical contractual due diligence periods. Some of the recent projects we have acquired include:

- Potrero Launch – 196 units; 28,500 Sf Commercial San Francisco, CA http://potrerolaunch.riverstoneres.com/
- Arpeggio – 143 units; 13,500 Sf Commercial Berkeley, CA http://www.dailycal.org/2012/07/09/multi-million-dollar-downtown-berkeley-housing-development-to-open-this-fall/
- Triton Pointe – Entitled and closed on 5.4 acres for development of 166 units; 50,000 Sf Commercial Foster City, CA

Please feel free to contact me if you would like further confirmation of our interest in funding residential projects with Build Inc.
Sincerely,

[Signature]

Tony Cardoza  
Managing Director  
CityView Bay Area Fund I & II
October 4, 2012

To Whom it May Concern:

Build Inc has been a valued private banking customer since 2004. The partners have maintained both personal and business accounts in excess of $15MM. We have found them credit worthy and have extended credit facilities to the business as well as partners.

Please feel free to contact me if you would like to discuss this banking relationship.

Best regards,

Stefani

Stefani Phipps
Managing Director
First Republic Bank
111 Pine Street
San Francisco, California 94111
RELATIONSHIP WITH BART

Our development analysis began with the premise that the 11600 San Pablo Avenue site should not be considered in isolation, but rather as the first step toward a future transformation of the Del Norte station into a dynamic transit village. Accordingly, if the City were to select Build Inc. we would work closely with staff to reach out to key BART station area planning staff and key BART Board Members, beginning with Mary King and Lynette Sweet, to ensure that BART is included in any transportation/circulation, access and urban design-related planning that might affect the immediate functioning of the Del Norte station area, and equally important, its potential future redevelopment.

We hope to use the planning, CEQA and entitlement process for the 11600 San Pablo site as a constructive means to engage BART station area planning and real estate staff in a larger re-thinking of the access, circulation and use of its station and existing surface parking lots. To this end, Build Inc. has a proven record of partnering with public transit and land use agencies. Michael Yarne, the newest partner at Build Inc., recently completed four years in the San Francisco Mayor’s Office of Economic Development, where he successfully negotiated a 25-year phased development agreement with the private developer of the Parkmerced property into a true TOD project, including the addition of over 5,600 new units and the phased construction of a new $60mm, two-station extension of the M-Oceanview MUNI Light Rail system into the heart of a redesigned mixed-use transit village.

Build Inc. has forged strong relationships with particular BART staff and BART Board members, including Val Menotti in Station Area Planning and BART Board Vice President Tom Radulovich (see the attached letter).
RELEVANT DEVELOPMENT EXPERIENCE IS PRESENTED ON THE FOLLOWING PAGES, INCLUDING:

The Homes at Esprit Park
Oak and Octavia
800 High Street Condominium
Van Ness Condominiums
Opera Warehouse
Piccino Restaurant
Mint Plaza
THE HOMES AT ESPRIT PARK
900 Minnesota Street, San Francisco | BUILD INC.

PROJECT DESCRIPTION
Adaptive re-use of 1906 brick & timber building in the heart of the historic Dogpatch neighborhood adjacent to Esprit Park.

- Neighborhood: Dogpatch, San Francisco
- Address: 900 Minnesota Street
- Use: 142 residential condominium units w/ 170 underground parking spaces, 5 commercial condos totalling 8,000 SF of Neighborhood serving retail
- Height: 58 feet; 5 stories
- Zoning: Urban Mixed Use
- Construction Type: ConXTech steel moment frame construction types over below-grade concrete podium
- Construction Complete: 2009
- Unanimous approval at the Planning Commission, with no appeals. Strong neighborhood support.
- SF Business Times 2008 Real Estate Deal of the Year Award
OAK AND OCTAVIA
San Francisco, CA | BUILD INC.

PROJECT DESCRIPTION
Build acquired property from City through competitive RFP process and then partnered with Avalon Bay to develop. The design breaks the full city block into fragments, designed by 3 different architects with multiple buildings over a common podium.

• Neighborhood: Hayes Valley
• Address: Oak Street & Octavia Street, San Francisco
• Use: 185 unit rental project on site of former 101 freeway on ramp in Hayes Valley
• Site Area: 49,500 SF
• Height: 55 feet; 5 stories
• Zoning: NCT: 40-X; RTO: 50-X
• Construction Type: V- Wood-frame over Type I concrete podium
• Construction: Slated to begin in mid 2013
• Unanimous SF Planning Commission approval in July 2012
PROJECT DESCRIPTION

The Creamery is a 60 condominium unit residential development in downtown Palo Alto with 5 stories of new construction over two levels of underground parking.

- Neighborhood: Palo Alto
- Entitlements: Successful referendum
- Site Area: 80,000 SF
- Height: 55 feet; 5 stories
- Zoning: NCT: 40-X; RTO: 50-X
- Construction Type: Type I ConXTech steel moment frame over Type I concrete podium
- Schedule: Completed 2006
VAN NESS CONDOMINIUMS
140 South Van Ness, San Francisco | BUILD INC.

PROJECT DESCRIPTION
This 368,000 s.f. multi-use building consists of 212 condominiums, 6 retail spaces and three levels of parking. Its podium level includes a landscaped area with reflecting pool. This concrete building is supported by 600 piles and rises 11 floors above street level. The residents of these condominiums enjoy panoramic San Francisco views and quick and easy access to popular downtown areas.

- Location: San Francisco
- Neighborhood: Market / Octavia
- Site Area: 42,000 SF
- Height: 120 feet; 11 stories
- Zoning: RTO
- Construction Type: Type I concrete
- Schedule: Completed 2003
OPERA WAREHOUSE
900 Minnesota Street, San Francisco | BUILD INC.

350-unit rental project nested in the heart of the Dogpatch neighborhood, across the street from Homes on Esprit Park. Proposed design breaks the block into five smaller, distinct buildings designed by a team of four architects and separated by landscaped courtyards that break down the scale of the 600’-long block.

- Neighborhood: Dogpatch
- Address: 800 Indiana Street, San Francisco
- Use: 350-unit rental project
- Site Area: 116,455 SF
- Height: 58 feet
- Zoning: UMU
- Construction: Type V Wood-frame over Type I concrete podium
- Entitlements: Spring 2014
- Partner: Archstone
Loring Sagan, a Build Inc. partner, and his wife, Margherita, opened the original Piccino in a storefront at the corner of 22nd & Tennessee in 2006. Piccino’s new location one block away is the result of the adaptive reuse of a 150-year-old building which formerly housed coal, a feed barn, and a carriage repair operation.

The building includes a full scale restaurant, coffee bar, retail apparel store and a wine store. The restaurant is now rated as one of San Francisco’s top 100 by Michael Bauer of the *SF Chronicle*.

The Yellow Building complex exemplifies Build Inc’s. “place making” strategy to add value in a broader neighborhood context.

- Neighborhood: Dogpatch
- Address: 1001 Minnesota Street, San Francisco, CA
- Use: Ground floor retail; 2 unit residential
- Zoning: NCT-2
MINT PLAZA
San Francisco | BUILD INC.

Client: Martin Building Company for the City of San Francisco

Awards:
2010  EPA Smart Growth Civic Spaces Award, Mint Plaza
2010  ASLA NCC Professional Awards, General Design, Merit Award
2010  San Francisco Beautiful, Beautification Award
2010  ASLA NCC Professional Awards, General Design, Merit Award
2008  AIA Small Firms Great Projects

DETAILED DESCRIPTION
As Director of Development at Martin Building Co. Build Inc. partner Michael Yarne transformed a derelict alley street in downtown San Francisco into a lively and sustainable public space. Envisioned as an urban stage, the iconic design belies its technical and programmatic complexity and creates a novel space for urban life. The elegance and simplicity of the project coupled with thoughtful consideration of the context and program exemplifies successful urban placemaking in an era of limited resources.

The design transformed Mint Plaza into a vibrant public pedestrian plaza and festival space that not only serves adjacent buildings, but also provides needed public space for the neighborhood and local workers. A simple but rich ground plane captures the alley way while an arbor brings a human scale to the space and provides an identity for the new landscape. In addition, the space is populated by dramatic light fixtures, moveable seating, benches and trees, while all site storm water is captured and treated in rain gardens and ultimately returned to the ground through a large sub-grade infiltration basin. The arbor and plaza grading subtly delineate zones of day-to-day use for dining areas, performance space and vehicle access, while the plaza remains a flexible open space to serve any number of events and program.
Project: 315 Linden Street, SF.
List of All Projects Completed by BUILD INC. Developer Members in San Francisco

Build Inc:
• The Homes at Esprit Park
• 845 Montgomery St. 12 Unit residential./commercial adaptive re-use development

Douglas Ross Construction:
Douglas Ross Construction, Inc. has completed over 300 units in San Francisco.
• 140 South Van Ness, SF, CA
• 650 2nd Street, SF, CA
• Lansing Lofts, SF, CA

Lou Vasquez:
• South Van Ness, SF, CA
  8 unit condominium development completed by Buena Vista Builders, Inc.
• Grandview I, SF, CA
  Custom Home completed by Buena Vista Builders, Inc.
• Grandview II, SF, CA
  Custom home completed by Buena Vista Builders, Inc.

Loring Sagan:
• 315 Linden Street, SF, CA
  commercial remodel
• Larkin/Chestnut Street project, 13 unit residential redevelopment

Michael Yarne:
• Parkmerced Development Agreement, SF, CA. Approved in 2011.
• Moscone Center Master Plan, SF, CA. Ongoing, started in 2011.
• Rincon Hill IFD, SF, CA. Public realm and park improvements. Approved in 2010.
• Potrero Launch, 2235 Third St., SF, CA. 196-unit, mixed-use and historic preservation rental project, 2008.
• Arc Light Co., 178 Townsend St., SF, CA. 94-unit mixed-use historic preservation rental project, 2007.
• Ritz-Carlton Residences/Chronicle Building, 690 Market St., SF, CA. Rehabilitation and conversion of National Register office building into 110 unit luxury condominium project, 2006.
• The Montgomery, 74 New Montgomery St., SF, CA. 100-unit condominium conversion of historic office building, 2005.
Wolfe Road Homes, Sunnyvale, CA, Yamaoka Builders Inc.
20 unit condominium development, Feasibility, entitlement, design development

Five Redberry Road, Portola Valley, CA, Yamaoka Builders Inc.
Custom home development, Land acquisition, due diligence, entitlement, design development, construction management and delivery

Sterling Oaks Court, Saratoga, CA, Yamaoka Builders Inc.
Five custom homes on subdivided parcel, Entitlement, design development, construction management, delivery and warranty

Willow Glen, San Jose, CA, Archstone Real Estate Investment Trust
340 unit apartment project, Land acquisition, feasibility, due diligence, entitlement, design development

Monterey Grove, San Jose, CA, Archstone Real Estate Investment Trust
224 unit apartment project, Feasibility, due diligence, entitlement, design development, construction management, delivery and warranty

Emerald Park, Dublin, CA, Archstone Real Estate Investment Trust
254 unit apartment project, Feasibility, due diligence, entitlement, design development, construction management, delivery and warranty

Hacienda Park, Pleasanton, CA, Archstone Real Estate Investment Trust
320 unit apartment project, Feasibility, due diligence, entitlement, design development, construction management, delivery and warranty

Buckingham Boulevard, Oakland, CA, Buena Vista Builders, Inc.
Custom home development, Land acquisition, due diligence, entitlement, design development, construction management, sale and delivery, warranty

South Van Ness, San Francisco, CA, Buena Vista Builders, Inc.
4 unit condominium development, Land acquisition, due diligence, entitlement, design development, construction management, sale and delivery, warranty

Grandview I, San Francisco, CA, Buena Vista Builders, Inc.
Custom home development, Feasibility, design development, construction management, warranty

Grandview II, San Francisco, CA, Buena Vista Builders, Inc.
Custom home development, Feasibility, design development, construction management, warranty

Lawrence/101, Sunnyvale, CA, Trammell Crow Development Co.
750 unit apartment project, Entitlement, design development, construction management

Barrington Bridge, Saratoga, CA, Greenbriar Development Co.
69 home subdivision development, Feasibility, entitlement, design development, construction management, sale and delivery, warranty

Tanaka Road, San Jose, CA, Greenbriar Development Co.
27 home subdivision development, Feasibility, entitlement, design development, construction management, sale and delivery, warranty

Camellia Park, Mountain View, CA, Greenbriar Development Co.
49 home subdivision development, Feasibility, entitlement, design development, construction management, sale and delivery, warranty

Fountaingrove, Santa Rosa, CA, Oxford Development Co.
51,000 square foot office building, Feasibility, entitlement, design development, construction management, delivery and warranty

Decoto Road Shopping Center, Union City, CA, Oxford Development Co.
150,000 square foot shopping center, Feasibility, entitlement, design development, construction management

Verandas, Union City, CA, Oxford Development Co.
224 unit apartment project, Feasibility, entitlement, design development

Delta Square Shopping Center, Antioch, CA, Oxford Development Co.
140,000 square foot shopping center, Shell construction and tenant improvements, Construction management, delivery and warranty

Delta Square Apartments, Antioch, CA, Oxford Development Co.
242 unit apartment project, Feasibility, entitlement, design development

Seaview Apartments, Pacifica, CA, Oxford Development Co.
232 unit apartment project, Feasibility, entitlement, design development, construction management

The Laurels at North Park, Irvine Apartment Communities
3411 Zanker Road, San Jose, CA, 535 Unit Apartments
Contract Cost: $80 mm
The Redwoods at North Park, The Irvine Company
150 Alicante Drive, San Jose, CA, 430 apartment units
Contract Cost: $75 mm

The Sycamores at North Park, The Irvine Company
185 Estancia Dr., San Jose, CA, 440 apartment units and recreation center
Contract Cost: $92 mm

Vineyard Creek Hotel & Conference Center
170 Railroad Street, Santa Rosa, CA, 155 Room Hotel/Conference Center
Contract Cost: $19.2 mm

Miramar Apartments, Prometheus Real Estate Group
1288 East Hillsdale Blvd., Foster City, CA, 159 Apartments
Contract Cost: $28 mm

The Lodge at Sonoma
1325 Broadway, Sonoma, CA, 182 Room Hotel/Conference Center
Contract Cost: $25 mm

Miraval, Prometheus Real Estate Group
3901 Lick Mill Blvd., Santa Clara, 264 dwelling units
Contract Cost: 49.6 mm

The Sonora, SSR Western Multifamily
1550 Technology Drive, San Jose, CA, 315 Condominiums
Contract Cost: $41 mm

Esprit Park, Build, Inc.
900 Minnesota, San Francisco, CA
142 Condominiums + Mixed Use
Contract Cost: $48 mm

800 High Street, 800 High Street Partners LLC
800 High Street, Palo Alto, CA, 60 Condominiums
Contract Cost: $22 mm

The Mercer, Prometheus Real Estate Group
1741 Cole Avenue, Walnut Creek, CA, 181 Condominiums
Contract Cost: $50 mm

550 Moreland, Prometheus Real Estate Group
550 Moreland, Santa Clara, CA, 430 Condos
Contract Cost: $105 mm

Metropolitan Cupertino, Cupertino Housing Partners, LLC
15501 Stevens Creek Blvd., Cupertino, CA, 107 Condominiums
Contract Cost: $28 mm

140 South Van Ness, The Sprincin Companies
140 South Van Ness, San Francisco, CA, 212 Condominiums
Contract Cost: $36.5 mm

Residential (partial)
2701 Larkin St. S.F. 13 unit historic restoration
Perlman Residence Portola Valley
Covey residence, Woodside
Naples Harrison residence, Lake Tahoe
Ferris Residence, Lake Tahoe
Boucher Young Residence, Lake Tahoe
Frankel Residence, Lake Tahoe
Settlemier Residence, Lake Tahoe
Reiniger Residence, Lake Tahoe
Reininga Residence, Lake Tahoe
Halprin Residence, Lake Tahoe
Perlman Residence, Lake Tahoe
Trepp Residence, Lake Tahoe
Ken Derr Residence, Lake Tahoe
Jesse DeBusschere Residence, Squaw Valley
Lockwood Residence, Lake Tahoe
Lapkin residence, Lake Tahoe
Shaw Residence, Sugarbowl, Ca.
Steinman Residence, Lake Tahoe
Tompkins Residence, Sugarbowl
Hellman Residences, Sugarbowl
Wagner Residence, Incline Village
Gillespie Residence, Lake Tahoe
Doolittle Residence, Lake Tahoe
Prim residence, Lake Tahoe
Baker Residence, Incline Village, Nv.
Doughery residence, Lake Tahoe
Picou Residence, Lake Tahoe
Rich Residence, Brockway Springs, Lake Tahoe
Levison Residence, Lake Tahoe

Resort Planning and Design
Cousteau Fiji Islands Resort
Brockway Hot Springs- 20 Lot residential subdivision, Lake Tahoe
Crystal Cove, Newport Beach, Ca.
Post Ranch Inn, Big Sur, Ca.
Fern Ridge Resort, Belize
Lodge at Skylonda, Woodside, Ca.
Malibu Canyon Lodge, Malibu, Ca.
REFERENCES

SCOTT WIENER
Member, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place,
City Hall, Room 244, San Francisco, CA 94102-4689
Phone: 415 554 6968
Scott is the Supervisor for District 8 in San Francisco.

TONY KELLY
Art director and community leader, Thick Description Theatre, past president of the Potrero
Hill Boosters, recent Supervisorial candidate, District 10; 1695 18th Street,
San Francisco, CA 94107
Phone: 415 401 8081
We know Tony through our extensive relationships in the Dogpatch and Potrero Hill communities.

SUSAN ESLICK
Owner of Eslick Designs, past president of Dogpatch Neighborhood Association;
1129 Tennessee Street, San Francisco, California 94107
Phone: 415 822 2301
We know Susan through our extensive relationships in the Dogpatch and Potrero Hill Communities.

RICH HILLIS
Fort Mason Center, Landmark Building A, Marina Blvd and Buchanan St., San Francisco CA
94123
Phone: 415 345 7505
We know Rich from our long standing relationships with the Mayor’s Office of San Francisco and
now as the Executive Director of the Fort Mason Center.

continued next page
D. EXPERIENCE

**GABE METCALF**
Executive Director of SPUR, 654 Mission Street, San Francisco, CA 94105-4015
Phone 415 644 4285
*We know Gabe through our involvement and support of SPUR.*

**MARIAN GOODELL**
Burning Man’s Director of Business and Communications, Burning Man, P.O. Box 884688, San Francisco, CA 94188
Phone: 415 863 5263
*We know Marian through our work with Burning Man to apply Burning Man’s 10 Principals to modern society: [http://www.burningman.com/whatisburningman/about_burningman/principles.html](http://www.burningman.com/whatisburningman/about_burningman/principles.html)*

**DENNIS HERRERA**
San Francisco City Attorney, City Hall, Room 234, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102
Phone: 415 554 4700
*We know Dennis through our work with the City of San Francisco. He is also a Dogpatch neighbor.*

**MEG SPRIGGS**
Senior Development Director, Avalon Bay Communities, 185 Berry Street, Suite 3500, San Francisco CA 94107
Phone: 415 284 9087
*We know Meg through our work developing the Octavia and Oak property.*
CONTACT INFORMATION

BUILDINC.

Lou Vasquez
415 551.7613
louvasquez@buildinc.biz

315 Linden Street
San Francisco, California
94102

www.buildinc.biz
EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT

This Exclusive Negotiating Rights Agreement ("Agreement") is entered into as of this ______ day of _______, 2013 ("Effective Date"), by and between the El Cerrito Municipal Services Corporation, a California nonprofit public benefit corporation ("MSC"), and Build Inc., a California corporation ("Developer"), on the basis of the following facts:

RECITALS

A. The MSC owns certain real property located at 11600 and 11690 San Pablo Avenue in El Cerrito, Contra Costa County, California, as more fully described and mapped in the attached Exhibit A ("Property").

B. The MSC acquired the Property from the former El Cerrito Redevelopment Agency pursuant to a Conveyance Agreement that requires the MSC to cause the use of the Property consistent with the goals and objective of the El Cerrito Redevelopment Plan (the "Redevelopment Plan"), which goals and objectives include the alleviation of blighting conditions and the stimulation of development in the Del Norte portion of the Redevelopment Project Area (the "Project Area").

C. The Developer desires to develop the Property in a manner consistent with the Redevelopment Plan.

D. The MSC and the Developer desire to seek to negotiate the terms of a disposition and development agreement ("DDA") to achieve the following:

1. pursuant to the terms of the DDA, the MSC would convey the Property to the Developer on terms determined by the parties which terms would include the Developer assuming the debt that currently exists on the Property;

2. pursuant to the DDA, the Developer and the MSC would agree upon a process and schedule for the development of the Property (the “Development”).

E. Completion of the development on the Property will assist in ameliorating blighting influences in the Project Area, and will serve as a catalyst for economic development in the Project Area.

F. The purpose of this Agreement is to establish procedures and standards for the negotiation by the MSC and the Developer of the DDA including achievement of certain predevelopment tasks to determine the feasibility of development of the Property. As more fully set forth in Section 3.1, the parties acknowledge and agree that this Agreement in itself does not obligate either party to acquire or convey any property, does not grant the Developer the right to develop the Property, and does not obligate the parties to undertake any activities or costs, except for the preliminary analysis and negotiations contemplated by this Agreement.
AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties mutually agree as follows:

ARTICLE 1.
EXCLUSIVE NEGOTIATIONS RIGHT

Section 1.1 Good Faith Negotiations. The MSC and the Developer shall negotiate diligently and in good faith, during the Negotiating Period described in Section 1.2, the terms of the DDA. During the Negotiating Period, the parties shall use good faith efforts to accomplish the respective tasks outlined in Article 2 to facilitate the negotiation of a mutually satisfactory DDA.

Among the issues to be addressed in the negotiations are: the purchase price for conveyance of the Property by the MSC to the Developer; preconditions for conveyance of the Property by the MSC to the Developer; physical and land title conditions of the Property at the conveyance; the development schedule for the Development; financing of the Development by the Developer; the requirements for affordable housing units, if any; design and aesthetic considerations of the Property; and similar matters.

Section 1.2 Negotiating Period. The negotiating period (the “Negotiating Period”) under this Agreement shall be fifteen (15) months, commencing on the Effective Date, provided, however, if any of the interim development steps set forth in Article 2 are not met within the time frames set forth in Article 2, subject to the notice and cure provisions of Section 3.7 hereof and subject to the force majeure provisions of Section 3.8 hereof, MSC shall have the right to terminate this Agreement upon ten (10) days written notice to Developer. The Developer may request and the MSC shall approve an extension of the Negotiating Period for one hundred twenty (120) days if upon expiration of the initial term of this Agreement the Developer has met all of the requirements of Article 2 (or satisfaction of such requirements has been waived by MSC) and the extension is necessary in order to complete the environmental review for the Development, obtain entitlements necessary to execute the DDA, or as a result of delays unrelated to the Developer’s performance of the requirements of Article 2.

If the DDA has not been executed by the MSC and the Developer by the expiration of the Negotiating Period (as the Negotiating Period may be extended by operation of the preceding paragraph), then either party may terminate this Agreement upon ten (10) days’ written notice to the other, and upon such termination, neither party shall have any further rights or obligations under this Agreement. If the DDA is executed by the MSC and the Developer then, upon such execution, this Agreement shall terminate, and all rights and obligations of the parties shall be as set forth in the executed DDA.
Section 1.3 Exclusive Negotiations. During the Negotiating Period (as such Negotiating Period may be extended by operation of Section 1.2), the MSC shall not negotiate with any entity, other than the Developer, regarding development of the Property, or solicit or entertain bids or proposals to do so.

Section 1.4 Good Faith Deposit. In consideration for this Agreement, the Developer has, prior to execution of this Agreement by the MSC, provided to the MSC a cash deposit of Sixty Thousand Dollars ($60,000) to be divided between a Fifteen Thousand Dollar ($15,000) fee ("ENRA Fee") and a good faith deposit of Forty-Five Thousand Dollars ($45,000) ("Good Faith Deposit"). During the term of this Agreement, the MSC may (but shall not be required to) invest the Good Faith Deposit for purposes of earning interest thereon. The ENRA Fee shall be used to compensate the MSC for staff costs incurred in implementing this Agreement and shall be nonrefundable. The ENRA Fee and the Good Faith Deposit are in addition to any fees the Developer may be required to pay the City of El Cerrito for processing of applications including the fees required for the preparation of CEQA documents.

The MSC may from time to time deduct funds from the Good Faith Deposit to pay the costs and consulting fees actually and reasonably incurred and documented by the MSC in connection with preparing and implementing this Agreement. The fees for the following services are anticipated to be paid through deductions from the Good Faith Deposit: appraisal of the Property by a certified appraiser or the preparation of a reuse appraisal of the Property by a real estate economist; pro forma review; and the negotiation and preparation of the proposed DDA by the MSC’s attorneys. There shall be no deductions from the Good Faith Deposit for MSC staff time or overhead expenses. In the event that the Good Faith Deposit is insufficient to pay all of the costs and consulting fees actually and reasonably incurred by the MSC in connection with preparing and implementing this Agreement, the MSC shall be responsible for such costs from its own resources. The MSC shall deliver to the Developer a quarterly statement describing the amount deducted from the Good Faith Deposit and the costs and expenses being paid with such amount.

If this Agreement is terminated without execution of a DDA for any reason other than the Developer’s breach of its obligations pursuant to this Agreement, then the Good Faith Deposit and any interest earned thereon shall be refunded promptly to the Developer, except that the MSC may retain the amount of costs and consulting fees actually and reasonably incurred and documented by the MSC in connection with preparing and implementing this Agreement.

If this Agreement is terminated by the MSC due to a breach of the Developer’s obligations pursuant to this Agreement, the Good Faith Deposit and any interest earned thereon shall be retained by the MSC, as more fully provided in Section 3.7.

If performance of this Agreement results in execution of a DDA, the disposition of the Good Faith Deposit and any interest earned thereon shall be as set forth in the DDA.

Section 1.5 Identification of Developer Representative. The Developer’s representative to negotiate the DDA with the MSC is Lou Vasquez, President of Build Inc.
Communications from the MSC to the Developer under this Agreement shall be transmitted in accordance with the provisions of Section 3.2.

ARTICLE 2.
NEGOTIATION TASKS

Section 2.1 Overview. To facilitate negotiation of the DDA, the parties shall use reasonable good faith efforts to accomplish the tasks set forth in this Article 2 in a timeframe that will support negotiation and execution of a mutually acceptable DDA prior to the expiration of the Negotiating Period.

Section 2.2 Site and Conceptual Design Plans. The Developer has submitted to the MSC conceptual site plans including schematic sections and elevations for the proposed Development attached hereto as Exhibit B. The MSC Board's approval of this Agreement including the attached Exhibit B shall constitute the MSC Board's approval of the conceptual site plans and a finding that the Plans are consistent with the MSC’s goals and objectives for the Development.

Section 2.3 Purchase Price Terms for Property. The MSC and the Developer shall diligently take all actions necessary to agree upon the purchase price for the Property with the goal of reaching agreement within sixty days after execution of this Agreement. In connection with the purchase price negotiations, Developer shall provide the MSC with a detailed financial analysis for the Development based on the site plan and conceptual design plans attached at Exhibit B containing among other matters, a development budget and operating pro forma setting forth the costs and revenues associated with developing the Development with sufficient detail necessary for the parties to reach agreement on the residual land value. The proposed purchase price for the Property shall be subject to confirmation and refinement pursuant to an appraisal to be obtained by the parties as set forth below. Within fifteen (15) days of the execution of this Agreement, the MSC and the Developer shall mutually select an appraiser and shall agree upon the appraisal instructions for such appraisal and the ultimate purchase price shall be determined in accordance with such appraisal. As part of agreeing upon the appraisal instructions, the parties shall determine if the form of the appraisal should be a fair market value appraisal or a reuse value appraisal based on residual land value and the selection of the appropriate appraiser will be determined after agreement is reached on the appraisal instructions. The cost of the appraisal shall be paid from the Good Faith Deposit. The appraisal shall be delivered to both parties no later than sixty (60) days after execution of this Agreement, provided, however, the Developer recognizes that if the parties agree that the appraisal is to be a reuse value appraisal based on residual land value, the selected appraiser cannot commence work until the Developer has provided the development budget and operating pro forma, which could result in the appraisal being delayed. This shall be the final appraisal unless both parties mutually agree to seek a second appraisal, in which case a second appraisal, based on the same appraisal instructions, shall be delivered within seventy-five (75) days after execution of this Agreement.

Section 2.4 Term Sheet Endorsement. The parties will work diligently and in good faith to produce a term sheet during the first ninety (90) days of the Negotiating Period setting
forth the purchase price and material terms of the purchase and sale agreement, provided however, the final terms of the Term Sheet shall require the completion of the appraisal as set forth in Section 2.3 above. As soon as practical but no later than thirty (30) days after the parties reach agreement on the purchase price in accordance with the terms of Section 2.3 above, MSC shall bring the agreed-upon term sheet to the MSC Board for their endorsement setting forth the proposed purchase price, and material terms for the purchase and sale agreement.

Section 2.5 Schedule of Performance. Within sixty (60) days after the Effective Date, the Developer shall provide the MSC with a proposed detailed schedule of performance for the Development which shall include, but not be limited to: the dates for obtaining land use entitlements, including CEQA review, planning approvals and building permits, and the date for satisfaction of all preconditions to conveyance including obtaining financing. The MSC and the Developer acknowledge that the dates set forth in the Schedule of Performance will be based on and take into consideration the City of El Cerrito's schedule for completion of the San Pablo Avenue Specific Plan and the program EIR being prepared in conjunction with the Specific Plan.

Section 2.6 Due Diligence Regarding Physical Condition and Title. During the Negotiating Period, the Developer and the MSC shall conduct any and all investigations they deem necessary to negotiate the terms to be contained in the DDA regarding the physical condition and the condition of land title in which the Property shall be placed at the time of their respective conveyances.

Section 2.7 Reports. Unless otherwise waived by the receiving party, each party shall provide the other with copies of all reports, studies, analyses, correspondence and similar documents (but excluding detailed property appraisals and confidential or proprietary information) prepared or commissioned by each party with respect to this Agreement and the Development, promptly upon their completion.

While desiring to preserve its rights with respect to treatment of certain information on a confidential or proprietary basis, the Developer acknowledges that the MSC will need sufficient, detailed information about the proposed Development (including, without limitation the financial information described in Section 2.4) to make informed decisions about the content and approval of the DDA. The MSC will work with the Developer to maintain the confidentiality of proprietary information subject to the requirements that may be applicable to the MSC by the Public Records Act (Government Code Section 6250 et seq.). The Developer acknowledges that the MSC may share information provided by the Developer of a financial and potential proprietary nature with third party consultants and MSC Board members as part of the negotiation and decision making process. If this Agreement is terminated without the execution of the DDA, the MSC shall return to the Developer any information submitted by the Developer under this Agreement.

Section 2.8 Organizational Documents. Prior to execution of the DDA, the Developer shall provide the MSC with copies of its organizational documents evidencing that the Developer exists and is in good standing to perform its obligations under the DDA.
Section 2.9  **Environmental Review.** The Developer will be responsible for obtaining any environmental documentation required by the California Environmental Quality Act ("CEQA") for consideration of approval of the Development, in addition to coordinating the Development’s project-level review as part of the City of El Cerrito’s larger programmatic-level CEQA review of the San Pablo Avenue Specific Plan. The Developer shall provide such information about the Development as may be required to enable the City of El Cerrito (the “City”) to prepare or cause preparation and consideration of any CEQA-required document, and shall otherwise generally cooperate with the City to complete this task separately or as part of the larger programmatic-level CEQA review of the San Pablo Avenue Specific Plan. Developer shall be responsible for the costs associated with project-level CEQA review. Failure of the Developer to pay City invoices related to the CEQA-review in accordance with the terms of any agreement entered into with the City shall be considered a delay related to the Developer’s performance of the requirements of Article 2 for purposes of the extension provisions of Section 1.2 hereof, and such delay shall not constitute Permit Force Majeure under Section 3.8 hereof.

Section 2.10  **Costs of Land Use Entitlements, Building Permits & Preparation of the DDA.** The Developer will be responsible for obtaining any land use entitlements and building permits, including paying any customary fees for such entitlements and permits, for approval of the Development, in addition to coordinating design review with City staff.

Section 2.10  **Section 33433 Report.** As a term of the conveyance of the Property from the former Redevelopment Agency to the MSC, the MSC is obligated to comply with the requirements of Health and Safety Code Section 33433 with regards to the disposition of the Property. The MSC shall prepare the necessary documentation pursuant to Section 33433(a)(2)(B) of the California Health and Safety Code to be submitted to the MSC Board in conjunction with the MSC’s consideration of any DDA that is prepared under this Agreement.

Section 2.11  **Progress Reports.** From time to time as reasonably agreed upon by the parties, each party shall make written progress reports advising the other party on studies being made and matters being evaluated by the reporting party with respect to this Agreement and the Development.

**ARTICLE 3. GENERAL PROVISIONS**

Section 3.1  **Limitation on Effect of Agreement.** This Agreement shall not obligate either the MSC or the Developer to enter into the DDA. By execution of this Agreement, the MSC is not committing itself to or agreeing to undertake disposition of the Property. Execution of this Agreement by the MSC is merely an agreement to conduct a period of exclusive negotiations in accordance with the terms hereof, reserving for subsequent MSC Board approval the final discretion regarding the execution of any DDA and all proceedings and decisions in connection therewith. Any DDA resulting from negotiations pursuant to this Agreement shall become effective only if and after such DDA has been considered and approved by the MSC Board, following conduct of all legally required procedures, and executed by duly authorized representatives of the MSC and the Developer. Until and unless the DDA is signed by the
Developer, approved by the MSC Board, and executed by the MSC, no agreement drafts, actions, deliverables or communications arising from the performance of this Agreement shall impose any legally binding obligation on either party to enter into or support entering into the DDA or be used as evidence of any oral or implied agreement by either party to enter into any other legally binding document. This Agreement shall be null and void and the parties shall have no obligation to each other if the Developer does not execute this Agreement within ten (10) days of the MSC Board approving this Agreement.

Section 3.2 Notices. Formal notices, demands and communications between the MSC and the Developer shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time to time:

MSC : El Cerrito Municipal Services Corporation  
10890 San Pablo Avenue  
El Cerrito, CA 94530  
Attention: Executive Director

Developer: Build Inc.  
315 Linden Street  
San Francisco, CA 94102  
Attention: Lou Vasquez, President

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 3.3 Waiver of Lis Pendens. It is expressly understood and agreed by the parties that no lis pendens shall be filed against any portion of the Property with respect to this Agreement or any dispute or act arising from it.

Section 3.4 Right of Entry.

(a) The MSC shall grant the Developer the right to enter onto the Property, for purposes of conducting investigations to further the objectives of this Agreement. In connection with such entry and investigation, the Developer shall:

(1) give the MSC reasonable advance notice (at least two (2) days);  
(2) repair and restore any damage it may cause;  
(3) deliver to the MSC, within ten (10) days of receipt thereof, a complete copy of any investigation, test, report or study which the Developer conducts, or causes
to be conducted, with respect to the Property via the method described in Section 3.2 (except confidential or proprietary information);

(4) indemnify, defend and hold the MSC and its directors, officers, employees and agents harmless from any and all claims, liabilities, damages, losses, expenses, costs and fees (including attorneys’ fees and costs) which may proximately arise out of the Developer’s entry upon the applicable parcel or the investigation(s) and test(s) which the Developer may conduct; provided, however, that this indemnity shall not apply to matters arising from the results of the Developer’s investigations, tests and inspections or due to the negligence or willful misconduct of the MSC or its directors, officers, employees, or agents; and

(5) prior to entry, cause the MSC to be named as an additional insured on a Commercial General Liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverage for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations. The required insurance shall be provided under an occurrence form by an insurer authorized and licensed to provide such insurance in the State of California, and the Developer shall maintain such coverage for not less than two (2) years after the expiration of the Negotiating Period.

Section 3.5 Costs and Expenses. Except for the deposit set forth in Section 1.4 above, each party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Agreement, and the performance of each party’s obligations under this Agreement.

Section 3.6 No Commissions. Neither party shall be liable for any real estate commissions or brokerage fees that may arise from this Agreement or any DDA resulting from this Agreement. The parties represent and warrant that they have not engaged any brokers, agents or finders in connection with this transaction. The Developer shall defend and hold the MSC harmless from any claims by any broker, agent or finder retained by the Developer. The MSC shall defend and hold the Developer harmless from any claims by any broker, agent or finder retained by the MSC.

Section 3.7 Defaults and Remedies.

(a) Default. The following events shall constitute a default under this Agreement:

(1) failure of the Developer to submit to the MSC any of the documents required pursuant to Article 2, subject to Force Majeure.

(2) failure by either party to negotiate in good faith as provided in this Agreement.

In the event any of the above occurs, the non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the default and the required action to cure the default. If a default remains uncured ten (10) days after receipt by the defaulting party
of such notice (subject to Force Majeure), the non-defaulting party may exercise the remedies set forth in subsection (b).

(b) Remedies. In the event of an uncured default by a party, the non-defaulting party shall have the right to terminate this Agreement. Following such termination, neither party shall have any further right, remedy or obligation under this Agreement, except as set forth in Sections 3.3, 3.4 and 3.6.

Section 3.8 Force Majeure. For the purpose of this Agreement, neither Developer nor MSC (the “Delayed Party,” as applicable) will be considered in breach of or default in any obligation or satisfaction of a condition to an obligation of the other party in the event of Force Majeure, and the time fixed for performance of any such obligation or satisfaction of conditions shall be extended by a period of time equal to the duration of the Force Majeure event, provided, the Delayed Party provides written notice to the other party of the Force Majeure event within seven (7) days of such event and its election to invoke a Force Majeure delay. For purposes hereof, “Force Majeure” means events beyond the Delayed Party’s reasonable control that prevent the action that is being delayed, including: acts of nature or of the public enemy; war; acts of the government; fires; floods; tidal waves; epidemics; quarantine restrictions; freight embargoes; earthquakes; unusually severe weather; strikes or other substantial interruption of work because of labor disputes; or an event of Permit Force Majeure or Litigation Force Majeure. If the Delayed Party is diligently proceeding to obtain necessary regulatory approvals hereunder, “Permit Force Majeure” means such Party’s inability to obtain in a timely manner such regulatory approvals for reasons unrelated to the Delayed Party’s performance hereunder. “Litigation Force Majeure” means any action or proceeding before any judicial, adjudicative, or legislative decision-making body, including any administrative appeal, brought by a third party that challenges the validity of any action taken by MSC or the City in connection with the Project or any findings upon which any of action is predicated; or the validity of any other regulatory approval required in connection with the approval of the Project, ending on the date a judgment, order, or other decision resolving the matter has become final and unappealable. Notwithstanding anything set forth herein, in no event shall any Force Majeure delay continue for longer than two hundred forty (240) days, after which either party may terminate this Agreement by providing written notice to the other party.

Section 3.9 Attorneys’ Fees. The prevailing party in any action to enforce this Agreement shall be entitled to recover attorneys’ fees and costs from the other party.

Section 3.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 3.11 Entire Agreement. This Agreement constitutes the entire agreement of the parties regarding the subject matters of this Agreement.

Section 3.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.
Section 3.13 **Assignment.** Neither party shall transfer or assign any or all of its rights or obligations hereunder except with the prior written consent of the other party, which consent shall be granted or withheld in the other party’s good faith discretion, and any such attempted transfer or assignment without the prior written consent of MSC shall be void.

Section 3.14 **No Third Party Beneficiaries.** This Agreement is made and entered into solely for the benefit of the MSC and the Developer and no other person shall have any right of action under or by reason of this Agreement.

Section 3.15 **Actions By The MSC.** Whenever this Agreement calls for or permits the approval, consent, authorization or waiver of the MSC, the approval, consent, authorization, or waiver of the MSC Executive Director shall constitute the approval, consent, authorization or waiver of the MSC without further action of the MSC Board.
IN WITNESS WHEREOF, this Agreement has been executed, in triplicate, by the parties on the date first above written.

DEVELOPER:

Build Inc. a California corporation

By: _____________________________

Its: _____________________________

MSC:

El Cerrito Municipal Services Corporation, a California nonprofit public benefit corporation

By: _____________________________

Scott Hanin,
Executive Director
EXHIBIT A

PROPERTY LEGAL DESCRIPTION AND MAP

Legal Description of the Property

McKillop (1925 Kearney St. APN 502-062-003)

Real property in the City of El Cerrito, County of Contra Costa, State of California, described as follows:

LOTS 19 AND 20, BLOCK 2, AS SHOWN ON THE MAP OF "RICHMOND JUNCTION", FILED MAY 6, 1913, BOOK 9 OF MAPS, PAGE 221, IN THE OFFICE OF THE COUNTY RECORDER, CONTRA COSTA COUNTY, CALIFORNIA.

APN: 502-062-003

Valente (11600 San Pablo Ave, APN 502-062-029)

Real property in the City of El Cerrito, County of Contra Costa, State of California, described as follows:

LOTS 1 THROUGH 12, INCLUSIVE, AND LOTS 21 THROUGH 32, INCLUSIVE, IN BLOCK 2, AS SHOWN ON THE MAP ENTITLED, "RICHMOND JUNCTION", CONTRA COSTA CO., CALIFORNIA, FILED ON MAY 6, 1913 IN BOOK 9 OF MAPS, AT PAGE 221.

EXCEPTING THEREFROM:

THAT PORTION AS CONDEMNED TO THE PEOPLE OF THE STATE OF CALIFORNIA, ACTING BY AND THROUGH THE DEPARTMENT OF TRANSPORTATION, RECORDED NOVEMBER 6, 1995, AS INSTRUMENT NO. 95-193521, OFFICIAL RECORDS.

APN: 502-062-029

Christiansen (11690 San Pablo Ave. APN 502-062-028)

Real property in the City of El Cerrito, County of Contra Costa, State of California, described as follows:

LOTS 13, 14, 15, 16, 17 AND 18, IN BLOCK 2, AS SHOWN ON THE MAP OF RICHMOND JUNCTION FILED MAY 6, 1913, IN BOOK 9 OF MAPS, PAGE 221, IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THE CERTAIN GRANT DEED FROM THE REDEVELOPMENT AGENCY OF THE CITY OF EL CERRITO, TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 17, 1994 SERIES NO. 94-46446 WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LOTS 13 THROUGH 16, INCLUSIVE, IN BLOCK 2 AS SHOWN ON THE MAP ENTITLED "RICHMOND JUNCTION" FILED MAY 6, 1913, IN BOOK 9 OF MAPS, AT PAGE 221, CONTRA COSTA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT A CITY OF RICHMOND MONUMENT, AT THE INTERSECTION OF SOUTH
50TH STREET AND WALL AVENUE, AS SHOWN ON THE MAP ENTITLED "SUBDIVISION 2972 IN THE CITY OF RICHMOND, CONTRA COSTA COUNTY, CALIFORNIA" FILED JUNE 6, 1963 IN BOOK 93 OF MAPS AT PAGE 12 IN THE OFFICE OF THE RECORDER OF CONTRA COSTA COUNTY, HAVING CALIFORNIA STATE PLANE COORDINATES OF N=525042.2221, E=1474512.4201, 1927 DATUM, ZONE 31, FROM WHICH A CITY OF RICHMOND MONUMENT, MARKING AN ANGLE POINT IN SOUTH 50TH STREET, AS SHOWN ON SAID MAP AND HAVING CALIFORNIA STATE PLANE COORDINATES OF N=524763.819, E=1474629.806, 1927 DATUM, ZONE 3, BEARSS 22° 51' 44" E, 302.14 FEET.

THENCE, S 66° 00' 25" E 1263.30 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE, FROM A TANGENT WHICH BEARS S 62° 01' 02" W, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 10.00 FEET, THROUGH AN ANGLE OF 99° 00' 00", A DISTANCE OF 15.71 FEET;

THENCE, S 62° 01' 02" W 2.00 FEET;

THENCE, S 28° 55' 10" E, 87.41 FEET TO THE SOUTHEASTERLY LINE OF SAID LOT 13;

THENCE, ALONG SAID SOUTHEASTERLY LINE, S 61° 59' 39" W, 3.21 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 13;

THENCE, ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK 2, N 28° 00' 21" W, 99.99 FEET TO THE MOST WESTERLY CORNER OF SAID BLOCK 2;

THENCE, ALONG THE NORTHWESTERLY LINE OF SAID BLOCK 2, N 61° 59' 39" E, 13.02 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A", FROM WHICH THE TRUE POINT OF BEGINNING BEARSS 21° 58' 58" E;

THENCE, S 27° 58' 58" E 2.60 FEET TO THE TRUE POINT OF BEGINNING.
EXHIBIT B

SITE AND CONCEPTUAL PLANS
MUNICIPAL SERVICES CORPORATION RESOLUTION NO. 2013-XX

RESOLUTION OF THE EL CERRITO MUNICIPAL SERVICES CORPORATION (MSC) BOARD DESIGNATING BUILD INC. A PROPOSED DEVELOPER FOR DEVELOPMENT OF THE MSC-OWNED MAYFAIR BLOCK, AND AUTHORIZING EXECUTION OF AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT WITH BUILD INC. FOR NEGOTIATION OF A DISPOSITION AND DEVELOPMENT AGREEMENT

WHEREAS, the former El Cerrito Redevelopment Agency (“Agency”) conveyed property located at 11600 and 11690 San Pablo Avenue (the "Property") to the El Cerrito Municipal Services Corporation (MSC) pursuant to a conveyance agreement; and

WHEREAS, pursuant to the terms of the Conveyance Agreement the MSC is responsible for the conveyance and disposal of the property in accordance with the Agency’s redevelopment goals and objectives: and

WHEREAS, the goals of the Redevelopment Plan include alleviation of blighting conditions and the stimulation of economic development activities in the Project Area; and

WHEREAS, Build Inc. (the “Developer”) has been selected as the potential developer to develop the Property; and

WHEREAS, the MSC has selected the Developer as the potential developer with which to seek to exclusively negotiate the terms of a Disposition and Development Agreement (“DDA”) to achieve the following:

1. Pursuant to the DDA, the MSC would convey the Property on terms to be determined by the parties but not less than the reuse value of the property and on terms that include the Developer assuming debt; and

2. Pursuant to the DDA, the Developer and the MSC would agree upon a process and schedule for the development of the Property; and

WHEREAS, the MSC desires to enter into an Exclusive Negotiating Rights Agreement with the Developer, substantially in the form on file with the MSC Secretary, to seek to negotiate the terms of the DDA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Services Corporation hereby designates Build Inc. as the potential developer of the Property for purposes of negotiating the terms of the proposed DDA. A map showing said Development Site is attached hereto as Exhibit A.
BE IT FURTHER RESOLVED, that the MSC authorizes and directs the Executive Director to execute the Exclusive Negotiating Rights Agreement on behalf of the MSC, substantially in the form on file with the MSC Secretary, with such modifications as the Executive Director determines appropriate to effectuate the purposes of this Resolution, such determination to be conclusively evidenced by the Executive Director’s execution of the Exclusive Negotiating Rights Agreement.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at a regular meeting on April 2, 2013, the El Cerrito Municipal Services Corporation passed this Resolution by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:

IN WITNESS of this action, I sign this document on April 3, 2013.

______________________________
Cheryl Morse, Secretary

APPROVED:

______________________________
Gregory B. Lyman, Chair