

GROUND LEASE TERMINATION AGREEMENT

This Ground Lease Termination Agreement ("Agreement") is entered into this 23rd day of July, 2014, by and between the **Capitol Area Development Authority**, a joint powers agency ("Authority") and **Seventeenth and N**, a California general partnership ("Developer").

RECITALS

A. On or about January 20, 2000, the State of California ("State") and Authority entered into a "State Lease for 1626 and 1630 N Street and 1410 and 1414 17th Street," amended by that certain First Amendment to Lease dated September 27, 2013 (collectively, the "State Lease"), for that certain real property commonly known as Site 8E, located at 17th and N Streets, in the City of Sacramento, County of Sacramento, State of California, as more particularly described in the State Lease (the "Property").

B. On or about January 20, 2000, Authority and Developer entered into a Development Ground Lease, amended by that certain First Amendment to Development Ground Lease dated February 1, 2000, and further amended by that certain Second Amendment to Development Ground Lease dated October 5, 2001 (collectively, the "Ground Lease"), for Developer's lease and construction of a residential apartment project on the Property.

C. The State Lease and Ground Lease contain options for Developer to purchase the Property from Authority and for Authority to concurrently purchase the Property from the State. Developer has exercised that option to purchase.

D. On or about April 24, 2014, the State and Authority entered into that certain Purchase Agreement and Escrow Instructions, and the Authority and Developer entered into a similar Purchase Agreement and Escrow Instructions, whereby the State agreed to sell the Property to Authority, and Authority, in a concurrent escrow, agreed to sell the Property to the Developer.

E. Pursuant to the terms of the Ground Lease, the Ground Lease commenced January 20, 2000, and was to terminate on January 19, 2059, unless sooner terminated.

F. The parties wish to enter into this Agreement to effectuate the early termination of the Ground Lease upon Authority's purchase of the Property and concurrent sale to Developer.

AGREEMENT

1. **Termination.** The Ground Lease is hereby cancelled and terminated effective as of the date of Close of Escrow, which shall be the date the grant deed is recorded transferring the Property to Developer ("Termination Date"), with the same effect as if the Termination Date were the expiration date set forth in the Ground Lease. As of the Termination Date, the Ground Lease will be null and void, and of no further force and effect, and neither Authority nor the Developer shall have further rights against the other under the Ground Lease, except as expressly set forth in this Agreement.

2. Release. From and after the Termination Date, Authority and Developer hereby forever release each other, and their respective officers, directors, partners, employees, and agents from any and all claims, demands, obligations and causes of action, which either party may have against the other arising from or in any way connected with the Ground Lease, or management, use and/or occupation of the Property.

The Developer and Authority have executed this Agreement as of the date first set forth above.

AUTHORITY:

Capitol Area Development Authority,
a California joint powers agency

By: 
Wendy S. Saunders, Executive Director

DEVELOPER:

Seventeenth and N,
a California general partnership

By: _____
Nancy M. Fisher, General Partner

By: _____
Herbert T. Krumpe, General Partner