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**Definitive Documents for Implementation of Sacramento Republic FC Preliminary Term Sheet
[Published for 10-Day Review 05/29/2025]**

File ID: 2025-01158

Location: Downtown Railyards, District 4

Recommendation: Pass a **Resolution** authorizing the Interim City Manager or designee to: 1) execute the following documents for infrastructure to support the Sacramento Republic FC Stadium, and the Central Shops renovation in the Railyards: Comprehensive Project Agreement, Team Non-Relocation Agreement, Sacramento Valley Station Purchase & Sale Agreement, Master Funding Agreement, Development Agreement Assignment & Assumption Agreement, and Master Compliance Agreement (“Definitive Documents”); 2) execute and deliver on the City’s behalf any and all agreements, certificates, documents, and instruments, including but not limited to escrow agreements, referenced in or necessary to implement the Definitive Documents, subject to approval as to form by the City Attorney or designee; 3) make, execute, and deliver on the City’s behalf technical, clerical and minor amendments to the Definitive Documents, subject to approval as to form by the City Attorney or her designee; 4) transfer \$14M from the Sheraton Master Owner Participation Agreement Fund (Fund 2030) to the Railyards Project (I80020500); 5) increase the expenditure budget of project I80020500 by \$14M; and 6) allocating \$14M from the Railyards Project for the acquisition of Lot 40 (APN 002-0290-005) and Lot 44 (APN 002-0290-006) in the Railyards.

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Attachments:

- 1-Description/Analysis
- 2-Map of the Railyards Area
- 3-Sacramento Republic FC Preliminary Term Sheet
- 4-Resolution
- 5-Exhibit A to Resolution-Comprehensive Project Agreement

- 6-Exhibit B to Resolution- Team Non-Relocation Agreement
- 7-Exhibit C to Resolution- Sacramento Valley Station Area Purchase & Sale Agreement
- 8-Exhibit D to Resolution- Master Funding Agreement
- 9-Exhibit E to Resolution- Development Agreement Assignment & Assumption Agreement
- 10-Exhibit F to Resolution - Master Compliance Agreement
- 11-Sacramento Railyards Economic Benefit Report
- 12- Enhanced Infrastructure Financing District (EIFD) Project Area Boundaries

Description/Analysis

Issue Detail: In recent years, the Sacramento Railyards has seen significant investments in infrastructure and new vertical development projects with the completion of the Wong Center (senior affordable housing), the soon-to-be completed AJ (mixed use, mixed income housing), the new Tani Cantil-Sakauye Sacramento County Courthouse (scheduled to open in Q4 2025 / Q1 2026), and the Kaiser hospital (now under construction). Despite this progress, the approximately 244-acre site in the heart of Sacramento's central city requires additional investment to achieve the vision that was laid out in the Council-approved 2016 Railyards Specific Plan (illustrated in Attachment 2).

In November of 2024, the City Council unanimously approved the Sacramento Republic FC Preliminary Term Sheet ("Term Sheet", Attachment 3) that provided a framework to catalyze additional development in the Railyards including, but not limited to a Republic FC Soccer Stadium, rehabilitation of the Historic Central Shops district, and the City's acquisition of two parcels that will be utilized to build out the Sacramento Valley Station (SVS) area consistent with the SVS Area Plan approved by Council in 2021. The development of these projects will generate millions of dollars in economic, cultural, and sports activity in the central city and will add new vitality to the City's core. The Definitive Documents included in this report for Council's consideration, contain details to implement the framework that was agreed to by the parties in the Term Sheet.

The City's private partners in the projects, and parties to these Definitive Documents, are Indomitable Ventures, LLC, ("Indomitable") a limited liability company newly formed by Sacramento Republic FC (Sacramento's premier USL soccer team), Indomitable-related entities, and Downtown Railyard Venture, LLC ("DRV") the master developer for the Railyards. The documents contemplate potential future bond financing provided through a newly-established community facilities district ("CFD") formed by the City and/or the City of Sacramento Railyards Enhanced Infrastructure Financing District ("EIFD"), which is in the process of expanding its boundaries to include the entire Railyards plan area. The expansion of the EIFD will increase the potential tax increment generated therein by including both an East project area (existing EIFD area) and West project area (expansion area) (see Attachment 12 for map). A companion Council report on the June 10th Council agenda includes the EIFD Infrastructure Financing Plan which details the expansion of the existing Railyards Stadium Enhanced Infrastructure Financing District and facilities eligible to be funded by the EIFD. This expansion and the tax increment generated within this district is the source of funding for the City's investment in the Railyards Term Sheet projects.

Indomitable has presented to the City plans for construction and operation of a new expandable 12,000 seat state-of-the-art, outdoor multi-purpose stadium ("Stadium") that will serve as the home for the Sacramento Republic FC ("Team") as well as concerts, other sporting events, and community events. Indomitable would also construct all the infrastructure for the Stadium area and for planned ancillary development near the Stadium.

The Stadium is planned in the area east of 7th Street in the Railyards. Indomitable has reached agreement with DRV to acquire approximately 31 acres, which will include the Stadium site (14 acres) and adjacent development sites (17 acres). Indomitable will pay for and own the Stadium and be responsible for all aspects of the Stadium design, finance, construction, operation, maintenance, capital repairs, and improvements. The estimated total development cost of the Stadium and related infrastructure is \$220 million, with the Stadium making up \$175 million of that amount. The ancillary development that is anticipated to be built around the Stadium is envisioned to include residential, commercial, a potential hotel, and could double the amount of total investment in the Stadium area.

The second partnership is with DRV who has provided the City a plan to rehabilitate the Historic Central Shops District (including an entertainment venue) and construct both related infrastructure as well as additional facilities needed for buildout of the Railyards.

Summary of Definitive Documents

The Definitive Documents necessary to implement the Term Sheet and move forward with the projects are as follows.

Comprehensive Project Agreement (Attachment 5)

The Comprehensive Project Agreement memorializes the elements of the Term Sheet and outlines all parties' (Indomitable, DRV and the City) rights and obligations regarding the Stadium, ancillary development near the Stadium, and rehabilitation of the Historic Central Shop area. The agreement includes the following components:

City Services - At all events, Indomitable would be required to reimburse the City for its municipal service costs, including police, fire, emergency medical services, code enforcement and traffic control. To support start-up operations, and for a period of ten years, the City will waive such reimbursement for offsite municipal services provided in the public right-of-way (not inside the Stadium, on the Stadium site, or parking sites) for USL soccer events up to a maximum of \$300,000 per year (adjusted for inflation). Indomitable will reimburse the City for municipal costs over \$300,000 in any given year. The estimated cost for these City services is between \$6,500 and \$12,000 per soccer event. Any costs associated with the provision of these services needing to be paid would be funded through the city's portion of the EIFD revenues or annual appropriations.

Digital Signage Plan - The agreement outlines provisions for on-site digital signage in the Railyards, including commitment to expedite up to five off-site digital signs for DRV, and potentially up to seven for Indomitable.

Community Benefit Program - Indomitable would be required to provide a range of ongoing benefits including charitable contributions to the community, free community youth soccer clinics, complimentary game tickets, construction of and/or upgrades to soccer fields and futsal courts in community locations, and public access to open space, park and trail areas (see Exhibit H in Attachment 5 for additional detail). The value of these benefits is estimated to be approximately \$15.85M.

Non-Relocation Agreement (Attachment 6)

This agreement includes specific performance and injunctive relief provisions, pursuant to which the team will commit and guarantee to play home pre-season, regular season, and post-season games at the Stadium for the 45-year term of the of the City/EIFD investment, subject to a limited number of league-approved neutral site games and other customary exceptions.

Sacramento Valley Station Area Purchase & Sale Agreement (Attachment 7)

The Term Sheet outlined the City purchase of two parcels west of 7th street, Lots 40 (APN 002-0290-005) and Lot 44 (002-0290-006) as shown in Attachment 2. These two parcels, equaling approximately 3.5 acres, are vital for building out the Sacramento Valley Station Area Plan, and providing an opportunity to entice new private development around the Station. The purchase price for these parcels included in the Purchase and Sale Agreement (Attachment 8) is \$91.56 per sq. ft. for a total of \$14 million. The City commissioned an appraisal of the properties and the market value of the lots as of March 12, 2025 was stated by Cushman and Wakefield as \$15.45 million. The City will utilize funds remaining from the 2015 sale of the Sheraton (Fund 2030) for the purchase. These funds were identified in the original Sheraton sale documents as being designated for use on projects in the downtown area. As outlined below, the City will be repaid \$14 million through the EIFD.

Master Funding Agreement (Attachment 8)

The Master Funding Agreement provides for the reimbursement of Indomitable, DRV, and the City for eligible costs that support development within the Railyards. The Master Funding Agreement delineates how a potential CFD would be formed by the City for a bond issuance to support the design and construction of Indomitable's infrastructure and clarifies how tax increment generated by the EIFD for infrastructure reimbursement will be shared amongst the parties. Indomitable would be responsible for securing the funding needed to design and construct the required infrastructure, currently estimated at \$45 million, and would be reimbursed for those expenditures. The City will receive \$14 million (described below) and DRV will be reimbursed for costs incurred to develop infrastructure and rehabilitate the Railyards site equaling \$50 million with inflation adjusters. DRV's reimbursement would not exceed the inflation-adjusted cost of the infrastructure improvements minus any publicly funded infrastructure grants. All of the infrastructure and allocations are included in the

EIFD's Infrastructure Finance Plan and is subject to the approval of the EIFD's Public Finance Authority, the governing board for the EIFD. The City Council will also separately approve the EIFD's amended Infrastructure Finance Plan.

The reimbursements would be limited to net-new incremental property tax revenue that is directly derived from the Railyards development proposed within the EIFD boundaries. No EIFD reimbursements would be provided for the Stadium-site construction work. The City has no financial obligation if incremental property tax revenue generated within the EIFD boundary is inadequate to cover the reimbursements to Indomitable or DRV.

Development Agreement Assignment & Assumption (Attachment 9)

DRV entered into a Development Agreement (DA) with the City in 2016 where they obtained vested rights to develop the Railyards property as well as agreeing to comply with certain conditions and obligations set forth in the DA. With DRV set to transfer approximately 31 acres of the property to Indomitable, the DA Assignment and Assumption Agreement will provide Indomitable with the same vested rights and obligations with respect to the 31 acres.

Master Compliance Agreement (Attachment 10)

Indomitable, Indomitable-related parties, and DRV are limited liability companies formed under Delaware law. Each such entity has direct and indirect membership interests held by separate federally recognized Indian tribes and, as a result of such ownership, legal concepts, such as "arm of the tribe," may provide such entities with sovereign immunity in certain circumstances. This agreement provides that each such party, for itself and on behalf of successors and assigns, waives its tribal sovereign immunity for the limited purpose of any available legal or equitable enforcement of the Definitive Documents, and any claim, controversy, or dispute arising under the Definitive Documents under California law; shall not invoke the doctrine of exhaustion of tribal or other administrative remedies to defeat or delay such action; and shall not invoke the doctrine of tribal sovereign immunity to evade such action.

Policy Considerations: Development of a new state-of-the-art multi-purpose outdoor stadium and a separate entertainment venue in the Downtown Sacramento Railyards will contribute to the cultural and economic development of Sacramento and the region. These attractions would further anchor downtown as the region's center of entertainment and cultural activity and provide Sacramento with a first-class outdoor venue for sports, entertainment, and cultural events. Both the construction and operation of the stadium and the entertainment venue would provide direct and indirect jobs. In addition, these projects will accelerate other investment and development in the Railyards, Downtown, River District, and other areas.

The Sacramento City Code Section 4.04.020 and the City Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements, and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10)

days prior to City Council action. This item was published for 10-day review on May 29, 2025, in compliance with the City Code.

Economic Impacts The Railyards will contribute substantial ongoing economic activity through its diverse uses, including residential areas, hospitals, office spaces, entertainment venues, retail establishments, and hotels. According to the May 2025 economic impact analysis (Unlocking the Economic Impact of the Sacramento Railyards: Engine for Revitalization of Downtown and the Region) prepared by Stantec Urban Places USA in collaboration with Economic Planning Systems (Attachment 11) the Railyards projects will generate:

- 13,539 direct on-site jobs, spanning sectors such as healthcare, retail, hospitality, and professional services.
- 23,914 total jobs, including indirect and induced effects, supported throughout Sacramento County.
- \$2.11 billion in annual wages across Sacramento County, strengthening the local workforce.
- \$4.44 billion in economic output, fueling regional business activity and consumer spending. This includes \$2.49 billion from business operations and employment and an additional \$1.96 billion, fueled by supplier demand and increased consumer spending.
- \$63.3 million in annual wages from Phase 1 of the Historic Central Shops rehabilitation.
- \$240.5 million in total economic output from the Stadium's construction, supporting 1,159 total jobs, including 800 direct construction jobs.
- \$1.9 million in wages and \$4.2 million in annual economic output for the Stadium.
- Over 1 million annual visitors to the Stadium area, boosting hotel occupancy, restaurant activity, and retail sales.

Environmental Considerations: California Environmental Quality Act (CEQA): On November 10, 2016, the City Council certified the Subsequent Environmental Impact Report (SEIR) for the Railyards Specific Plan Update, KP Medical Center, MLS Stadium and Stormwater Outfall Projects (Resolution No. 2016-0379) that evaluated overall development within the Railyards Specific Plan area. The recommended actions in this report are exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines (14 Cal. Code Reg. Section 15378(b)(2)), as the actions in this report consist of agreements for the continuing overall coordination and management of the Railyards area that were analyzed within the SEIR. However, future development of elements included in the Definitive Documents, such as the Stadium, Historic Central Shops rehabilitation, digital billboards, and a practice facility may be subject to further CEQA analysis.

Sustainability: The proposed site is well suited for sustainable development. Regional Transit's light rail system runs along the western boundary of the Stadium site and a station is proposed near the Stadium.

Catalyzing the redevelopment of the Railyards, as well as the adjacent Sacramento Valley Station, will further the City's goal of growth in downtown Sacramento with a walkable, livable district with a robust network of alternative transportation modes, eliminating on-site parking demand for transit users, and reducing greenhouse gas emissions.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Approval of Definitive Documents and implementation of the projects will result in over \$325 million in new private investment in the Railyards. Indomitable will be able to complete the acquisition of property in the Railyards to construct a new state-of-the-art outdoor stadium and bring the dynamic Sacramento FC games to downtown. DRV will be positioned to rehabilitate the historic Central Shops district, thus establishing a new chapter for these iconic landmark buildings. These developments will serve as economic catalysts for, and contribute to the continued revitalization of, the Downtown Railyards, the River District, the greater downtown area, and the region. The venues would enhance entertainment and cultural opportunities downtown and in the region.

As described above, the projects will stimulate economic benefits to the City, including sales taxes, parking revenue, and jobs and spur additional development and build-out of the Railyards transforming this large infill site into a vibrant new addition to downtown, realizing the long-awaited vision of its redevelopment potential.

Financial Considerations: The City's financial obligations outlined in the definitive documents are summarized below. The Stadium, entertainment venue, and related area-wide infrastructure would be privately financed by the Indomitable and DRV. The Master Funding Agreement (MFA) provides for the reimbursement of Indomitable, DRV, and the City for eligible costs that support development within the Railyards (identified in the Infrastructure Finance Plan [IFP]). The IFP will be reviewed by Council on June 10th and by the Public Finance Authority for the EIFD on June 24th. Reimbursement priority established in the MFA is as follows:

- 1) Indomitable to receive 100% of the revenue from the East EIFD area (see map included as Attachment 12) and Indomitable, DRV, and the City would split revenues from the West EIFD Area (the expanded EIFD area) area in the ratio of 40% / 40% / 20% until Indomitable gets reimbursed for the cost of infrastructure needed for the Stadium and ancillary development east of 7th Street (estimated at \$45M).
- 2) Once Indomitable has been fully reimbursed, the split between DRV and the City goes to 50% / 50% of the Total Area (both East and West) until the City gets \$14M and DRV gets \$50M for infrastructure reimbursement (adjusted for inflation). The funds that will flow to the City will be deposited into the Innovation and Growth Fund (Fund 2031) for future economic development activities.
- 3) Once these obligations are fulfilled, the remaining EIFD proceeds shall be subject to a 20%

set-aside and determination by the City and Railyards EIFD Public Finance Authority for the prioritization of other Railyards or related expenditures.

The Comprehensive Project Agreement includes a provision by which the City would waive reimbursement for municipal services for off-site police, fire, emergency medical services, traffic control, and code enforcement for Stadium events for up to a maximum of \$300,000 per year for a ten-year period (adjusted for inflation). If City municipal service costs exceed this threshold in any fiscal year, Indomitable would pay the City the additional amount. Any costs associated with the provision of these services needing to be paid would be funded through the city's portion of the EIFD revenues or annual appropriations.

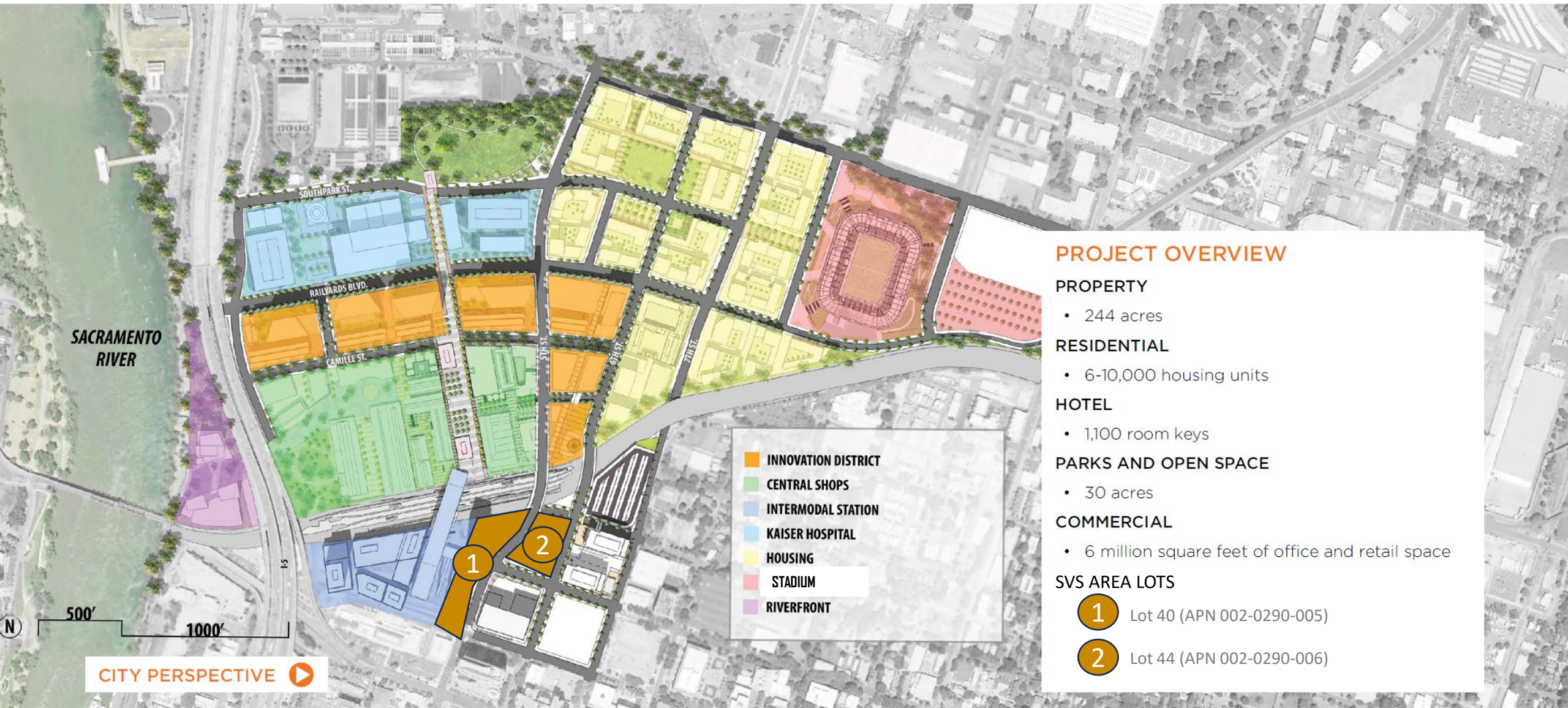
The Stadium would be privately financed by Indomitable. The City would reimburse Indomitable for the City-imposed building excise taxes paid on the stadium construction pursuant to Chapter 3.36 of the Sacramento City Code, estimated at \$181,000. This would be funded from existing funds in the Railyards Soccer Project (I21006200).

The purchase of Lots 40 and 44 will be funded from \$14M remaining from the 2015 sale of the Sheraton (Fund 2030). These funds were identified in the original Sheraton sale documents as being designated for use on projects in the downtown area.

Local Business Enterprise (LBE): None required at this time. However, under the preliminary terms of agreement, Indomitable, in cooperation with its general contractor, would establish goals for regional business and employment programs.

Background The City has been endeavoring to bring a soccer stadium to the Railyards since 2018. On the other side of the Railyards are the Historic Central Shops, consisting of eight historic buildings from the original Central Pacific Railroad Yard, constructed between 1868 and 1917. The Central Shops District was one of the largest industrial sites in the country in the early 20th century and played a fundamental role in the history of California and the development of the economy. These eight historic buildings from the original Central Pacific Railroad Yard will be adaptively reused as the centerpiece for the Central Shops District. The first phase of redevelopment of the Central Shops is envisioned to be the Paintshop with rehabilitation to accommodate a 3,600 attendee live entertainment venue. The Paintshop project received Site Plan and Design Review approval from the City in 2021.

2016 RAILYARDS PLAN



Note: illustrative only

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The City of Sacramento ("**City**"), in recognition of the public benefits to be derived as outlined herein, and Indomitable Ventures, LLC ("**Indomitable**"), have reached a preliminary agreement on a public-private partnership that would result in the development of an expandable 12,000 seat state-of-the-art, outdoor multi-purpose stadium ("**Stadium**") that will serve as the home for the Sacramento Republic FC ("**SRFC**"), and all related infrastructure in the Downtown Sacramento Railyards ("**Railyards**"). Indomitable has entered into an agreement with Sac Soccer & Entertainment Holdings, LLC ("**SSEH**") to acquire the controlling interest in Sacramento's professional United Soccer League Championship ("**USLC**") soccer team, SRFC. Indomitable and its affiliates would lead the design, finance, construction, and operation of the Stadium, and as well, the operation of SRFC. Indomitable has reached an agreement with Downtown Railyard Venture, LLC ("**DRV**") to acquire the Stadium site and additional property adjacent to the Stadium for ancillary real estate development purposes ("**USL Property**").

This Stadium Preliminary Term Sheet ("**SPTS**") sets forth the key terms, process, and framework by which the parties agree to negotiate definitive documents and potential approvals to be considered by the City regarding the potential location, financing, ownership, design, development, construction, operation, use, and occupancy of a new, first-class, state-of-the art, multi-purpose Stadium that will host sporting events, concerts, community-oriented events, and numerous other activities. The parties agree to prepare definitive legal documents that contain the basic terms set forth herein with other agreed terms consistent with this SPTS that are customarily included in similar agreements for the location, financing, ownership, design, development, construction, operation, use, and occupancy of comparable facilities.

Indomitable, or its affiliates, will lead the planning, design, development, and construction of the Stadium, along with associated infrastructure. Indomitable will have final decision-making authority for that process (with the exception of public infrastructure), subject to City review and the provisions included herein, but the entire process will be a cooperative, mutual endeavor in which the parties actively participate and work together in good faith and with due diligence. The definitive documents will identify the legal entities participating in the proposed transaction. Indomitable and possibly other related entities will further lead the development of ancillary real estate adjacent to the Stadium.

The City Council has already taken action to implement several terms associated with

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the Stadium effort. Those actions include but are not limited to: (i) approving entitlements for a stadium and certain parking rights; (ii) establishing the Stadium Area EIFD to support the financing of infrastructure in and around the Stadium; and (iii) amendment of the City Sign Code relative to highway digital billboards and digital displays associated with major event venues subject to further review and approval that may be required based on the specific locations, size, site control and other considerations as proposed by Indomitable.

Apart from, but integral to, the terms outlined herein, both the City and Indomitable intend to enter into separate agreements with DRV to facilitate the broad development objectives of both Indomitable and DRV. The Parties acknowledge the interdependence of and reliance upon those separate agreements in fulfillment of this SPTS terms and objectives. Attached hereto as Exhibit 7 is a Railyards Wide & SVS Preliminary Term Sheet ("**RYSVSTS**") related to transactions between the City and DRV that are interdependent on the terms of this SPTS.

Although this Preliminary Term Sheet contains the proposed, non-binding framework of a potential transaction that the City has agreed to process, the parties agree that no obligation to enter into definitive transaction documents, or any transaction, exists and no project or definitive transaction documents will be approved until after (i) the relevant project components are reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), (ii) any additional conditions or changes based on the CEQA review have been resolved in a manner acceptable to the City and Indomitable, and (iii) all required permits and approvals have been obtained by the parties in accordance with applicable laws and regulations. Furthermore, the City's consideration for approval of definitive transaction documents is contingent and dependent upon contractual or other satisfactorily binding assurances that the financings for all infrastructure, public improvements, and anticipated projects will be sufficient to achieve the Parties' intentions, regardless of such things as changes in land ownership, corporate restructurings, or third-party agreements.

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Parties	<p>City of Sacramento (City)</p> <p>Indomitable- Parent company that owns and controls Stadium affiliates described herein (and possibly others).</p> <p>Indomitable, or affiliate, responsible for acquiring, owning, developing, constructing, and operating the Stadium.</p> <p>Indomitable, or affiliate, responsible for operating the Team.</p> <p>Note: The definitive legal documents will identify the legal entities formed to acquire the operating rights, develop the Stadium and perform the other obligations anticipated by this SPTS. For example, if Indomitable or its affiliate is identified under this SPTS as the responsible entity, either that entity, or another Indomitable-controlled entity will perform that obligation, as set forth in the definitive documents.</p>
Stadium Ownership	<p>The Stadium and the land on which the Stadium will be developed shall be owned by Indomitable or its affiliate. The ownership structure and assignment and assumption of the Amended and Restated Development Agreement For Sacramento Railyards Project, between the City of Sacramento and Downtown Railyard Venture, LLC (City Agreement Number 2008-0150-1), as amended from time to time (“Railyards DA”) shall be detailed in the definitive legal documents, which may include appropriate refinements to the terms in this SPTS.</p>
Stadium Location	<p>Indomitable or its affiliate is responsible for assembling a development site sufficient to build the Stadium. The Stadium is proposed to be located at the Railyards on property currently owned or controlled by DRV. See Exhibit 1 for a map that illustrates the Stadium location.</p>
Stadium Description	<p>The Stadium shall be a new, first-class, state-of-the art, outdoor multi- purpose stadium that will serve as the home of SRFC, and will also host sporting events, concerts, community-oriented events, and numerous other events that Indomitable or its affiliate may elect to host at the Stadium, in its discretion. As a modern state-of-the-art facility, the Stadium will comply with all building codes, including energy codes in Title 24, City codes, including Greenhouse Gas Emissions codes, and best practices for efficiency measures and design. See Exhibit 2 for a summary</p>

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	<p>description of the Stadium's preliminary program elements. The definitive agreements will contain a more detailed description of program elements.</p>
<p>Stadium Sources and Uses of Funds</p>	<p>Except as otherwise specified herein, Indomitable or its affiliate shall be responsible for securing its financing and other funding sources required for the planning, construction, and development of the Stadium. The Stadium construction and development costs are currently estimated at \$175 million. This cost estimate does not include infrastructure costs and Private Fee estimated at \$51.77 million. Sources and Uses are outlined in Exhibit 3.</p> <p>The City will actively and aggressively pursue all options to support DRV and or Indomitable in obtaining grant funding for the implementation of infrastructure.</p>
<p>Stadium Development</p>	<p>The City and Indomitable or its affiliate intend to work together in a collaborative and cooperative manner to develop the Stadium in a commercially reasonable manner.</p> <p>Indomitable or its affiliate shall be responsible for, and shall lead all phases of the planning, design, land acquisition, development, and construction of the Stadium and related infrastructure. The City is committed to processing all Stadium construction permits and other required approvals, such as Site Plan and Design Review, in a timely and efficient manner, preemptively assigning "Expedited Review" status to all submittals, given the significance of the project and its benefit to the City and region.</p> <p>The Stadium preliminary program is contained in Exhibit 2, which sets forth the intended size and components to be implemented through the design and construction of the Project. The Stadium shall be constructed in accordance with the program elements and the Quality Standard (as defined below). The "Quality Standard" for the Stadium shall be first-class and state-of-the-art, comparable to other USLC facilities. The standard of quality and design of the project shall be comparable, taken as a whole, to the standard of quality used in the design and construction of the facilities to which the Parties agree after the date of this Preliminary Term Sheet (examples in</p>

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	<p>Exhibit 8). The stadium will be "expandable;" that is, it will be built in such a way that it can reasonably be permanently modified and expanded to seat over 20,000 people, as well as accommodate other non-sporting events.</p> <p>Notwithstanding the foregoing, the City retains its full discretion regarding the granting of any and all necessary approvals required under the law, but will not unreasonably withhold, condition, or delay its approval of any such approvals.</p>
Stadium Schedule	<p>The City and Indomitable shall work cooperatively and make all commercially reasonable efforts to open the Stadium for the 2027 USL season (as soon as reasonably possible) and shall promptly after the date hereof agree upon a schedule of milestones regarding CEQA (as applicable), permits, and other important events to meet such timetable.</p> <p>The City agrees to assign the appropriate City Manager's Office, planning, engineering, building, safety, and other staff to enable the Parties to achieve the timeline.</p>
Pre-Development Expenses (Stadium)	<p>Indomitable or its affiliate shall be responsible for all expenses associated with predevelopment, including but not limited to all architectural, geo- tech, engineering, environmental, market studies, and other costs related to the Stadium development.</p> <p>Indomitable or its affiliate shall pay all fees and costs normally paid by a developer for the processing of a private project of this type.</p> <p>The City shall be responsible for all other City staff time expended for other predevelopment and development of the Stadium (for example, executive-level management and general in-house legal support in execution of the public-private partnership and financing elements).</p> <p>Pursuant to Chapter 18.52 of the Sacramento City Code, Sacramento Downtown Railyard Stadium specific fees (1-5/Richards interchange fee, community facilities fee, and PFF administration fee) will be deferred until the earliest to occur of (a) the initiation of final inspection of the Stadium, (b) the expiration of the building permit for the project, or (c) three years</p>

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	<p>from the effective date of the deferral agreement, as permitted in Chapter 18.52.</p> <p>The City shall rebate to Indomitable within a reasonable period of time an amount equal to the City-imposed building excise taxes paid by Indomitable on the Stadium construction pursuant to Chapter 3.36 of the Sacramento City Code.</p> <p>Each Party shall be responsible for paying for its third-party consultant costs following execution of this SPTS, unless the scope of the City's participation or obligations changes such that the City requires consultant services beyond those normally required for a project of this type, in which case the Parties shall execute a pre- development expenses reimbursement agreement.</p>
Business Cooperation Program – Use Tax Rebate	<p>Indomitable shall require all contractors and subcontractors performing any work on the Stadium (including the Stadium contractor, architect, pre-construction consultant, and owner’s representative) to perform use tax self-accrual by obtaining a Use Tax Direct Payment Permit from the State Board of Equalization, thereby ensuring that all use taxes generated during the construction period in connection with all eligible purchases of materials, fixtures, furniture, machinery, equipment, and supplies, for the Stadium are allocated directly to the City, and the City receives its full share of the use taxes payable in connection therewith. Upon completion of the Stadium, and following a reasonable period for the City to confirm/validate the additional use taxes received by the City in connection with the construction of the Stadium through this approach (as compared to amount that would have been received by the City without this approach), the City shall rebate to Indomitable an amount equal to the additional amount of use tax directly generated by the construction of the Stadium and documented through the Use Tax Direct Payment Permit process. Per State regulations, this only applies to each contractor/subcontractor whose contract is \$5.0 million or more.</p>
Completion Guarantee and Cost Overruns (Stadium)	<p>Indomitable or its affiliate shall use commercially reasonable efforts to cause the general contractor responsible for the construction of the Stadium to provide a separate, written project</p>

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	completion guarantee(s) consistent with the schedule referred to above, and Indomitable shall provide cost- overrun protection covering all elements of the development, construction, and delivery of the Stadium, consistent with all applicable USL and financial industry standards. Such guarantees will be consistent with industry standards.
Regional Business and Employment Programs	<p>To enhance the economic benefits to the region and its residents, and to provide for the safe, timely, and cost-effective construction and operation of the Stadium, Indomitable or its affiliate and its selected construction contractor shall develop regional business and employment goals and programs. The effort shall be led by Indomitable or its affiliate and its selected general contractor for Stadium construction. Programs shall be established in partnership with community stakeholders and the City. The effort shall include at a minimum:</p> <ul style="list-style-type: none"> • Construction apprenticeship programs, including specific goals and programs for recruiting and hiring of local disadvantaged workers into apprenticeship programs. • Specific goals and programs for hiring local and small business enterprises for professional services, construction, and supplies. • Outreach, education, and training workshops for recruitment of disadvantaged workers, qualified subcontractors, and targeted businesses. • Approaches to reduce entry barriers and augment hiring pathways to match local small business capacities.
Disadvantaged / Youth Hiring	Following the opening of the Stadium, Indomitable or its affiliate shall use commercially reasonable efforts to develop and implement programs to recruit, train, and employ disadvantaged persons and youth within Sacramento.
CEQA	No legal obligations to approve the project elements, any required permits, or the transaction will exist unless and until the Parties have negotiated, executed, and delivered definitive agreements based upon information produced during any environmental review process and on other public review and hearing processes, subject to all applicable governmental approvals, including CEQA (as applicable).

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Non-Relocation - Team	<p>The Team shall enter into a binding and enforceable stand-alone non- relocation agreement with the City that includes specific performance and injunctive relief provisions, pursuant to which the Team will irrevocably and unconditionally commit and guarantee to play the majority of all of its home pre-season, regular season, and postseason games at the Stadium for a term that coincides with the period of City’s financial contribution for the Stadium infrastructure subject to a limited number of league-approved neutral site games and other customary exceptions, including "untenantability periods" (e.g., the period following any damage or destruction to the Stadium, condemnation and other force majeure events and reasonable time period for the expansion of the Stadium for operational or other long term benefits for the Team) or limited anniversary matches at other Sacramento-based locations such as Hughes Stadium. The non- relocation agreement shall contain further customary terms that prohibit the Team from relocating from the City and require the Team to maintain its USL (or MLS if applicable) membership during such term. During the term of the non-relocation agreement, the Team shall not relocate from the City, shall not apply to USLC (or MLS if applicable) to transfer to another location outside of the City, shall not enter into or participate in any negotiations or discussions with, or apply for, or seek approval from, third parties with respect to any agreement, legislation, or financing that contemplates or would be reasonably likely to result in, any breach of the non-relocation agreement, and shall have no right to terminate the non-relocation agreement during the term of the lease agreement, in each case except as provided in the definitive non- relocation agreement.</p>
Stadium Management	<p>Indomitable or its affiliate shall manage and operate the Stadium. Indomitable or its affiliate may elect to hire a private management company experienced in the management of comparable facilities to manage the Stadium. The Stadium shall be operated in a first-class manner, similar to and consistent with that of other comparable facilities that serve as the homes of USLC teams.</p> <p>Indomitable or its affiliate shall be solely responsible for all aspects of the Stadium operation, including the booking of non-</p>

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	Team events.
Capital Contribution	Indomitable or its affiliate shall be responsible for all costs associated with the development of the Stadium, including parking pursuant to amendment and partial assignment of the Exhibit P of the Railyards DA, all required on-site and off-site infrastructure (except to the extent DRV is responsible for such infrastructure), and other related project expenses, except as noted herein. Indomitable shall have the right, but not the obligation, to secure third-party debt financing and third-party equity investment for its capital contribution.
Ancillary Real Estate Development	Indomitable has reached a contingent agreement with DRV to acquire additional property adjacent to the Stadium for ancillary real estate development purposes. Indomitable acknowledges the strategic and economic importance of this ancillary real estate development opportunity to the City and the continued efforts to redevelop the Downtown Sacramento Railyards and shall use commercially reasonable efforts to develop the property as promptly as practicable after the Stadium opening date, taking into account resources necessary to develop and operate the Stadium. The City is committed to processing all construction permits and other approvals required for the ancillary real estate development in a timely and efficient manner given the significance of the project and its benefit to the City and region.
Community Facilities District	The City Manager's Office will expeditiously bring forward and recommend for Council consideration the formation of a Stadium Area Community Facilities District ("Stadium CFD") to allow the Stadium and Ancillary Development Land to be leveraged to refund the infrastructure capital, currently estimated at \$50 Million including the costs of Stadium CFD issuance. This cost reflects the approximate face value of the anticipated CFD bonds, which shall be amortized at market interest rate over the life of the bonds.
Enhanced Infrastructure Financing District	Consistent with the expanded EIFD conditions in Exhibit 7, the City Manager's Office will expeditiously bring forward and recommend for City Council consideration the establishment of an expanded Enhanced Infrastructure Financing District ("EIFD")

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	<p>and prepare an Infrastructure Financing Plan (“IFP”), for a term as permitted in the California Government Code, or the termination of the definitive agreement(s), whichever is earlier, acceptable to the City in its sole discretion. The proposed recommended boundaries of the EIFD are illustrated in Exhibit 4. The EIFD will be established for the purposes of providing the primary source of funds to make the biannual payments on the Stadium CFD, reimbursing Indomitable or its affiliate, DRV and the City for costs associated with infrastructure improvements, affordable housing, and other facilities included in the Updated Railyards Infrastructure Financing Plan as specifically outlined and limited in Exhibit 4.</p> <p>This commitment will be subordinate to commitments already in place. Indomitable or its affiliate shall be responsible for, or cause others to be responsible for, securing its financing and other funding sources required to design and construct the required area-wide infrastructure, currently estimated at \$42 million to bridge the gap until the Stadium CFD bonds can be issued. Ultimate repayment of the CFD and Indomitable infrastructure reimbursements shall be funded by EIFD resources to the extent legally allowable, as outlined in Exhibit 5.</p>
<p>Digital Signage Plan (Indomitable)</p>	<p>Indomitable or its affiliate shall develop a comprehensive digital signage program for off-site signs. The City acknowledges the strategic and economic importance of the off-site digital signage program to Indomitable and the City and will work to implement a program that is acceptable to Indomitable and the City. The specifics of the proposed program shall be outlined in the definitive legal documents. City staff shall present to City Council for consideration the proposed program and any required amendments to the City's sign code to implement the program.</p> <p>The City will further cooperate in endeavoring to secure necessary planning approvals, including CEQA review and City permit processing, but shall not provide any guarantees or assurances regarding the approval, number, availability, or suitability of the sign locations.</p> <p>Any signage rights shall exist for an initial term of 35 years, or the termination of the definitive agreement(s), whichever is</p>

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>earlier. Indomitable or its affiliate shall be responsible for all operating and maintenance costs relating to such signage. Indomitable anticipates that the Soccer Stadium is likely to require significant maintenance, repair, and rehabilitation over the 35-year term of the signage program and City staff shall evaluate future extensions near the end of the initial term and review documentation that any of the proceeds generated by such extensions are reinvested (including reimbursements) into the Stadium facility to extend its useful life, enhance the fan experience, and otherwise improve or maintain its economic viability. Upon expiration of the term and all approved extensions thereof, upon written notice from the City rejecting transfer of ownership, Indomitable shall be responsible for the removal of the signs at the end of the term.</p> <p>Indomitable or its affiliate shall be responsible for securing all State of California approvals, site control (if any), financing, and construction for the development of the signs.</p> <p>City staff shall present to City Council (for consideration) the required amendments to the City's sign code and City ordinances to provide for up to seven off-site digital signs (including two larger format Sports Stadium signs).</p> <p>In addition to the off-site digital signs, City staff shall present to the City Council (for consideration) a sign district in the Railyards.</p>
Use and Occupancy	<p>The Stadium will host SRFC matches and will also host concerts, sporting events, community-oriented events, and numerous other events. The owners and operators of the Stadium site and the Stadium shall be subject to the limitations outlined in the project Conditional Use Permit, Noise Ordinance Variances, other City entitlements, and all other provisions of state law and City code.</p> <p>The Parties shall use commercially reasonable efforts to actively market the Stadium to promote activity and economic development in the Railyards Central City and Sacramento region.</p>

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Public Sector Tickets (Stadium)	Indomitable or its affiliate shall provide the City ten club seats upon request (which may be divided into a group of six and four, and shall include amenities provided to club seat season ticket holders in the same section), and associated parking (the locations of the seats and parking to be mutually agreed upon) to all ticketed events held at the Stadium each year for any official City purpose during the term of the non-relocation agreement. Distribution of tickets will be subject to the City's ticket distribution policy.
Naming Rights	Any name proposed to be associated with the Stadium or any other project elements, as applicable, shall be tasteful and not be a cause for embarrassment to the City and shall not include any companies primarily known for tobacco products, guns, adult entertainment, cannabis, other non-pharmaceutical drugs, etc. City acknowledges that Indomitable or its main investors have regional facilities in the legal gaming space and does not object to naming rights related to, or association with, these ventures.
Stadium Parking	<p>Stadium and Ancillary Development Land are a Transit Oriented Development based on the proximity to the 7th Street, La Valentina, and Dos Rios Light Rail stations. Indomitable and City shall avail themselves of modern parking best practices to encourage utilization of existing parking facilities in the region, and lean into an emphasis on transit, bike, and pedestrian access to the Stadium. To this end, City and Indomitable shall endeavor to update and modernize the parking management for the Stadium including : (a) the Railyards DA (b) the Conditional Use Permits and Site Plan and Design Review for Stand-Alone Parking Facilities approved by the City Council on November 10, 2016, as amended; (c) all relevant parking codes and standards, as may be amended; and (d) utilization of City parking technologies with potential City management of all applicable public parking facilities.</p> <p>The City may provide market-rate parking for attendees of the venue at any of its five City-owned or managed parking locations. These off-street parking spaces will be made available for event attendees as capacity allows, taking into consideration preexisting parking demands and the City's obligations to other users. In addition to its own facilities, the City will actively</p>

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	<p>collaborate with Indomitable to identify and secure additional parking options. This will involve outreach and coordination with owners and operators of other public and private parking facilities within walking, biking, or transit-accessible distance from the Stadium, as well as those served by shuttles or other mobility services, to expand parking availability during event days.</p> <p>In accordance with state law and at no cost to the City, the City Manager will support the introduction of a parking convenience fee, applied only to online parking purchases processed through the City’s SacPark reservation platform or an event ticket sales platform, offering eventgoers an easy and streamlined way to reserve parking. Notably, the City will not bear any additional costs to manage the reservation platform. The net parking convenience fee revenue would go directly to Indomitable, contingent upon agreements with the private owners of the parking spaces being utilized for these events. Furthermore, Indomitable will be responsible for marketing and promoting parking for these events and will exclusively use SacPark as the sole designated parking service provider.</p> <p>Additionally, while the City will maintain full control over its existing and future on-street metered event parking program, there will be no revenue-sharing with Indomitable. The City will continue to manage these metered spaces in a way that balances the needs of Stadium events with those of local residents and businesses in the surrounding area, ensuring minimal disruption to the community while accommodating event attendees.</p>
Training Complex	<p>Indomitable requires that the Team’s primary training complex (“Training Complex”) be available for occupancy and use at the time the Stadium opens (with a goal of early 2027) To this end, and in light of the fact that Indomitable shall be primarily responsible for the design, financing, construction, operation, and maintenance of the Training Complex, which shall be subject to public approvals and permitting as required, Indomitable requires a site, financing and design approval in 2025.</p> <p>For a term of not less than four months after Council approval of</p>

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	the SPTS, Indomitable shall negotiate in good faith with the City on development of a Training Complex within the City that is a new, first-class, state-of-the-art facility.
Targeted Taxes	The City shall not impose, and shall cooperate with any efforts of Indomitable and related entities to prevent any other public entities from imposing, on all or any portion of the Stadium or the Team any special taxes, assessments, or surcharges, including special district taxes, assessments or surcharges (except for those already in place or supported by the Indomitable and related entities), that specifically target sports venues or teams. Indomitable and related entities, and its users shall pay all City taxes or assessments of general applicability.
Hotel Development	Indomitable and its affiliate have discussed development of a hotel near the Stadium. The City encourages and would support development of hotels in the Railyards.
Property Taxes	<p>Indomitable or its affiliate shall pay any and all property taxes legally owed (including taxes on possessory interests) associated with all real property interests in the Stadium and any other ancillary developments (e.g. ancillary development, Training Complex, digital signs, etc.). Indomitable or its affiliate shall be responsible for their own personal property and any other taxes related to its operations and income.</p> <p>Ownership of the USL Property is or is expected to be subject to the following in relation to the financing of development of the USL Property (collectively, “Funding Obligations”):</p> <p>1) the obligation to pay required payments for any CFDs secured by the USL Property and other property in the Railyards in accordance with the allocations set forth in the CFD documentation (“Proportionate Obligations”); and 2) the obligation to pay required payments for any CFDs secured by the USL Property separately (“Separate Obligations”); and 3) capture of revenue from a portion of future, biannual property tax payments in an amount equal to the City’s entitlement to a portion of customary real estate taxes and supplementary taxes (including customary</p>

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	<p>increases in both those taxes) applicable to the USL Property levied by the County of Sacramento.</p> <p>If any conveyance of ownership or possessory interest (in full or in part) of the USL Property would exempt the owners or possessors of the USL Property (or a portion thereof) from the Funding Obligations, prior to and as a condition precedent to such conveyance:**</p> <p>(a) Indomitable (or its successor), at its cost, shall satisfy and retire (1) the USL Property's proportionate share of the Proportionate Obligations and (2) the USL Property's Separate Obligations; and</p> <p>(b) The prospective fee title owner of the USL Property (or portion thereof) shall enter into a legally enforceable agreement under California and federal law, which is upon terms and conditions reasonably acceptable to the City, that:</p> <p>(1) it shall make biannual in-lieu payments to the City in an amount equal to the real estate taxes and supplementary taxes (including customary increases in both those taxes) applicable to the USL Property levied by the County of Sacramento that the City of Sacramento would have otherwise have received had a non-exempt real estate tax owner of the USL Property continued ownership thereof through the initial term of the EIFD, as established in the EIFD formation documents, and after the expiration of the initial term of the EIFD, negotiate in good faith with the City on payment in-lieu of taxes sufficient to provide for ongoing municipal services; and</p> <p>(2) provides the City with sufficient remedies to ensure the City is made whole if it fails to make the in-lieu payments described in paragraph (b)(1) above.</p> <p>** These provisions are based on assumptions about the timing of any ownership or possessory interest conveyance. If, for example, a conveyance occurs before any bonded indebtedness or formation of the EIFDs, the parties will</p>
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	<p>revisit these provisions to ensure the parties' interests are protected.</p> <p>The City Manager will recommend support of such conveyance if the requirements of paragraphs (b)(1) and (2) above have been met.</p>
Annual Operating Expenses (Stadium)	<p>Indomitable or its affiliate shall be responsible for all annual operating expenses and routine maintenance and repairs (Annual Operating Expenses) of the Stadium.</p> <p>The City shall have no responsibility for any operating expenses of the Stadium (except for incremental, out-of-pocket expenses associated with City Events and City Services defined below).</p>
Capital Repairs (Stadium)	<p>Indomitable or its affiliate shall be responsible for all Stadium capital repairs, replacements, and improvements ("Capital Repairs"). Identification of Stadium Capital Repairs shall be determined by Indomitable or its affiliate. However, Indomitable or its affiliate shall maintain the Stadium in a first-class manner so as to cause it to remain in a condition comparable to that of other USL (or MLS if applicable) facilities of similar size, design, and age, ordinary wear and tear excepted. The City shall have no responsibility for any Capital Repairs of the Stadium.</p>
City Services	<p>The City will contribute \$300,000 per year, escalated each year by the greater of 3% or the percentage change in the previous 12 months in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumer (CPI-U), U.S. City Average, All Items (not seasonally adjusted, 1982 - 1984 = 100 reference base), for 10 years for City Services for Stadium events to commence concurrently with the opening of the Stadium (projected to be 2027). Near the end of the initial term, City staff shall evaluate future extensions of City services. If award of an MLS franchise occurs (or an expansion of the Stadium [for up to a minimum of 18,000 attendees] occurs), City staff will extend City Services for Stadium events to a total 35-year term. Indomitable or its affiliate shall be responsible for any City Services cost above that amount. City Services shall be provided by the City at a general level and in a manner appropriate for specific events. City Services will be provided for any Stadium event on terms to be set forth in the definitive legal documents. Indomitable or its affiliate and the City shall cooperatively evaluate appropriate public and private</p>

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	<p>staffing levels for police/security, traffic control, fire prevention, emergency medical, street cleaning/trash removal, code enforcement and other similar services based upon anticipated attendance for Stadium events; however, the City shall have final approval over appropriate staffing and service levels. The City shall use a "reasonableness standard" in determining appropriate staffing and service levels. Notwithstanding the foregoing, if the City determines that an emergency public safety issue exists with respect to a particular Stadium event, the City shall have the right to determine and impose the staffing and equipment level for that event.</p>
Team Name; Corporate Headquarters (Soccer)	<p>The soccer team shall include "Sacramento" or a mutually agreed to derivative (e.g. "Sac", etc.) as the first part of the Team's name. For example, the Team must be named "Sacramento ____". The Team may not include any other geographic, city, county, or state reference in the Team name. The Team shall reasonably reference Sacramento in public statements (whether marketing, advertising, or otherwise). During the non-relocation term (and any extension) , SRFC shall maintain its corporate headquarters within the City limits if the Training Complex is within the City limits.</p>
Team Transfer	<p>Before the execution of any definitive legal documents for the sale or other transfer of all or substantially all of the assets or equity of the Team (including the Team USLC membership - for which the City shall not have any consent right with respect to such transfer), the new owner must assume any and all obligations of this SPTS. Except as provided above, any assignment of any party's rights under this SPTS is subject to the other Party's consent in its sole discretion.</p>
Community Benefits (Stadium)	<p>In addition to the benefits outlined herein, Indomitable shall provide or cause related entities to provide community benefits as outlined in Exhibit 6. Indomitable shall make commercially reasonable efforts to maximize the community benefits outlined in Exhibit 6 within the City of Sacramento. The Sacramento region may also be a beneficiary of the community benefits provided.</p>
Affordable Programs (Stadium)	<p>The Team shall make reasonable efforts to provide attractive and meaningful programs to keep the ticket prices for USLC</p>

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	games held at the Stadium with an emphasis on being attractive and affordable for families in the Sacramento region.
Non-Discrimination	Indomitable, and its affiliates, agree to comply with the City's non-discrimination code requirements.
Confidentiality	The City agrees not to disclose, and to cause its affiliates and representatives not to disclose, to any third party any financial information or other confidential information provided to it pursuant to this SPTS or the definitive legal documents, to the extent permitted by law.
MLS Opportunity	City encourages Indomitable to pursue an MLS expansion team, although MLS is not currently evaluating expansion opportunities.

EXHIBIT 1

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

STADIUM LOCATION



EXHIBIT 2

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PRELIMINARY STADIUM PROGRAM

Soccer Capacity	Approx. 12,000
Suites	+/- 145
General Admission Seats (includes Supporter Section seating)	+/- 8,800
Premium Seats (Suites, Club seats, Loge seating)	+/- 3,000
SRO	+/- 280
Space Type	<u>Gross Square Feet</u>
Classification 1: Spectator & Stadium Bowl Facilities	+/- 125,000
Classification 2: Premium Facilities	+/- 40,000
Classification 3: Circulation (in structure, not on grade)	+/- 12,000
Classification 4: Food, Retail, & Spectator Facilities	+/- 30,000
Classification 5: Team Facilities & Training Area	+/- 20,000
Classification 6: Media Facilities	+/- 5,000
Classification 7: Event Facilities & Operations Support	+/- 4,000
Classification 8: Standing Room Only decks	
Classification 9: Mechanical, Electrical, Vertical Circulation, Storage	+/- 24,000
Estimate of Gross Building Square Footage (G.S.F.)	+/- 260,000
Source: Indomitable	

EXHIBIT 3

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

SOURCES AND USES OF FUNDS

Stadium Sources and Uses	
Stadium Uses	
Infrastrucutre	42,000,000
Private Infrastructure Fee	9,770,000
Stadium Development and Construction	175,000,000
Total Costs	226,770,000
Stadium Permanent Sources	
CFD	42,000,000
Grants/Signage Capitalization/Compact Credits	9,770,000
Indomitable Equity	175,000,000
Total Sources	226,770,000

EXHIBIT 4

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

EXPANDED EIFD MAP

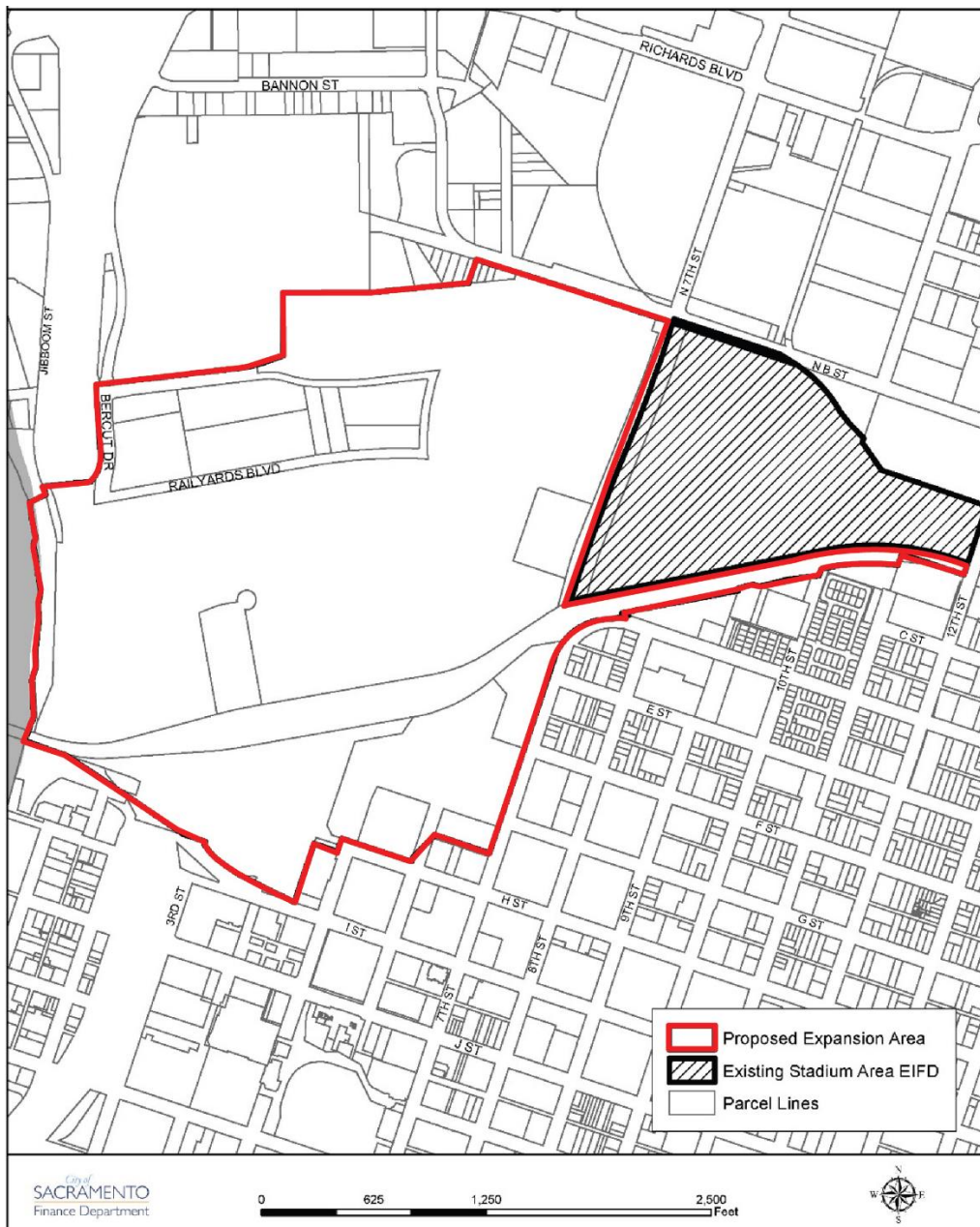


EXHIBIT 5

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

EIFD WATERFALL

As part of the proposed transaction and consideration for Downtown Railyard Venture, LLC ("**DRV**"), to transfer the east of 7th Street land ("**USL Property**") to Indomitable Ventures, LLC ("Indomitable") for development of a Soccer Stadium ("**Stadium**"), (a) the City of Sacramento ("**City**") is requested to finish the formation of an expanded EIFD to include both the USL Property ("**USL EIFD Area**") and the remainder of the Railyards ("**Railyards EIFD Area**"). The proceeds of the USL EIFD area are the "**USL Area EIFD Proceeds**," the proceeds from the Railyards EIFD Area are the "**Railyards EIFD Area Proceeds**," and the proceeds of both EIFD areas are the "**Total EIFD Proceeds**;" and (b) the City, DRV, and Indomitable must reach agreement upon the use and allocation of the EIFD Proceeds. The proposed use and allocation of the EIFD Proceeds for consideration is as follows:

1. Indomitable shall receive the USL Area EIFD Proceeds on a 100 percent basis for infrastructure required by the City to open a Stadium and Ancillary Development Land in the **USL EIFD Area** (currently estimated at \$42 million in 2024 dollars) using the following waterfall (collectively, "**Indomitable Infrastructure Costs**"), which includes all payments under paragraphs a, b and c below:
 - a. Semi-annual payment of Stadium CFD bonds used to finance infrastructure.
 - b. Stadium CFD payment shortfalls covered by Indomitable, along with the capitalization of those costs, subject to approval by the Public Finance Authority. The City Manager's Office will recommend to the PFA approval of those costs.
 - c. Direct costs of infrastructure paid by Indomitable above and beyond the proceeds of the Stadium CFD, including payment of any capitalization of those costs, subject to approval by the Public Finance Authority. The City Manager's Office will recommend to the PFA approval of those costs.
2. DRV, Indomitable, and City shall receive Railyards Area EIFD proceeds on a 40/40/20 percent basis, when combined with payments made under paragraph 1., above, Indomitable has been fully reimbursed for the Indomitable Infrastructure Costs. If the City reaches an allocation of \$14M in 2024 dollars under this paragraph 2. before the Indomitable Infrastructure Costs is fully funded, the City's share shall be equally split between DRV and Indomitable under this paragraph 2.
3. Once Indomitable has received full reimbursement for Indomitable Infrastructure

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Cost, DRV and City shall receive Total EIFD Area Proceeds on a 50/50 percent basis until DRV has received \$50M in 2024 dollars (inclusive of amounts received by DRV under paragraph 2., above) for eligible facilities in the Railyards as applicable by law (identified and ranked by priority in the Railyards Infrastructure Financing Plan, which include reimbursement of infrastructure, structural and/or environmental renovation costs of the historic buildings and plaza area within the Central Shops, parks, parking garages, and other facilities included in the Railyards Infrastructure Financing Plan). If the City reaches an allocation of \$14M under subsection (2) above and this subsection (3) before the allocation to DRV under subsection (iii) is reached, the DRV share shall increase to 100%).

4. Once allocations in paragraphs 1., 2., and 3., above are satisfied, all Total EIFD proceeds shall be subject to a 20 percent affordable housing set-aside and determination by the City and Railyards EIFD Public Finance Authority for the prioritization of facilities that enable the development / redevelopment of The Sacramento Valley Station, historic Central Shops, parks, parking garages, and other facilities included in the Railyards Infrastructure Financing Plan.

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

COMMUNITY BENEFITS

1. Charitable Contributions: Cash contributions on average of \$75,000 per year to Sacramento charities and non-profits. Total estimated value: \$4,500,000.
2. Free Community Youth Soccer Clinics: Club will host 1,000 youth participants per year at club clinics in underserved neighborhoods in Sacramento (estimated at \$50 per clinic). Total estimated value: \$3,000,000.
3. Complimentary Tickets: Donations of 100 tickets per game for use of Sacramento charities and non- profits. Total estimated value: \$3,600,000.
4. Soccer Field and Soccer Court Construction: Continued builds or upgrades of soccer field or soccer court in Sacramento for public use. Total estimated value: \$1,000,000.
5. Volunteer Hours: Club staff commitment of 2,500 volunteer hours per year (average of \$25 per hour) to Sacramento charitable organizations. Total estimated value: \$3,750,000.
6. Public access to the open space, park, and trail areas when the Stadium and site is not scheduled for an event.

Note: Total estimated values based on non-relocation term of 35-years and 3% annual escalation.

EXHIBIT 7

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

RAILYARDS WIDE & SVS PRELIMINARY TERM SHEET

The City of Sacramento (**"City"**), in recognition of the public benefits to be derived as outlined herein, and Downtown Railyard Venture (DRV), have reached a preliminary agreement on a public-private partnership in the Downtown Sacramento Railyards (**"Railyards"**) that would result in the development of Railyards site wide infrastructure (**"Railyards Infrastructure"**) that will catalyze the development of the Railyards, the Historic Central Shops, and the Sacramento Valley Station.

This Railyards Wide & SVS Term Sheet (**"RYSVSTS"**) sets forth the key terms, process, and framework by which the parties agree to negotiate definitive documents and potential approvals to be considered by the City regarding the financing, ownership, development, and construction of key projects (infrastructure and vertical) in the Railyards, including the potential development of a 12,000 seat stadium by the ownership group of the Sacramento Republic (**"Indomitable"**). The parties agree to prepare definitive legal documents that contain the basic terms set forth herein with other agreed terms consistent with this RYSVSTS that are customarily included in similar agreements for the financing, ownership, design, development, and construction of comparable facilities. The entire process will be a cooperative, mutual endeavor in which the parties actively participate and work together in good faith and with due diligence.

Although this Preliminary Term Sheet contains the proposed, non-binding framework of a potential transaction that the City has agreed to process, the parties agree that no obligation to enter into definitive transaction documents, or any transaction, exists and no project or definitive transaction documents will be deemed to be approved until after (i) the relevant project components are reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), (ii) any additional conditions or changes based on the CEQA review have been resolved in a manner acceptable to the City and DRV, and (iii) all required permits and approvals have been obtained by the parties in accordance with applicable laws and regulations. Furthermore, the City's consideration for approval of definitive transaction documents is contingent and dependent upon contractual or other satisfactorily binding assurances that the financings for all infrastructure, public improvements, and anticipated projects

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

will be sufficient to achieve the parties' intentions, regardless of such things as changes in land ownership, corporate restructurings, or third-party agreements.

Confidentiality	The City agrees not to disclose, and to cause its affiliates and representatives not to disclose, to any third party any financial information or other confidential information provided to it pursuant to this RYSVSTS or the definitive legal documents, to the extent permitted by law.
Expanded EIFD	<p>City shall expeditiously bring forward and pursue all required steps necessary for the formation of an Expanded EIFD, however shall not seek final approval of the formation of an Expanded EIFD in the Railyards without the following:</p> <ol style="list-style-type: none"> 1. City & DRV Purchase & Sale Agreement Completion (close of escrow). 2. Agreement between DRV and Indomitable for the transfer of the Stadium site and additional property adjacent to the Stadium for ancillary real estate development purposes ("USL Property PSA") (close of escrow). 3 . City validation of a viable entertainment venue project in the Central Shops (vital for catalyzing development of the Historic Shops buildings), which validation shall be needed and a condition to the completion of the City & DRV Purchase & Sale Agreement. A viable project must include evidence of committed funding necessary to complete the infrastructure and vertical development for the Paintshop and Central Shops Plaza area.
Grants	DRV shall include in future grant applications the scope of required 7 th Street improvements not covered by previous grants or DRV equity, to the extent feasible without jeopardizing the entirety of future grant applications (as determined by the City).

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	Once funding sources for 7th Street are identified, the City will no longer seek to have input for grant funding of required 7th Street improvements.
Purchase & Sale Agreement	<p>DRV and City shall complete a Purchase & Sale Agreement ("City & DRV PSA") for parcels that are needed for buildout of the Railyards Specific Plan and Sacramento Valley Station Area Plan.</p> <p>The "PSA Lots" are as follows:</p> <p>Lot40 1.86 acres Lot44 1.65 acres Total 3.51 acres</p> <p>Total Purchase Price= \$14,000,000.00</p>
Entertainment Venue Location	DRV is responsible for assembling a viable Entertainment Venue Project (" Project ") which includes rehabilitation of the Paint Shop, located in the Historic Central Shops.
Entertainment Venue Description	3,600-person-capacity live entertainment facility in the Historic Central Shops.
Entertainment Venue Schedule	<p>The City and DRV shall work cooperatively and make all commercially reasonable efforts to open the Entertainment Venue by 2027 (or as soon as reasonably possible) and shall promptly after the date hereof agree upon a schedule of milestones regarding CEQA (as applicable), permits, and other important events to meet such timetable.</p> <p>The City agrees to assign the appropriate planning, engineering, building, safety, and other staff to enable the parties to achieve such timeline.</p>
Completion Guarantee and Cost	DRV shall use commercially reasonable efforts to cause the general contractor responsible for the

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>construction of the Entertainment Venue to provide a separate, written project completion guarantee(s) consistent with the schedule referred to above, and DRV shall be responsible for cost-overrun protection covering all elements of the development, construction, and delivery of the Entertainment Venue.</p>
<p>Digital Signage Plan (DRV)</p>	<p>DRV, in cooperation with Indomitable or its affiliate, shall develop a comprehensive digital signage program. The City acknowledges the strategic and economic importance of the digital signage program to the City, Indominable, and DRV and will work to implement a program that is acceptable to the City, Indominable, and DRV. The specifics of the proposed program shall be outlined in the definitive legal documents. City staff shall present to City Council for consideration the proposed program and any required amendments to the City's sign code to implement the program.</p> <p>Not including the USL Property, the digital signage program will include up to five signs. Subject to any required amendments to the City sign code, potential locations of signs could include two freeway frontage signs(which may be larger format similar to sports stadium signs) , two central shops plaza signs, and a gateway sign on parcel 45, along with other signage as might be appropriate for the Railyards. If feasible on-site locations cannot be identified for signs in the Central Shops, the City will collaborate to identify potential on-site or off-site sign alternatives.</p> <p>If DRV provides satisfactory information to the City by December 2, 2024, sufficient for the Urban Design Manager to fully evaluate sign feasibility, City staff shall present up to five sign locations in the Railyards to City Council for discussion by May 2025; provided that if any one or more of such Central Shops Plaza sign locations would delay City Council discussion by</p>

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>May 2025 as determined by the City, such sign locations shall be removed to permit the City Council to discuss the remainder of proposed sign locations by May 2025. Thereafter, City staff shall continue its efforts to present such Central Shops Plaza location(s) to City Council for discussion.</p> <p>DRV, with City cooperation, shall be responsible for securing all State of California approvals, (if any), financing, and construction for the development of the signs. DRV shall be responsible for all operating and maintenance costs relating to such signage.</p>
CEQA	<p>As required by law, the City retains the sole and independent discretion as the lead agency to, among other things, balance the benefits of the project(s) elements against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, and determines not to proceed. No legal obligations to approve the project elements, any required permits, or the transaction will exist unless and until the parties have negotiated, executed, and delivered definitive agreements based upon information produced during any environmental review process and on other public review and hearing processes, subject to all applicable governmental approvals, including CEQA (as applicable).</p>

EXHIBIT 8

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

STADIUM BENCHMARKS

1. PayPal Park (San Jose)
2. Lynn Family (Stadium Louisville)
3. Dick's Sporting Goods Park (Denver)

	PayPal Park	Lynn Family Stadium	Dick's Sporting Goods Park
Open	2015	2020	2007
Capacity	18,000	12,000 (EXPANDABLE TO 15,000)	18,000
Other Stats	<ul style="list-style-type: none"> - Patio Suites: 4 - Luxury Suites: 10 - Bench Suites: 4 - Game Day Suites: 4 - Endline Suites: 2 -Field Club Seats: 176 Scoreboard Bar: 310' bar (largest exterior bar in North America) 	<ul style="list-style-type: none"> - Suites: 18 -Club Seats: 250 	<ul style="list-style-type: none"> - Suites: 21 -Patio Tables: 48 -Fieldside Seats: 350

PAYPAL PARK (SAN JOSE)

SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET



SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET



SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

LYNN FAMILY STADIUM (LOUISVILLE)



SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

DICK'S SPORTING GOODS PARK (DENVER)



RESOLUTION NO. 2025-

Adopted by the Sacramento City Council

APPROVING THE DEFINITIVE DOCUMENTS FOR THE SACRAMENTO REPUBLIC FC TERM SHEET

BACKGROUND

- A. On November 12th 2024, the City Council approved a preliminary non-binding Term Sheet that provided a framework to catalyze additional development in the Railyards project including, but not limited to a Republic FC Soccer Stadium (Stadium), rehabilitation of the Historic Central Shops district, and the City's acquisition of two parcels that will be utilized to build out the Sacramento Valley Station area (SVS).
- B. The Term Sheet set out the initial parameters for negotiations leading to the development of definitive project documents.
- C. Since November 2024, the City, Indomitable Ventures, LLC (a partnership between the Sacramento Republic FC soccer team and the Wilton Rancheria Tribe), and Downtown Railyard Venture (DRV) who is the master developer of the Railyards have completed their due diligence, negotiated deal terms, and prepared the definitive project documents that outline all parties' rights and obligations regarding the Stadium, ancillary development near the Stadium, rehabilitation of the Shops, the purchase of land to support the SVS area, associated infrastructure, and all eligible costs under a proposed expanded Enhanced Infrastructure Financing District (EIFD).
- D. As a result of this public-private partnership, the City will derive significant public benefit from buildout of the Railyards including increased visitation, employment, and revenue. The Stadium and Central Shops renovation will be privately financed, and the respective development entities shall be responsible for all development costs and fees.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The Interim City Manager or designee is authorized to execute the following agreements for the development of the Railyards:

- A. Comprehensive Project Agreement attached as Exhibit A;
- B. Team Non-Relocation Agreement attached as Exhibit B;
- C. SVS Area Purchase & Sale Agreement attached as Exhibit C;
- D. Master Funding Agreement attached as Exhibit D;

- E. Assignment and Assumption of the Amended and Restated Development Agreement for Sacramento Railyards Project attached as Exhibit E;
- F. Master Compliance Agreement attached as Exhibit F.

Section 2. The Interim City Manager or designee is authorized to execute and deliver on the City's behalf any and all agreements, certificates, documents, and instruments, including but not limited to escrow agreements, referenced in or necessary to implement the agreements listed in Section 1 above, subject to approval as to form by the City Attorney or their designee.

Section 3. The Interim City Manager or designee is authorized to make, execute, and deliver on the City's behalf technical, clerical, and minor amendments to the agreements listed in Section 1 above, subject to approval as to form by the City Attorney or their designee.

Section 4. The Interim City Manager or designee is authorized to transfer \$14M from the Sheraton Master Owner Participation Agreement Fund (Fund 2030) to the Railyards Project (I80020500).

Section 5. The Interim City Manager or designee is authorized to increase the expenditure budget of the Railyards Project (I80020500) by \$14M.

Section 6. The Interim City Manager or designee is authorized to allocate \$14M from the Railyards Project for the acquisition of Lot 40 (APN 002-0290-005-0000) and Lot 44 (APN 002-0290-006-0000) in the Railyards.

..End

Table of Contents:

Exhibit A - Comprehensive Project Agreement

Exhibit B - Team Non-Relocation Agreement

Exhibit C - SVS Area Purchase & Sale Agreement

Exhibit D - Master Funding Agreement

Exhibit E - Assignment and Assumption of the Amended and Restated Development Agreement for Sacramento Railyards Project

Exhibit F - Master Compliance Agreement

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): _____
Contract Effective Date: 06/10/2025 Contract Expiration Date (if applicable): _____
\$ Amount (Not to Exceed): \$ 0.00 Adjusted \$ Amount (+/-): _____
Other Party: Downtown Railyard Venture, LLC / Indomitable Ventures, LLC
Project Title: COMPREHENSIVE PROJECT AGREEMENT FOR THE SACRAMENTO RAILYARDS MULTI-PURPOSE STADIUM & CENTRAL SHOPS
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01158

Contract Processing Contacts

Department: Economic Development Project Manager: Marco Gonzalez
Contract Coordinator: Blair Hongo Email: BHongo@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature)	<u><i>Crystal Harland</i></u>	(Date)
	<small>Crystal Harland (May 23, 2025 19:52 PDT)</small>	<u>05/23/2025</u>

Supervisor:

(Signature)	<u><i>Marco Gonzalez</i></u>	(Date)
	<small>Marco Gonzalez (May 23, 2025 19:47 PDT)</small>	<u>05/23/2025</u>

Division Manager:

(Signature)	<u><i>Blair Hongo</i></u>	(Date)
		<u>05/23/2025</u>

Other:

(Signature)	_____	(Date)
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Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)



Recording Requested



Other Party Signature Required

-----**FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE**-----

COMPREHENSIVE PROJECT AGREEMENT

FOR THE

**SACRAMENTO RAILYARDS MULTI-PURPOSE STADIUM
& CENTRAL SHOPS**

between

CITY OF SACRAMENTO,

INDOMITABLE VENTURES, LLC,

and

DOWNTOWN RAILYARD VENTURE, LLC

Dated as of: June 10, 2025

LIST OF EXHIBITS

EXHIBIT A	Fee Deferral Agreement
EXHIBIT B	Team Non-Relocation Agreement
EXHIBIT C	City & DRV Purchase and Sale Agreement
EXHIBIT D	Master Funding Agreement
EXHIBIT E	Assignment and Assumption of the Amended and Restated Development Agreement for Sacramento Railyards Project
EXHIBIT F	Funding Obligations Agreement
EXHIBIT G	Stadium Land
EXHIBIT H	Community Benefits
EXHIBIT I	Description of Ancillary Real Property
EXHIBIT J	Form Master Lease Agreement for Digital Billboards
EXHIBIT K	Preliminary Stadium Program
EXHIBIT L	Master Compliance Agreement

COMPREHENSIVE PROJECT AGREEMENT
FOR THE
SACRAMENTO RAILYARDS MULTI-PURPOSE STADIUM & CENTRAL SHOPS

This Comprehensive Project Agreement for the Sacramento Railyards Multi-Purpose Stadium & Central Shops (this "**Agreement**"), dated June 10, 2025, for reference, is between the City of Sacramento (the "**City**"), Indomitable Ventures, LLC, a Delaware limited liability company ("**Indomitable**"), and Downtown Railyard Venture, LLC, a Delaware limited liability company ("**DRV**"). The City, Indomitable, and DRV are sometimes each referred to as a "**Party**" and collectively as the "**Parties**."

BACKGROUND

Indomitable is the parent company of (i) LandCo, which will own and lease to StadiumCo the "**Stadium Land**" (as defined below), (ii) StadiumCo, which will construct and be the owner of the Stadium (as defined below), and (iii) TeamCo, which owns the United Soccer League Championship ("**USLC**") operating rights for the USLC team currently known as the Sacramento Republic FC (the "**Team**"). Collectively, Indomitable, LandCo, StadiumCo, and TeamCo are the "**Indomitable Parties**." DRV is the current owner of the Stadium Land, the "**Ancillary Real Property**" (as defined below), and other parcels within the Downtown Sacramento Railyards, including some within the Historic Central Shops area.

On November 12, 2024, the City, Indomitable, and DRV approved non-binding Preliminary Term Sheets (the "**Term Sheets**"), setting forth the Parties' desires and intentions regarding (i) the development of a proposed multi-purpose stadium (the "**Stadium**") on land located east of 8th Street in the Downtown Sacramento Railyards, described on Exhibit G attached hereto (the "**Stadium Land**"), that will serve as the Team's home and be used to host the Team's home games, and will also host family shows, concerts, community-oriented events, and other sporting and entertainment events that StadiumCo elects to host at the Stadium; (ii) the ownership, financing, design, development, construction, occupancy, use, maintenance, and operation of the Stadium (the "**Stadium Project**"); (iii) the sale of certain land to the City convenient for buildout of the Sacramento Valley Station Area Plan; (iv) the "**Central Shops Plaza and Structural Renovation**" (as defined in Section 13); and (v) certain other matters.

Concurrently herewith, the Parties are entering into additional Project Agreements (defined below), which agreements will govern specific portions of the Parties' deal as proposed under the Term Sheets.

As of the Effective Date, the City, as lead agency for development of the Railyards, including the Central Shops and Stadium, has certified the Final Subsequent Environmental Impact Report that covers these Projects (City Reso. 2016-0379). Further CEQA analysis may be required for other discretionary approvals not covered by that Final Subsequent Environmental Impact Report.

As contemplated by the Term Sheets, the Parties desire to enter into this Agreement to memorialize certain of their rights and obligations regarding (i) the Stadium Project, (ii) the development of the land nearby the Stadium, (iii) the Central Shops Plaza and Structural Renovation, and (iv) certain other matters.

With these background facts in mind, the Parties agree as follows:

1. Project Agreements

1.1 Project Agreements. Concurrently with the Parties' execution of this Agreement, and except as provided below, the Parties are entering into the following additional projects agreements (collectively with this, the "**Project Agreements**"):

- (A) Fee Deferral Agreement, between the City and StadiumCo, as authorized by Sacramento City Code chapter 18.52 and attached hereto as Exhibit A (the "**Fee Deferral Agreement**"). The Fee Deferral Agreement shall not be entered into concurrent with the other Project Agreements, but at such time as StadiumCo seeks to defer the payment of development-impact fees that otherwise are due prior to the issuance of building permits;
- (B) Team Non-Relocation Agreement, between the City and TeamCo, attached hereto as Exhibit B, pursuant to which TeamCo is agreeing, subject to the terms thereof, to use the Stadium as the exclusive venue for the majority of Team's home games, subject to a limited number of league-approved neutral-site games and other customary exceptions, including "untenantability" periods (e.g., the period following any damage or destruction of the Stadium, condemnation, and other force majeure events and reasonable time period for the expansion of the Stadium for operational or other long-term benefits of the Team) or limited anniversary matches at other Sacramento-based locations such as Hughes Stadium, and not relocate the Team for an initial term of 35 years (the "**Team Non-Relocation Agreement**");
- (C) Purchase and Sale Agreement ("**City & DRV PSA**") between the City and DRV, attached hereto as Exhibit C, for parcels that are needed for buildout of the Railyards Specific Plan and Sacramento Valley Station Area Plan, which parcels include Lots 40 and 44;
- (D) Master Funding Agreement, attached hereto as Exhibit D, pursuant to which

the EIFD PFA is allocating to the Parties a certain percentage of tax-increment funds for the costs of designing, financing, developing, and constructing certain infrastructure improvements in the areas surrounding, supporting, and otherwise benefitting, among other things, the Stadium Project and the Central Shops Plaza and Structural Renovation (the “**Master Funding Agreement**”). Notwithstanding anything contrary in this Agreement, the Master Funding Agreement may exist for up to a maximum of 45 years, as may be set forth in that agreement;

- (E) Assignment and Assumption Agreement of the “Amended and Restated Sacramento Railyards Development Agreement” (as defined in Section 13), between Indomitable and DRV, attached hereto as Exhibit E (the “**DA Assignment and Assumption Agreement**”);
- (F) Funding Obligations Agreement, attached hereto as Exhibit F, whereby any prospective purchaser of the Stadium, Stadium Land, or the Ancillary Real Property who would otherwise be exempt in whole or in part from any Funding Obligations (as defined in Section 13), is legally bound to fulfill certain of the Funding Obligations (the “**Funding Obligations Agreement**”). The Funding Obligations Agreement shall not be entered into concurrent with the other Project Agreements but only shall be required to be entered into (i) by a prospective purchaser concurrent with any transfer of the Stadium, Stadium Land, or the Ancillary Real Property if such party would be exempt in whole or in part from any Funding Obligations, or (ii) by an assignee as provided in this Agreement; and
- (G) Master Compliance Agreement, attached hereto as Exhibit L, whereby there is provided a current and a future waiver of any form of tribal sovereign immunity which inures, directly or indirectly, to the benefit of the DRV, Indomitable, and Indomitable Parties which could, if not waived, prevent the enforcement of any one or all of the Project Agreements under the laws of the State of California (the “**Master Compliance Agreement**”).

2. Legislative and Administrative Discretion Retained

2.1 California Environmental Quality Act (CEQA). Notwithstanding any provision in this Agreement to the contrary, all City obligations are contingent upon satisfaction of CEQA requirements, and City retains its full discretion under CEQA to approve, deny, or condition any of its obligations as required by CEQA.

2.2 Ordinances, Permitting, etc. Notwithstanding any provision in this Agreement to the

contrary, the City retains its full discretion regarding the adoption of ordinances and the granting of any and all necessary approvals required under the law. However, the City will not unreasonably withhold, condition, or delay its approval of any such approvals.

3. City Obligations to Indomitable

3.1 Stadium Development.

(A) *Collaboration and cooperation.*

- (1) City shall work cooperatively with the Indomitable Parties to entitle, permit, develop, construct, and operate the Stadium in a commercially reasonable manner.
- (2) City shall use reasonable efforts to process all Stadium construction permits and other required approvals in a timely and efficient manner, preemptively assigning “expedited review” status to all Stadium Project-related submittals.
- (3) City shall not unreasonably withhold, condition, or delay necessary permits or approvals for the Stadium Project; provided, however, that City retains its full discretion regarding the granting of permits or approvals, to the extent such exercise of discretion is consistent with the parameters of applicable law and City policy.

(B) *Internal costs.* City is responsible for City staff time expended for the pre-development and development of the Stadium Project (e.g., executive-level management and in-house legal support), excluding such staff time that is part of regularly-imposed fees.

(C) *Third-party consultant costs.* City shall pay for its third-party consultants and advisors. However, if the City’s obligations or scope of participation in development of the Stadium, Stadium Land, Parking Facilities, or Ancillary Real Property materially change from the scope of the project or obligations contemplated by the Parties under this Agreement and the Project Agreements, such that the City requires additional consulting services beyond those normally required for a project like the Stadium Project, the Parties shall negotiate a separate agreement for reimbursement of the resulting additional expenses.

3.2 Stadium Schedule.

- (A) City shall work cooperatively with Indomitable and make all commercially reasonable efforts to ensure the Stadium opens for business as a sports

stadium as soon as reasonably possible, with the understanding that the Indomitable Parties expect the opening to be no later than the commencement of the 2027 USLC season, which will begin on or around March 1, 2027.

- (B) City shall assign, in its sole discretion, the appropriate City Manager's Office, planning, engineering, building, safety, and other staff to achieve that Stadium opening timeline.

3.3 Stadium Operation.

- (A) *Stadium.* Except as specifically described in this Agreement, or as a government regulator, City shall have no responsibilities for Stadium operation and use. However, City shall use commercially reasonable efforts similar to those used by other USLC-team cities whose involvement in USLC-stadium projects is analogous to City's involvement in the Stadium Project to market the Stadium and Stadium Land for events and to promote activity and economic development in the Downtown Railyards.
- (B) *Parking.*
 - (1) *Collaboration.* City shall work collaboratively with Indomitable on identifying and securing additional parking options for Stadium attendees, including outreach and coordination with owners and operators of other public and private parking facilities within walking, biking, or transit-accessible distance from the Stadium, as well as those served by shuttles or other mobility services.
 - (2) *City Facilities.* The City may – but is not obligated to -- provide market-rate parking for Stadium attendees at any of its five City-owned or managed parking locations. These off-street parking spaces may, but are not required, to be made available for Stadium attendees as capacity allows, taking into consideration preexisting parking demands and the City's obligations to other users.
 - (3) *SacPark.* The City Manager will support the introduction of a parking convenience fee, applied only to online parking purchases processed through the City's "**SacPark**" (as defined in Section 13) reservation platform or an event ticket sales platform, offering Stadium eventgoers an easy and streamlined way to reserve parking.
 - (4) Notwithstanding anything else in this Agreement, the City shall maintain full control over its existing and future on-street metered parking program. There will be no revenue-sharing with Indomitable. The City shall continue to manage these

metered spaces in a way that balances the needs of Stadium events with those of local residents and businesses in the surrounding area, ensuring minimal disruption to the community while accommodating Stadium attendees.

3.4 Building Excise Tax. City shall rebate to Indomitable (or its designee) the amount of excise tax paid by any of the Indomitable Parties pursuant to Sacramento City Code chapter 3.36. City shall rebate the excise tax amount within 60 days of written request by any Indomitable Party.

3.5 Use Tax.

- (A) For all contractors and subcontractors performing work on the Stadium whose contract is \$5 million or more and who perform use tax self-accrual in compliance with State Board of Equalization requirements, including the state's Use Tax Direct Payment Permit, City shall rebate to Indomitable an amount equal to the additional amount of use tax directly generated by construction of the Stadium as documented through the Use Tax Direct Payment permit process.
- (B) The City shall rebate the additional amount after (i) issuance of the final certificate of occupancy for the Stadium, plus (ii) a reasonable period of time for the City to validate the additional amount.
- (C) The "additional amount" of use tax referenced in this section 3.5 means the use tax amount received by the City in connection with the Stadium contract that would not have been received had those contractors and subcontractors not performed use tax self-accrual in compliance with State Board of Equalization requirements.

3.6 Digital Signage Plan.

- (A) *Cooperation.*
 - (1) City acknowledges the strategic and economic importance of a digital signage program to the Indomitable Parties, and shall work cooperatively with the Indomitable Parties to implement Indomitable's digital signage plan that enables Indomitable to install and operate up to seven digital billboards in the city in locations approved by the Indomitable Parties (the "**Indomitable Digital Signage Plan**").
 - (2) If installation and operation of the billboards necessitates one or more additional agreements between the Parties, the City shall work cooperatively with Indomitable to create those agreements.

- (B) City staff shall present to the city council any amendments to the Sacramento City Code necessary for the Indomitable Parties to pursue the Digital Signage Plan. Amendments may include allowing signs on City-leased land and allowing signs in connection with a privately-owned stadium.
- (C) *Approvals.* City shall expedite planning and permit approvals for the digital billboards.
- (D) *Legislative Discretion Retained.* Nothing in this section, or this Agreement, binds the city council to adopt a digital signage plan or any ordinance. The city council retains full legislative discretion to approve, deny, or modify any plan or ordinance presented by City staff.
- (E) *Duration.* The maximum duration of any rights given by City to the Indomitable Parties for the digital signs described in this Section 3.6, is 35 years, as described in the Master Lease Agreement for Digital Billboards, the form of which will be substantially similar to Exhibit J.

3.7 Municipal Services.

- (A) *Provision of Services.*
 - (1) The City shall provide Municipal Services for each Stadium Event at a general level and manner appropriate for such events and that is consistent with the Operations Standard.
 - (2) The City's provision of Municipal Services extends only to off-site areas, City-owned property, and public areas, e.g., public rights-of-way, and the City is not responsible for providing any services at the Stadium, Stadium Land, or Parking Facilities.
- (B) *Staffing Levels.* The Parties shall cooperate in evaluating the appropriate staffing levels for the Municipal Services based upon anticipated attendance for Stadium Events held at the Stadium; provided, however, the City shall have final approval regarding such staffing levels so long as the same are reasonably expected to enable the City to fulfill its obligations under this Section 3.7 under the circumstances. Any disputes between StadiumCo and the City arising from the determination of the staffing levels and costs for the Municipal Services shall be settled pursuant to the dispute resolution procedures set forth in Section 10. Notwithstanding anything to the contrary in this Agreement, if the City reasonably determines that an emergency exists with respect to a particular event, the City shall have the right to determine and impose the staffing level for

the Municipal Services for that event in its sole discretion.

(C) *Costs.*

(1) Initial and Extended Terms.

(a) Starting with the first Stadium Event, and for a period of ten years thereafter, the City shall be responsible for any and all costs incurred by the City for Municipal Services provided for all Stadium Events, up to the Municipal Cost Cap for each calendar year (or pro-rated amount for any partial calendar year) within that ten years. TeamCo (or StadiumCo) shall be responsible for any amount in excess of the Municipal Cost Cap in any such calendar year.

(b) If the Team (or other Indominable Party) is awarded a Major League Soccer franchise that plays in the Stadium, or if the Stadium is expanded to at least an 18,000-person capacity, City shall extend Municipal Services for an additional time, not to exceed a total of 35 years from the date of the first Stadium Event, with the cost escalators described in this Agreement.

(2) After the ten-year period described in subsection 3.7(C)(1)(a), TeamCo (or StadiumCo), or the extended period described in Section 3.7(C)(1)(b), shall be responsible for any and all costs incurred by the City in providing Municipal Services that would not have been incurred by the City but for the provision of such Municipal Services for such events.

3.8 *Fee Deferral.* Pursuant to the Fee Deferral Agreement attached hereto as Exhibit A, City shall defer certain allowable Sacramento Downtown Railyard Stadium-specific fees (including the I-5/Richards interchange fee, community facilities fee, and PFF administration fee) until the earliest of (i) initiation of final inspection of the Stadium, (ii) expiration of the building permit for the Stadium, or (iii) three years from the effective date of the Fee Deferral Agreement.

3.9 *Ancillary Real Property Development.* City shall process all construction permits and other required approvals for any improvements to be developed and constructed on the Ancillary Real Property in a timely and efficient manner.

3.10 *Confidentiality.*

(A) *Definition of Confidential Information.* The term “Confidential Information” means Indomitable Party Materials, Indomitable Party trade secrets, and other Indomitable Party proprietary or business information

provided to the City that is clearly labeled, marked or otherwise identified as “confidential” or “proprietary information,” or, would otherwise normally be considered Confidential Information in the ordinary course and scope of business.

(B) *Exceptions.* Notwithstanding the foregoing, “Confidential Information” shall exclude (and the City shall not be under any obligation to maintain in confidence) any information (or any portion thereof) disclosed to the City by Indomitable Parties to the extent that such information:

- (1) Is in the public domain at the time of disclosure; or
- (2) At the time of or following disclosure, becomes generally known or available through no act or omission on the part of the Indomitable Parties; or
- (3) Is known, or becomes known, to the City from a source other than Indomitable Parties or their Affiliates or any of their representatives, provided that disclosure by such source is not in breach of a confidentiality agreement with a Indomitable Party or their Affiliates; or
- (4) Is independently developed by the City without violating any of its obligations under this Agreement or any other agreement between the parties; or
- (5) May be legally required to be disclosed under state or local law, including the California Public Records Act (Cal. Gov. Code section 7920.000 et seq.,) or by judicial or other governmental action; or
- (6) Is permitted to be disclosed by a formal written agreement executed by and between the parties.

(C) *Duty to Keep Confidential.* The City agrees to maintain as confidential, to the extent permitted or required by applicable law, including the California Public Records Act (Cal. Gov. Code section 7920.000 et seq.), all Confidential Information furnished or otherwise made available to the City by a Indomitable Party.

(D) *Execution, Return, Disposal.* Upon Execution of this Agreement, City shall immediately make reasonable efforts to either return or destroy all drafts and negotiation notes of this Agreement and the Indomitable Parties correspondence that contains drafts of this Agreement. Upon termination or expiration of this Agreement, City shall, at an Indomitable Party's

direction, make reasonable efforts to either return or destroy all Confidential Information; provided, however, any Confidential Information found in electronic format as part of City's off-site or on-site data storage/archival process system, will be held by City and such materials will be kept confidential subject to the terms of this provision or destroyed pursuant to the City's document retention schedule at City's option. The obligations of this provision will survive the termination or expiration of this Agreement.

3.11 No Targeted Taxes.

- (A) Except as provided in Section 3.11(B), and until the expiration or other termination of this Agreement, the City shall not impose, and shall reasonably cooperate with any efforts of Indomitable to prevent any other Governmental Authority from imposing, any new general or special, ordinary or extraordinary, tax, imposition, assessment, levy, usage fee, excise, or similar new charge (including any ad valorem or other property taxes), however measured, regardless of the manner of imposition or beneficiary (each, a "Tax"), on or against the activities described in this Section 3.11.
- (1) The activities conducted at the Stadium or the related parking facilities (including the Parking Facilities) by Indomitable or any of their invitees or patrons, or any income, revenues, profits, or other consideration generated therefrom, including amusement or special district Taxes.
 - (2) The gross receipts or incomes of performers, players, coaches, the Indomitable Parties or direct or indirect owners of the Indomitable Parties who use or otherwise participate in activities at the Stadium.
 - (3) The sale of admissions tickets or other admissions charges for, or the number of admissions to or any license for the right to view, any events at the Stadium.
 - (4) Any capital gain or appreciation in the investment in the Indomitable Parties.
 - (5) The sale of any asset or ownership interest in the Team or the Indomitable Parties.
- (B) *Exceptions.* The restrictions described in Section 3.11(A) do not apply to the following:

- (1) Taxes in effect as of the Effective Date;
- (2) Any Tax of general applicability.
- (C) The restrictions described in this Section 3.11 do not apply to the extent they restrict the City's police power.

3.12 District Formations.

- (A) *Expanded EIFD.*
 - (1) City acknowledges the strategic and economic importance of the Railyards-wide Enhanced Infrastructure Financing District (“**Railyards-wide EIFD**”) to Indomitable and the future development of the Downtown Railyard, and shall work cooperatively with Indomitable to establish that EIFD in an expeditious manner.
 - (2) Notwithstanding subsection (A)(1) above –
 - (a) City staff will not seek final approval of the Railyards-wide EIFD until (i) after the close of escrow for the City & DRV PSA; (ii) the close of escrow on DRV’s sale of the Stadium Land and the Ancillary Real Property to LandCo; and (iii) the City validates the viability of DRV's privately-committed funding for the rehabilitation and required construction for the “**Paint Shop**” (as defined in Section 13) and the “**Music Venue Project**” (as defined in Section 13) located therein; and
 - (b) Legislative Discretion Retained. Nothing in this section, or this Agreement, binds the city council to approve the formation of the Railyards-wide EIFD or the infrastructure finance plan required for the formation of the Railyards-wide EIFD. The city council retains full legislative discretion to approve, deny, or modify any plan or proposal presented by City staff.
- (B) *Community Facilities District.* If not already completed before the effective date of this Agreement, City staff shall expeditiously present to the city council for its consideration the formation of a community facilities district (the “**Railyards East CFD**”) encompassing the Stadium Land and the Ancillary Real Property.

4. Indomitable Obligations to City.

4.1 Stadium Development.

- (A) *Stadium Description.* Indomitable shall develop the Stadium that is:

- (1) First-class, state-of-art, and comparable to PayPal (San Jose), Lynn Family Stadium (Louisville), and Dick's Sporting Goods Park (Denver) (collectively, the "**Comparable Stadiums**");
 - (2) Compliant with all building codes (including, but not limited to, Title 24 of the California Code of Regulations, the Sacramento City Code, and greenhouse gas emissions codes);
 - (3) Capable of accommodating non-sporting events;
 - (4) Built in such a way that it can reasonably and permanently modified and expanded to seat over 20,000 persons;
 - (5) Incorporates best practices for energy efficiency and design for sports stadiums;
 - (6) Consistent with the Preliminary Stadium Program in Exhibit K; and
 - (7) Consistent with the City's Site Plan and Design Review (City Reso. 2016-388), as may be updated or amended pursuant to plans properly presented to the City for review and approval.
- (B) *Cooperation.* Indomitable shall work cooperatively with City and make all commercially reasonable efforts to ensure that the Stadium opens as a sports stadium as soon as reasonably possible, with the expectation that the target opening will be the commencement of the 2027 USLC season, which will begin on or around March 1, 2027.
- (C) *Completion Guarantee and Overruns.* StadiumCo shall use reasonable efforts to cause the general contractor responsible for construction of the Stadium to provide a completion guarantee and cost-overrun protections consistent with industry standards.
- (D) *Regional Business and Employment Programs.*
- (1) Before and during the construction of the Stadium, StadiumCo and its general contractor shall work cooperatively with the City and community stakeholders to develop regional business and employment goals and programs.
 - (2) The regional business and employment goals and programs must be generally consistent with those used during the construction of the Golden 1 Center, including the following minimum efforts:

- (a) Construction apprenticeship programs, including specific goals and programs for recruiting and hiring of local disadvantaged workers into apprenticeship programs;
- (b) Specific goals and programs for hiring local and small business enterprises for professional services, construction, and supplies;
- (c) Outreach, education, and training workshops for recruitment of disadvantaged workers, qualified subcontractors, and targeted businesses; and
- (d) Approaches to reduce entry barriers and augment hiring pathways to match local small business capacities.

(E) *Stadium Parking.*

- (1) Parking Facilities. StadiumCo, or its contractors, shall develop, operate, and manage Parking Facilities for the Stadium according to the requirements of:
 - (a) The Amended and Restated Sacramento Railyards Development Agreement, as may be amended or updated;
 - (b) The Stand-Alone Parking Facilities CUP, as may be amended or updated in collaboration with the City to institute best practices and utilize the SacPark program as required by the City; and
 - (c) All codes and standards applicable to such Parking Facilities.
- (2) Collaboration. Indomitable shall work collaboratively with the City on identifying and securing additional parking options for Stadium attendees, including outreach and coordination with owners and operators of other public and private parking facilities within walking, biking, or transit-accessible distance from the Stadium, as well as those served by shuttles or other mobility services.
- (3) SacPark. Indomitable will be responsible for marketing and promoting parking for these events and will exclusively use “**SacPark**” (as defined in Section 13) as the sole designated parking service provider.

(F) *Fees and Costs.*

- (1) Except as otherwise provided in this Agreement, the City shall not bear any fees and costs for the development, operation, and maintenance of the Stadium, Stadium Land, and Parking Facilities.
- (2) If the City's obligations or scope of participation in development of the Stadium, Stadium Land, or Ancillary Real Property change, such that the City requires additional consultants as described in Section 3.1(C), the Parties shall negotiate a further agreement for reimbursement of the resulting additional expenses.

4.2 Stadium Schedule. Indomitable shall work cooperatively with the City and make all commercially reasonable efforts to ensure the Stadium opens as soon as reasonably possible, with a goal of March 2027.

4.3 Stadium Operation.

- (A) *Management.* StadiumCo shall operate the Stadium in a first-class manner, consistent with Comparable Stadiums, either directly or through a stadium management company.
- (B) *Events.* Operation of the Stadium shall be consistent with the Conditional Use Permit approved by City Resolution 2016-0388.
- (C) *Noise.* StadiumCo and TeamCo shall, or through the contracted Stadium operator shall, ensure events and operations of the Stadium are consistent with the noise ordinance variances approved by City Resolution 2016-0388.
- (D) *Marketing.* StadiumCo shall use commercially reasonable efforts to market the Stadium and Stadium Land for events.
- (E) *Disadvantaged/Youth Hiring.* Upon effective operation of the Stadium, the Indomitable Parties shall use commercially reasonable efforts to develop and implement programs to recruit, train, and employ disadvantaged persons and youth from the City of Sacramento.
- (F) *Operating Expenses and Capital Repairs.*
 - (1) StadiumCo shall be responsible for all annual operating expenses and routine maintenance and repairs for the Stadium, as provided in the

Team Use Agreement.

- (2) StadiumCo shall be responsible for all Stadium capital repairs, replacements, and improvements, as determined by StadiumCo in its reasonable discretion. However, StadiumCo shall keep the Stadium in a first-class manner so that it remains comparable to Comparable Stadiums.

(G) *Stadium Naming.* City acknowledges that Indomitable or its primary investors have regional facilities in the legal-gaming space and the City does not object to naming rights related to, or associated with, those ventures (including legal gaming). StadiumCo, in its sole discretion, may select the name of the Stadium and its naming partners. However, notwithstanding the foregoing, the name and sponsors must not cause the City embarrassment or be related to:

- (1) Tobacco products;
- (2) Guns;
- (3) Adult entertainment;
- (4) Cannabis products; or
- (5) Non-pharmaceutical drugs.

4.4 *Building Excise Tax.* StadiumCo shall pay the City-imposed building excise tax under Sacramento City Code chapter 3.36 at the time the Stadium building permit is issued. The City's rebate obligation is as provided in Section 3.4.

4.5 *Use Tax.*

(A) StadiumCo shall require all contractors and subcontractors performing any work on the Stadium to perform use tax self-accrual by obtaining a Use Tax Direct Payment Permit from the California State Board of Equalization, so that all use taxes generated during the construction period in connection with all eligible purchases of materials, fixtures, furniture, machinery, equipment, and supplies, for the Stadium are allocated directly to the City, and the City receives its full share of the use taxes payable in connection therewith.

(B) Applicability.

- (1) For purposes of this section, “contractors and subcontractors” includes, but is not limited to, the Stadium general contractor and subcontractors, architects, pre-construction consultants, and owner’s representative.
- (2) The requirements of this section 4.5 only apply to contractors and subcontractors whose contract with Indomitable is \$5 million or more.

4.6 Digital Signage Plan.

(A) Cooperation.

- (1) Indomitable is solely responsible for developing a digital signage plan that enables Indomitable to install and operate up to seven digital billboards in the City pursuant to the **Indomitable Digital Signage Plan**.
- (2) If installation and operation of the billboards necessitates one or more additional agreements between the Parties, Indomitable shall work cooperatively with the City to create those agreements.

(B) Responsibility. For all property, signs, and structures related to the Indomitable Digital Signage Plan, Indomitable shall be solely responsible for:

- (1) Obtaining all approvals and permits required by the State of California and the City, including CEQA review and rezoning;
- (2) Site control for the property on which signs are to be located;
- (3) Financing and constructing the signs; and
- (4) Costs of sign operation, including maintaining signs in good operational condition. Upon expiration of the Master Lease Agreement for Digital Billboards and all approved extensions thereof, upon written notice from the City rejecting transfer of ownership, Indomitable shall be responsible for the removal of the signs at the end of the term, as provided in the Master Lease Agreement for Digital Billboards.

4.7 Municipal Services.

- ##### **(A) Provision of Services.** StadiumCo is responsible for all Municipal Services to be provided within the Stadium, on Stadium Land, and at the Parking

Facilities.

(B) *Staffing Levels.* StadiumCo and TeamCo, as appropriate, shall cooperate with the City in evaluating staffing levels, as described in Section 3.7.

(C) *Costs.*

Starting with the first Stadium Event, and for a period of ten years thereafter, the City shall be solely responsible for any and all costs and expenses incurred by the City for Municipal Services provided for all Stadium Events, up to the Municipal Cost Cap for each 12-month period within that ten years. TeamCo shall be responsible for any amount in excess of the Municipal Cost Cap in any such 12-month period.

After the ten-year period described above, TeamCo shall be responsible for any and all costs incurred by the City in providing Municipal Services that would not have been incurred by the City but for the provision of such Municipal Services for such events.

4.8 *Property Taxes.*

(A) *Indomitable Parties.* LandCo (or any subsequent landowner) shall pay any and all property taxes (including those on possessory interests) associated with all real property interests in the Stadium Land, the Stadium, and any other property developments, such as the Ancillary Real Property, Training Complex, and digital billboard or digital billboard leases.

(B) *Stadium Land and Ancillary Property Conveyance.* Following the close of escrow on the sale of the Stadium Land and the Ancillary Real Property from DRV to LandCo, LandCo shall not convey, in full or in part, ownership or possessory interest in the Stadium, Stadium Land, or Ancillary Real Property to any person exempt from paying any portion of the Funding Obligations, unless the prospective transferee has executed the Funding Obligations Agreement attached hereto as Exhibit F.

(C) *Landowner Obtaining Tax-Exempt Status.* If LandCo (or any subsequent landowner) becomes exempt from the payment of taxes associated with real property interests, for whatever reason, it shall immediately execute the Funding Obligations Agreement attached hereto as Exhibit F.

4.9 *Ancillary Real Property Development.* Indomitable shall use commercially reasonable efforts, considering the resources necessary to develop the Stadium Project, to develop the Ancillary Real Property.

4.10 Corporate Headquarters. If the Training Complex is located within Sacramento city limits, TeamCo shall maintain its corporate headquarters and principal places of business within the city limits of Sacramento, California, during the term set forth in a mutually agreed-upon separate agreement governing the Training Complex.

4.11 Team Name. The USLC soccer team operated by TeamCo shall include “Sacramento” as the first part of the team’s name, and shall not include any other geographic, city, county, or state reference. TeamCo shall make all reasonable efforts to reference Sacramento in public statements.

4.12 Internet Cross-Marketing.

(A) Subject to USLC rules and regulations, StadiumCo shall develop and establish on its primary website, social media platform, and the mobile applications and other similar digital platforms for the Stadium created by or for StadiumCo, a one-step hyper-text link that is graphically represented by prominently displayed icons that allow “one-click” direct access to the primary Internet site of the City.

(B) Subject to USLC rules and regulations, TeamCo shall develop and establish on its primary website, social media platform, and the mobile applications and other similar digital platforms for the Team created by or for TeamCo, a one-step hyper-text link that is graphically represented by prominently displayed icons that allow “one-click” direct access to the primary Internet site of StadiumCo.

4.13 Public Sector Tickets. TeamCo shall provide to the City (upon request by the City), through the City’s Ticket Administrator, access to ten club-level seats for each ticketed event at the Stadium during the term of the Non-Relocation Agreement for any official City purpose. The ten tickets may be divided by the Indomitable Parties, in its sole and absolute discretion, into two groups, one with four tickets and the other with six tickets. The tickets must include all amenities provided to other club-level ticket holders in the same section, plus associated club-level parking, if available. The location of the seats and the parking are to be agreed upon by the Indomitable Parties and the City before the first Team Event at the Stadium.

4.14 Prevailing Wage/Labor Compliance.

(A) *Prevailing Wages.* StadiumCo shall comply, and shall cause the Infrastructure general contractor and all subcontractors performing any Public Infrastructure Work to comply, with Sacramento City Code section 3.60.180 and the rates of wages currently established by the

Director of Industrial Relations under provisions of Section 1773 of the Labor Code of the State of California, a copy of which is on file in the office of the City Clerk of the City. The City has an approved Labor Compliance Program. Electronic Web submittal of Labor Compliance Reports is effective May 1, 2007. StadiumCo shall submit, and shall cause the Infrastructure general contractor and all subcontractors performing any Public Infrastructure Work to submit, certified payrolls and labor compliance documentation electronically, at the discretion of and in the manner specified by the City.

(B) *Apprentices.* StadiumCo shall comply, and shall cause the Infrastructure general contractor and all subcontractors performing any Public Infrastructure Work to comply, with Sacramento City Code section 3.60.190.

(C) *Labor Compliance.* Electronic submittal will be a web-based system. StadiumCo, the Infrastructure general contractor, and all subcontractors performing any Public Infrastructure Work will be given a Log On identification and password to access the City reporting system. Use of the system may entail additional data entry of weekly payroll information, including: employee identification, labor classification, total hours worked and hours worked in the performance of any Public Infrastructure Work, wage and benefit rates paid, etc. This requirement will be "flowed down" to every lower-tier subcontractor and vendor required to provide labor compliance documentation. All questions regarding this Labor Compliance Program should be directed to the department's contracts staff or Contracts Services at (916) 808-8195.

4.15 *Training Complex.* Indomitable shall consider, in good faith, the development of the Training Complex within Sacramento city limits, and shall work cooperatively with the City in identifying potential sites for the Training Complex.

4.16 *Non-Relocation Agreement.* TeamCo shall enter into the Team Non-Relocation Agreement with the City in the form attached hereto as Exhibit B.

4.17 *Community Benefits.*

(A) *Community Benefits.* For each year of this Agreement, Indomitable shall, or as applicable shall cause its Affiliates to, provide the community benefits described in Exhibit H. Annually during the Term of this Agreement, the parties shall discuss in good faith making appropriate adjustments to those described community benefits.

- (B) *Disadvantaged/Youth Hiring.* During the time the Stadium is operational (i.e., has commenced hosting events), StadiumCo and TeamCo shall use commercially reasonable efforts to develop and implement programs to recruit, train, and employ disadvantaged persons and Youth from the City of Sacramento.
- (C) *Affordable Programs.* TeamCo shall make reasonable efforts to provide attractive and meaningful programs to keep ticket prices for USLC games at the Stadium affordable for families in the Sacramento area.
- (D) *Annual Reports.* Indomitable, StadiumCo, and TeamCo shall, as applicable submit to the City written annual reports that describe in detail their respective performance under this Section 4.17. City shall have the right, at its sole cost and expense, to perform audits, under reasonable circumstances and not more frequently than annually, to verify the information provided in the reports.

4.18 Additional Covenants of Indomitable Parties

- (A) *Cooperation in Negotiating Funding Obligations Agreement.* If it becomes necessary to execute the Funding Obligations Agreement, the Indomitable Parties shall in good faith provide all information and documentation (on a read-only basis) necessary for the City to ensure the legality and enforceability of the Funding Obligations Agreement.
- (B) *Non-discrimination.* The Indomitable Parties shall comply with all Applicable Laws related to non-discrimination requirements, including those set forth in the Sacramento City Code

5. Obligations Between City and DRV

5.1 City Obligations to DRV.

- (A) *Expanded EIFD.*
 - (1) City acknowledges the strategic and economic importance of the Railyards-wide EIFD to DRV and the future development of the Downtown Railyard, and shall work cooperatively with DRV to establish the Railyards-wide EIFD in an expeditious manner.
 - (2) Notwithstanding subsection (A)(1) above –
 - (a) City staff will not seek final approval of the Railyards-wide EIFD until (i) after the close of escrow for the City & DRV PSA; (ii) the close of escrow on DRV's sale of the Stadium Land and the Ancillary Real Property to LandCo; and (iii) the City validates the

viability of DRV's privately-committed funding for the rehabilitation and required construction for the Paint Shop and Music Venue Project; and

- (b) Legislative Discretion Retained. Nothing in this section, or this Agreement, binds the city council to approve the formation of the Railyards-wide an EIFD or the infrastructure finance plan required for the formation of the Railyards-wide EIFD. The city council retains full legislative discretion to approve, deny, or modify any plan or proposal presented by City staff.
- (c) For clarification, there is no Public Infrastructure Work with the improvements for the Paint Shop or the Music Venue Project, nor are the improvements for the Paint Shop or the Music Venue Project eligible for funding under the Master Funding Agreement.

(B) *Digital Signage Plan.*

(1) Cooperation.

- (a) City acknowledges the strategic and economic importance of a digital signage program to DRV, and shall work cooperatively with the DRV to implement DRV's digital signage plan that enables DRV to install and operate up to five digital billboards within locations at the Downtown Railyards approved by DRV (the "**DRV Digital Signage Plan**").

- (b) If installation and operation of the digital signs necessitates one or more additional agreements between the Parties, the City shall work cooperatively with DRV to create those agreements.

- (2) City staff shall present to the city council any amendments to the Sacramento City Code necessary for DRV to pursue the DRV Digital Signage Plan.

- (3) Approvals. City shall expedite planning and permit approvals for DRV Digital Signage Plan.

- (4) Legislative Discretion Retained. Nothing in this section, or this Agreement, binds the city council to adopt a digital signage plan or any ordinance. The city council retains full legislative discretion to approve, deny, or modify any plan or ordinance presented by City staff.

- (5) **Duration.** The maximum duration of any rights given by City to DRV for the digital signs described in this Section 5.1, as described in the Master Lease Agreement for Digital Billboards, the form of which will be substantially similar to Exhibit J.
- (C) **Confidentiality.** City shall have the same confidentiality obligations to DRV as City has to Indomitable under Section 3.10.
- (D) **Purchase and Sale Agreement.** City shall purchase Lot 40 and Lot 44 from DRV, in accordance with the terms of the City & DRV PSA

5.2 DRV Obligations to City.

- (A) **Future Grants -- 7th Street Improvements.**
 - (1) **Third-party Grants.** If DRV pursues third-party grants (e.g., from the State or Federal governments) for the development of Railyards public infrastructure ("Third Party Grants"), to the extent feasible and consistent with the requirements of such grants, as reasonably determined by the City, DRV shall include in such grant applications a request or proposal to fund 7th Street Improvements not (i) already accounted for in previous grants obtained by DRV, (ii) already funded directly by DRV equity, or (iii) eligible for reimbursement due to the completion of the 7th Street Improvements. No representation or warranty is made by DRV that grant funds will be awarded that apply to the 7th Street Improvements and the failure to obtain such an award shall not be deemed a default by DRV.
 - (2) **City Input.**
 - (a) Before submitting grant requests or proposals for Third Party Grants, DRV shall first consult with the City to determine the feasibility of including the 7th Street Improvement in such grant requests and shall incorporate suggested modifications to such grant request which enhance the likelihood of an award as reasonably determined by the City and DRV.
 - (b) Notwithstanding subsections (A)(1) and (A)(2)(a) above, once funding sources have been identified to complete 7th Street Improvements or the future award of Third Party Grants is no longer feasible due to the completion of the 7th Street Improvements, DRV has no further obligations (including seeking City input) under this paragraph 5.2(A).

(B) *Central Shops Project.*

- (1) Cooperation. DRV shall work cooperatively with the City and make all commercially reasonable efforts to open the Music Venue Project by December 31, 2027 (or as soon as reasonably possible). To this end, DRV shall work with the City to promptly co-develop a schedule of permitting and other milestones necessary to meet that expected timetable.
- (2) Proof of Viability. DRV shall submit to City evidence of the viability of DRV's privately-committed funding for the rehabilitation and required construction by DRV for the Paint Shop and Music Venue Project.
- (3) Completion Guarantee and Overruns. DRV shall use reasonable efforts to cause the general contractor responsible for construction of the Music Venue Project to provide a completion guarantee and cost-overflow protections.
- (4) For clarification, there is no Public Infrastructure Work with the improvements for the Paint Shop or the Music Venue Project, and DRV shall not use any funding under the Master Funding Agreement for the Paint Shop or the Music Venue Project.

(C) *Digital Signage Plan.*

- (1) Cooperation.
 - (a) DRV is solely responsible for developing the DRV Digital Signage Plan.
 - (b) If installation and operation of the billboards necessitates one or more additional agreements between the Parties, DRV shall work cooperatively with the City to create those agreements.
- (2) Responsibility. For all property, signs, and structures related to the DRV Digital Signage Plan, DRV shall be solely responsible for:
 - (a) Obtaining all approvals and permits required by the State of California and the City, including CEQA review and rezoning;
 - (b) Site control for the property on which signs are to be located;
 - (c) Financing and constructing the signs; and

- (d) Costs of sign operation, including maintaining signs in good operational condition. Upon expiration of the Master Lease Agreement for Digital Billboards and all approved extensions thereof, upon written notice from the City rejecting transfer of ownership, DRV shall be responsible for the removal of the signs at the end of the term, as provided in the Master Lease Agreement for Digital Billboards.

(D) *Prevailing Wage/Labor Compliance.*

- (1) Prevailing Wages. DRV shall comply, and shall cause the Infrastructure general contractor and all subcontractors performing any Public Infrastructure Work to comply, with Sacramento City Code section 3.60.180 and the rates of wages currently established by the Director of Industrial Relations under provisions of Section 1773 of the Labor Code of the State of California, a copy of which is on file in the office of the City Clerk of the City. The City has an approved Labor Compliance Program. Electronic Web submittal of Labor Compliance Reports is effective May 1, 2007. DRV shall submit, and shall cause the Infrastructure general contractor and all subcontractors performing any Public Infrastructure Work to submit, certified payrolls and labor compliance documentation electronically, at the discretion of and in the manner specified by the City.
- (2) Apprentices. DRV shall comply, and shall cause the Infrastructure general contractor and all subcontractors performing any Public Infrastructure Work to comply, with Sacramento City Code section 3.60.190.
- (3) Labor Compliance. Electronic submittal will be a web-based system. DRV, the Infrastructure general contractor and all subcontractors performing any Public Infrastructure Work will be given a Log On identification and password to access the City reporting system. Use of the system may entail additional data entry of weekly payroll information, including: employee identification, labor classification, total hours worked and hours worked in the performance of any Public Infrastructure Work, wage and benefit rates paid, etc. This requirement will be "flowed down" to every lower-tier subcontractor and vendor required to provide labor compliance documentation. All questions regarding this Labor Compliance Program should be directed to the department's contracts staff or Contracts Services at (916) 808-8195.

6. Obligation of Each Party to Other Parties

- 6.1 Master Funding Agreement.** Each Party shall cooperate with EIFD PSA staff and City staff in the preparation and presentation of the Master Funding Agreement that substantially conforms to the “EIFD Waterfall” exhibit in the Term Sheets, for execution by the EIFD PFA and the Parties.
- 6.2 Other Documents.** Each Party shall in good faith, and with reasonable diligence, provide any non-privileged and non-confidential documentation or other information necessary to the execution of this Agreement and the Project Agreements.

7. Assignment

7.1 Assignment. Subject to Section 7.2, no non-City Party shall make or enter into an Assignment of this Agreement without the prior written consent of the City, not to be unreasonably withheld, conditioned, or delayed. With respect to the non-City Parties, an Assignment of this Agreement includes any change in the control of that Party, as applicable, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of Indomitable through the ownership or control of voting securities. In connection with any Assignment of this Agreement by Indomitable, whether or not the City's consent is required therefor (but excluding Assignments made pursuant to Section 7.2(C)), the non-City Party shall provide the City with (A) written notice of any such Assignment, together with a copy of the agreement purporting to assign the rights and obligations, and such delivery shall be at least 15 days prior to such Assignment (except with respect to (i) pledges or collateral assignments in connection with the financing of the Stadium Project and (ii) Assignments to Affiliates or with respect to a sale of all or a portion of the Ancillary Real Property, in which case such delivery shall be at least five days prior to such Assignment), and (B) all information reasonably requested by the City that relates to the ability of the assignee to satisfy the obligations of the non-City Party under this Agreement and, if such Assignment satisfies one of the conditions set forth in Section 7.2, all information reasonably requested by the City to confirm that such condition has been satisfied. If an Assignment of this Agreement is made pursuant to Section 7.2(C), then Indomitable need only provide the City with prior or contemporaneous written notice of such Assignment and reasonable evidence that an acquisition or change in control of the Team has occurred.

- 7.2 Permitted Assignments.** Subject to Section 7.3, the following Assignments shall be permitted without the consent of any Party:

- (A) A Party may make an Assignment of this Agreement, in whole or in part, to any Affiliate of such Party, subject to the assignee entering into

a Funding Obligations Agreement, if applicable;

- (B) Any Indomitable Party may pledge, mortgage, grant a security interest in, encumber, or collaterally assign its interest in this Agreement or the equity interests in any Indomitable Party to secure indebtedness for borrowed money;
- (C) DRV may pledge, mortgage, grant a security interest in, encumber, or collaterally assign its interest in this Agreement or the equity interests in any Affiliate to secure indebtedness for borrowed money; and
- (D) Any Indomitable Party may make an Assignment of this Agreement to any Person (or an Affiliate thereof) that acquires, or obtains control of, the Team with the approval of USLC, subject to the assignee entering into a Funding Obligations Agreement, if applicable.

7.3 Other Project Agreements.

- (A) Notwithstanding anything to the contrary in this Agreement, in connection with any Assignment of this Agreement by a Party, the assignee must (i) concurrently acquire all of the assignor's rights, and expressly assume, in writing, in form and substance reasonably acceptable to the other Party, all of the assignor's obligations under this Agreement and all other Project Agreements to which the assignor is a party, and (ii) enter into a Funding Obligations Agreement, if applicable. Notwithstanding anything to the contrary herein, any assignee of a Indomitable Party's interest in this Agreement shall thereafter be deemed to be an Indomitable Party for all purposes of this Agreement.
- (B) The assignee's express written assumption of all obligations, as described in subsection (A), is a condition precedent to the validity of any Assignment under Section 7.2.

7.4 Contrary Assignments Void. Any Assignment of this Agreement made contrary to this Section 7 is void.

8. Effective Date and Term

8.1 Effective Date. This Agreement is effective only on the date all Parties have signed and all the following conditions have been satisfied: (i) close of escrow on the sale of the Stadium Land to LandCo; and (ii) close of escrow on the sale of Lots 40 and 44 to the City.

8.2 Term. The term of this Agreement commences on the Effective Date and terminates upon the termination of the Master Funding Agreement.

8.3 *Post-Termination.*

- (A) *Effect of Termination.* Upon termination of this Agreement and each of the other Project Agreements in accordance with Section 8.2, no Party shall have any further rights or obligations under this Agreement or any other Project Agreement, except for those rights and obligations that expressly survive the termination of this Agreement or expressly survive the termination of the Project Agreement under which they arise.
- (B) *Survival.* This Section 8.3 survives termination of this Agreement.

9. Default and Remedies

9.1 *Indomitable or DRV Event of Default.*

- (A) Unless otherwise expressly agreed by the City in writing, it shall be a "Indomitable Event of Default" under this Agreement if Indomitable materially breaches or fails to comply with any material provision of this Agreement and such breach or noncompliance continues for a period of 60 days after written notice thereof by the City to Indomitable; or, if such breach or noncompliance cannot reasonably be cured within such 60-day period, Indomitable does not commence to cure such breach or noncompliance within such 60-day period or, after commencing to cure such breach or noncompliance, does not thereafter pursue such cure in good faith to completion.
- (B) Unless otherwise expressly agreed by the City in writing, it shall be a "DRV Event of Default" under this Agreement if DRV materially breaches or fails to comply with any material provision of this Agreement and such breach or noncompliance continues for a period of 60 days after written notice thereof by the City to DRV; or, if such breach or noncompliance cannot reasonably be cured within such 60-day period, DRV does not commence to cure such breach or noncompliance within such 60-day period or, after commencing to cure such breach or noncompliance, does not thereafter pursue such cure in good faith to completion.

- 9.2 *City's Remedies – Indomitable Event of Default.*** If an Indomitable Event of Default occurs, the City shall have the right, at the City's election to exercise any one or more of the remedies described below against Indomitable. Exercise

of any of such remedies shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Agreement or otherwise available to the City at law or in equity, except as otherwise expressly stated in this Agreement.

- (A) The City may, at the City's option but without obligation to do so, and without releasing Indomitable from any obligations under this Agreement, make any payment or take any action as the City deems necessary or desirable to cure any Indomitable Event of Default in such manner and to such extent as the City in good faith deems necessary or desirable. Indomitable shall pay the City, upon demand, all reasonable advances, costs, and expenses of the City in connection with making any such payment or taking any such action, together with interest on all such amounts at the Default Rate from the date of payment of any such advances, costs, and expenses by the City.
- (B) The City may sue Indomitable as a result of an Indomitable Event of Default for and obtain damages, specific performance, other equitable relief, or any combination of the foregoing.
- (C) Notwithstanding anything to the contrary contained herein, the City shall not have the right to terminate this Agreement on account of an Indomitable Event of Default and an Indomitable Event of Default shall not be deemed a cross-default of DRV or result in a DRV Event of Default.

9.3 City's Remedies – DRV Event of Default. If a DRV Event of Default occurs, the City shall have the right, at the City's election to exercise any one or more of the remedies described below against DRV. Exercise of any of such remedies shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Agreement or otherwise available to the City at law or in equity, except as otherwise expressly stated in this Agreement.

- (A) The City may, at the City's option but without obligation to do so, and without releasing DRV from any obligations under this Agreement, make any payment or take any action as the City deems necessary or desirable to cure any DRV Event of Default in such manner and to such extent as the City in good faith deems necessary or desirable. DRV shall pay the City, upon demand, all reasonable advances, costs, and expenses of the City in connection with making any such payment or taking any such action, together with interest on all such amounts at the Default Rate from the date of payment of any such advances, costs, and expenses by the City.
- (B) The City may sue DRV as a result of a DRV Event of Default for

and obtain damages, specific performance, other equitable relief, or any combination of the foregoing.

- (C) Notwithstanding anything to the contrary contained herein, the City shall not have the right to terminate this Agreement on account of a DRV Event of Default and a DRV Event of Default shall not be deemed a cross-default of Indomitable or result in an Indomitable Event of Default.

9.4 City's Remedies – Funding Obligations Agreement. In addition to any other remedy available to the City under this Agreement, at law, or in equity, any person (including LandCo and any subsequent owner of the Funding Obligations Property) who defaults under Sections 4.8, 7.2, or 7.3 agrees that the City shall be entitled to seek (i) injunctive relief and specific performance and (ii) damages against the defaulting person under Sections 4.8, 7.2, or 7.3, and any other party working in concert with the defaulting party under Sections 4.8, 7.2, or 7.3 in an amount equal to all amounts an "Obligated Party" (as defined in the Funding Obligations Agreement) would have owed had there been no default under Sections 4.8, 7.2, or 7.3.

9.5 City Event of Default. Unless otherwise expressly agreed by the "Affected Non-City Party" (as defined in Section 13) in writing, it shall be a "City Event of Default" under this Agreement if the City materially breaches or fails to comply with any material provision of this Agreement applicable to the City, and such breach or noncompliance continues for a period of 60 days after written notice thereof by the Affected Non-City Party to the City; or, if such breach or noncompliance cannot reasonably be cured within such 60-day period, the City does not commence to cure such breach or noncompliance within such 60-day period or, after commencing to cure such breach or noncompliance, does not thereafter pursue such cure in good faith to completion.

9.6 Non-City Party's Remedies. If any City Event of Default occurs, the Affected Non-City Party shall have the right, at its election to exercise any one or more of the remedies described below. Exercise of any of such remedies shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Agreement or otherwise available to the Affected Non-City Party at law or in equity, except as otherwise expressly stated in this Agreement.

- (A) An Affected Non-City Party may, at its option but without obligation to do so, and without releasing the City from any obligations under this Agreement, make any payment or take any action as it deems necessary or desirable to cure any City Event of Default in such manner and to such extent as such Affected Non-City Party in good faith deems necessary or desirable. The City shall pay such Affected Non-City Party, upon demand, all reasonable advances, costs, and expenses of such

Affected Non-City Party in connection with making any such payment or taking any such action, including reasonable attorneys' fees, together with interest on all such amounts at the Default Rate from the date of payment of any such advances, costs, and expenses by the Affected Non-City Party.

- (B) An Affected Non-City Party may sue the City for and obtain damages, specific performance, other equitable relief, or any combination of the foregoing.
- (C) If any Affected Non-City prevails on any suit brought under Section 9.5(B), obtains a judgment for damages, and the City fails to pay such damages within 30 days after the judgment (including all applicable appeals thereto) becomes final, then such Affected Non-City Party may, in full or partial satisfaction of the judgment, off-set the amount of such unpaid judgment against any amounts owed by such Affected Non-City Party to the City under this Agreement or any other Projects Agreements.
- (D) Notwithstanding anything to the contrary contained herein, an Affected Non-City Party does not have the right to terminate this Agreement on account of a City Event of Default.

9.7 Waiver. The Parties hereby waive any and all rights to consequential, punitive, or exemplary damages for any Party's Event of Default.

10. Dispute Resolution

10.1 Process. Any dispute between the Parties relating to this Agreement shall be resolved in accordance with this section.

10.2 Direct Communication. As soon as reasonably possible after a dispute is identified, each Party shall set forth its position in the dispute in written correspondence delivered to the other Parties. Within 15 days after delivery, representatives of each Party involved shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the dispute.

10.3 Non-binding Mediation.

(A) *Resort to Mediation.* If the dispute is not resolved through direct communication as provided in Section 10.2 by the date that is ten days after the initial meeting, any Party to such dispute may request appointment of a neutral and properly credentialed mediator with expert knowledge and practical experience regarding the subject in dispute.

(B) *Choice of Mediators.* The requesting Party shall provide a list of three

possible mediators from the current panel of American Arbitration Association mediators to the non-requesting Party. The non-requesting Party shall then select the mediator to be used to mediate the dispute from that list.

- (C) *Length of Mediation.* The Parties shall then participate in good faith in a one-day, non-binding mediation session. Notwithstanding the foregoing, the Parties may agree in writing to extend the mediation proceedings.
- (D) *Location.* Any mediation proceedings shall take place in the City, unless otherwise mutually agreed by the Parties.
- (E) *Cost Sharing.* The cost of the mediation shall be divided equally between the Parties to the dispute.

10.4 Mediation Failure. If the Parties do not resolve the dispute after engaging in this mediation process, each Party shall be entitled to bring an appropriate action or proceeding in any court of competent jurisdiction to vindicate its rights under this Agreement.

10.5 Injunctive Relief. Notwithstanding any provision of this Agreement to the contrary, any Party may seek injunctive relief or another form of ancillary relief (including writs of mandamus) at any time from any court of competent jurisdiction. If a dispute requires emergency relief before the matter may be resolved under Section 10, notwithstanding the fact that any court of competent jurisdiction may enter an order providing for injunctive or another form of ancillary relief, the Parties expressly agree that Section 10.2 and 10.3 still govern the ultimate resolution of any portion of the dispute.

11. California Public Records Act

11.1 Acknowledgement. Indomitable acknowledges that the City is a public agency subject to the requirements of the California Constitution, Article 1, Section 3 and the California Public Records Act (Cal. Gov. Code section 7920.000 et seq.). Indomitable acknowledges that it may submit to or otherwise provide the City with access to materials that Indomitable considers Confidential Information, which may or may not be exempt from public disclosure under applicable California law.

11.2 Requests. Where any third party (the “Requestor”) not otherwise authorized to access Confidential Information under this Agreement makes a demand or request to the City for access to Confidential Information (the “Request”), including, without limitation, the terms and conditions being negotiated, or the production, inspection and/or copying of other information designated by

Indomitable as Confidential Information, City will promptly notify Indomitable of the Request before responding to the requestor so that Indomitable may seek an appropriate protective order or may consent in writing to disclosure; however, Indomitable shall be solely responsible for taking whatever legal steps Indomitable deems necessary to protect information determined by Indomitable to be Confidential Information and to prevent release of information to the Requestor (including the release of such information by the City). Indomitable is responsible for all costs associated with pursuit of such legal steps, including the pursuit of any legal remedies.

11.3 *Timeliness.* Indomitable understands and acknowledges that the California Public Records Act compels the City to respond to Requests within ten (10) calendar days of receipt of a Request (the “City Deadline”). Where Indomitable fails to notify the City that it will seek a protective order or other legal remedy to bar the disclosure of information Indomitable considers Confidential Information prior to the City Deadline, the City may, without liability hereunder, disclose the Confidential Information that is necessary to be disclosed in response to the Request.

11.4 *Indemnity.* Without limiting the more general indemnity terms of this Agreement, Indomitable will indemnify, defend, and hold harmless the City from any claim, costs (i.e., actual, out-of-pocket costs and expenses), or liability arising from such Requests, including City’s refusal to disclose information Indomitable considers to be Confidential Information in response to any Indomitable demand that such information not be disclosed.

12. Miscellaneous

12.1 *Additional Agreements.* In addition to the Project Agreements, the Parties agree to cooperate in good faith to negotiate, execute, and deliver any additional documents reasonably required by any Party, from time to time, to effectuate the purposes and intent of this Agreement t.

12.2 *Notices.* Any notice or other communication under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section to the persons identified below. A notice or other communication that is mailed will be effective or will be considered to have been given on the third day after it is deposited in the U.S. Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered.

<p>If to the City:</p> <p>Michael Jasso Assistant City Manager City of Sacramento 915 I Street, Fifth Floor Sacramento, CA 95814 mjasso@cityofsacramento.org</p> <p>With copies to:</p> <p>Matthew Ruyak Assistant City Attorney City of Sacramento 915 I Street, Fourth Floor Sacramento, CA 95814 mruyak@cityofsacramento.org</p>	<p>If to Indomitable:</p> <p>Indomitable Ventures, LLC 428 J Street, Suite 700 Sacramento, California 95814 Attention: Kevin M. Nagle</p> <p>With copies to:</p> <p>Jeffrey M. Koewler Delfino Madden LLP 500 Capitol Mall, Suite 1550 Sacramento, CA 95814</p> <p>If to DRV:</p> <p>Downtown Railyard Venture, LLC Denton Kelley, Managing Principal 3140 Peacekeeper Way McClellan, California 95652 dkelley@ldkcapital.com</p>
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With copies to:

Downtown Railyard Venture, LLC
Jay Heckenlively, General Counsel
3140 Peacekeeper Way
McClellan, California 95652
jheckenlively@mccllellanpark.com

Any Party may from time to time designate a different address or facsimile number or persons for notices by giving notice to that effect to the other Parties in accordance with the terms and conditions of this section.

12.3 *City's Purpose of Inspections and Review.* The City's review of any designs, plans, specifications, or other documents or inspection of any property or improvements in connection with this Agreement are performed solely for its own purposes and benefit, and the City is not liable to Indomitable or any third party for defects in such documents or any other improvements related thereto, or the operations and maintenance standards to be applied thereto. The City agrees to reasonably cooperate with Indomitable in connection with obtaining any additional permits, approvals, and municipal review necessary for timely complying with the obligations set forth herein.

12.4 *Force Majeure.* Failure in performance by any Party under this Agreement due to a Force Majeure Event shall not be deemed a breach of this Agreement. In addition, when this Agreement provides a time for the performance of any obligation, the time provided is extended if compliance is not possible due to a Force Majeure Event. The extension time shall be equal to one day for each day the Force Majeure Event prevents compliance. "Force Majeure Event" means any act, event, or condition that is beyond the reasonable control of the Party asserting the Force Majeure Event, if it prevents or delays such Party from performing any obligation under this Agreement including the following: any act of public enemy, terrorism, blockade, war, insurrection, civil disturbance, explosion, or riot; epidemic; landslide, earthquake, fire, storm, flood, washout, unusually inclement weather, or other catastrophic weather event; any other act of God; moratoria, initiative or referenda, regulations, or controls imposed, or lack of action taken, by any Governmental Authority (including, without limitation, failure to issue permits, approvals, or authorizations through no fault of such Party; the discovery of any historical, paleontological, or archaeological deposits on the Stadium Land; the discovery of any hazardous materials on the Stadium Land; the other Party's failure to timely perform its obligations in accordance with the terms and conditions of this Agreement or any Project Agreement; and strike, lockout, work stoppages, inability to obtain labor or materials or reasonable substitutes therefor, or other industrial disturbance.

12.5 *Severability.* If a court with jurisdiction rules that any nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.

12.6 *Obligations of the Parties.* The obligations and undertakings of the Parties under or in accordance with this Agreement are obligations solely of the Parties

themselves and no recourse shall be had, whether in contract, in tort, or otherwise against any officer, director, employee, agent, member, volunteer, or representative of any Party in his or her individual capacity on account of any obligation or undertaking of or any act or omission by any Party under or pursuant to this Agreement.

12.7 Time of the Essence. Time is of the essence in the performance of this Agreement.

12.8 Binding Effect. This Agreement binds and inures to the benefit of the Parties' successors and permitted assigns.

12.9 Waiver. A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A Party's waiver of another Party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving Party.

12.10 Interpretation. This Agreement is to be interpreted and applied in accordance with California law, except that that the rule of interpretation in California Civil Code section 1654 will not apply. The term "including" shall mean "including, without limitation" and "including, but not limited to" and shall not be interpreted to imply any limitation on the more general preceding provision unless otherwise expressly stated. All references in this Agreement to Sections or Exhibits refer to the Sections and Exhibits of this Agreement unless otherwise expressly stated. Each Exhibit referenced in this Agreement is incorporated herein by reference and made a part hereof. The headings and captions of the Sections and Exhibits are included for convenience only and shall have no effect upon the construction or interpretation of this Agreement.

12.11 Integration and Modification. This Agreement, the other Project Agreements, and any other documents executed by the Parties in connection herewith, collectively set forth the Parties' entire understanding regarding the matters set forth above and are intended to be their final, complete, and exclusive expression of those matters. Without limiting the generality of the foregoing, this Agreement, the other Project Agreements, and any other documents executed by the City and Indomitable in connection herewith, collectively supersede the Term Sheet in its entirety. This Agreement may be modified only by another written agreement signed by all Parties.

12.12 Conflicts among Project Agreements. If any conflict or inconsistency between or among any of the Project Agreements is identified by a Party, then, as soon as reasonably possible after such conflict or inconsistency is identified, each Party shall set forth their positions regarding such conflict or inconsistency in written

correspondence delivered to the other Parties. If, based on the Parties' respective positions, a dispute exists with respect to such conflict or inconsistency then within 15 days after delivery of the Parties' written correspondence representatives of each Party shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the dispute. If the dispute is not resolved through direct communication as provided above, then any Party may request mediation as provided in Section 10. If the Parties do not resolve the dispute after engaging in such mediation process, each Party shall be entitled to bring an appropriate action or proceeding in any court of competent jurisdiction to resolve the conflict or inconsistency. To provide guidance to the Parties (and, if necessary, the courts) in resolving any conflict or inconsistency, the Parties hereby agree that a specific provision in any given Project Agreement governs the circumstance(s) to which it is directed over a more general provision to the contrary (whether in the same or another Project Agreement).

12.13 *Relationship of the Parties.* The Parties do not intend to create any agency, partnership, joint venture, trust, or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.14 *No Third-Party Beneficiaries.* This Agreement is solely for the benefit of the Parties and their permitted successors and assigns. Nothing in this Agreement, express or implied, is intended to (A) confer upon any Person other than the Parties and their permitted successors and assigns any rights or remedies under or by reason of this Agreement as a third party beneficiary or otherwise except as specifically provided in this Agreement or (B) authorize anyone not a Party to this Agreement to maintain an action pursuant to or based on this Agreement. Notwithstanding the foregoing, (i) all Affiliates of the Indomitable Parties and (ii) the holder of any Loan (each, a "**Lender**") are each intended direct third party beneficiaries of this Agreement with the right of direct enforcement of the provisions set forth herein.

12.15 *Representations.* Each Party hereby represents and warrants to the other that it has all necessary right, power, and authority to enter into this Agreement. Additionally, each Party represents and warrants that the execution and delivery of this Agreement and the performance and observance of all obligations and conditions to be performed or observed by each Party hereunder have been duly authorized by all necessary action of such Party. This Agreement, when fully executed and delivered by each Party, shall constitute the legal, valid, and binding obligation of the Parties, enforceable in accordance with the terms hereof. The City further represents to the Indomitable Parties that the execution, delivery, and performance by the City of this Agreement are within the power of the City and have been duly authorized by all necessary actions and are authorized by and will not violate the City's charter, the Sacramento City Code, or other applicable laws, or result in the breach of any material agreement to which the City is a party.

12.16 *Patriot Act Certification.* Indomitable and DRV each certifies that neither it, nor any of its constituent partners, managers, members, or shareholders, nor any beneficial owner of Indomitable or any such partner, manager, member, shareholder, or Affiliate of Indomitable is a "Prohibited Person," defined as (A) a person, entity, or nation named as a terrorist, "Specially Designated National or Blocked Person," or other banned or blocked person pursuant to any law, order, rule, or regulation that is enforced or administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "Patriot Act"), (B) a person, entity, or nation owned or controlled by, or acting on behalf of, any person, entity, or nation named as a terrorist, "Specially Designated National or Blocked Person," or other banned or blocked person pursuant to any law, order, rule, or regulation that is enforced or administered by OFAC, including the Executive Order and the Patriot Act, (C) a person, entity, or nation engaged directly or indirectly in any activity prohibited by any law, order, rule, or regulation that is enforced or administered by OFAC, including the Executive Order and the Patriot Act, (D) a person, entity, or nation with whom the City is prohibited from dealing or otherwise engaging in any transaction pursuant to any terrorism or money laundering law, including the Executive Order and the Patriot Act, (E) a person, entity, or nation that has been convicted, pleaded nolo contendere, indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, or (F) a person, entity, or nation who is affiliated with any person, entity, or nation who is described above in clauses (A) through (E) above. Indomitable agrees to indemnify and save the City harmless against and from any and all claims, damages, losses, risks, liabilities, and expenses, including reasonable attorneys' fees and costs, arising from or related to any breach of the foregoing certification. The foregoing certifications and indemnities shall not apply to the holders of interests in publicly traded entities.

12.17 *Attorneys' Fees.* Each Party shall bear its own costs and attorneys' fees incurred in connection with the negotiation and execution of this Agreement.

12.18 *Alternative Delivery.* When a Party is obligated to deliver a document or similar item to another Party, the recipient may, in its sole discretion, opt for a review of that item without taking physical or electronic delivery thereof.

12.19 *Counterparts.* The Parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Facsimile signatures or signatures transmitted by email or other electronic means shall be effective to bind each of the Parties hereto.

- 12.20 *Electronic signatures.*** The parties agree that this agreement may be electronically signed. The parties agree that the electronic signatures appearing on this agreement are the same as handwritten signatures for all purposes.
- 12.21 *Governing Law.*** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any proceedings regarding this Agreement, the Parties agree that the venue shall be the state courts of California located in Sacramento County or the U.S. District Court for the Eastern District of California.
- 12.22 *Computation of Time.*** In computing any period of time pursuant to this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included, but the time shall begin to run on the next succeeding day. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day that is not a Saturday, Sunday, or legal holiday.
- 12.23 *Estoppel Certificate.*** Each of the Parties agrees that within 15 business days after receipt of a written request by any other Party, the requested Party shall execute, acknowledge, and deliver to the requesting party a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect or, if there have been modifications, that the same is in full force and effect as modified and identifying the modifications; (b) that no Party is, to the knowledge of such Party, in default under any provisions of this Agreement or, if there has been a default, the nature of such default; and (c) any other information reasonably requested.
- 12.24 *No Personal Liability to Representatives and Owners.*** No owner, member, officer, director, manager, employee, agent, appointee, representative, or other individual acting in any capacity on behalf of either of the Parties or their Affiliates shall have any personal liability or obligations under, pursuant to, or with respect to this Agreement for any reason whatsoever.
- 12.25 *Rights of Lenders.*** If, in connection with obtaining, continuing, or renewing any Loan for which any Indomitable Party's interest in the Stadium, the Stadium Land, or the Ancillary Real Property, or the direct or indirect equity interests in any of the Indomitable Parties, represents collateral in whole or in part, the Lender requires any modifications of this Agreement as a condition to such financing, then the City shall, at any Indomitable Party's or such Lender's request, promptly consider any such modifications in good faith. If such modifications do not reduce the City's obligations under this Agreement or reduce DRV's rights or increase DRV's obligations under this Agreement by more than a de minimis amount in the reasonable judgment of the City, then the City shall execute and deliver to Indomitable an amendment to this Agreement to

effect such modifications. Upon request by Indomitable or by any existing or prospective Lender, the City shall deliver to the requesting party such documents and agreements as the requesting party shall reasonably request to further effectuate the intentions of the Parties as set forth in this Agreement, including a separate written instrument in recordable form signed and acknowledged by the City setting forth and confirming, directly for the benefit of such Lender and its successors and assigns, any or all rights of such Lender.

13. Definitions and Terms. Capitalized terms in this Agreement have the definitions set forth in this section.

"7th Street Improvements" means the 7th Street improvements required by the Sacramento Railyards Tentative Master Parcel Map (City Resolution No. 2016-0387).

"Affected Non-City Party" means Indomitable and/or DRV to the extent either provides written notice to the City of a City Event of Default.

"Affiliate" means, with respect to any Indomitable Party, any individual, trust, estate, partnership, joint venture, company, corporation, association, limited liability company, or other legal entity, business organization, or enterprise that is directly or indirectly controlling, controlled by, or under common control with, such Indomitable Party.

"Agreement" is defined in the introductory paragraph of this Agreement.

"Amended and Restated Sacramento Railyards Development Agreement" means the amended and restated development agreement between the City and Downtown Railyard Venture, LLC, as approved by City Ordinance No. 2016-0044.

"Ancillary Real Property" means the real property identified in Exhibit I.

"Applicable Laws" means any law, statute, ordinance, rule, regulation, order, or determination of any Governmental Authority.

"Assignment" means any sale, transfer, assignment, pledge, mortgage, encumbrance, or any other transfer, including transfers as security for obligations, of this Agreement or a Party's rights or obligations under this Agreement.

"Business Day" means any day that the Sacramento City Attorney's Office is open. California Code of Civil Procedure Section 12a applies to this Agreement. The use of the word "day," instead of "Business Day," means a calendar day.

"Central Shops Plaza and Structural Renovation" means (i) open space improvements on portions of Lot 21a, 21b, 21c, 22 and Lot 10, and (ii) the structural renovation for seismic and life safety improvements to the historic buildings located on Lots 24, 25, 26, and 27, all as shown on the Sacramento Railyards Tentative Master Parcel Map (City

Resolution No. 2016-0387).

"**City**" is defined in the introductory paragraph of this Agreement.

"**City Event of Default**" is defined in Section 9.3.

"**Comparable Stadiums**" is defined in Section 4.1.

"**Default Rate**" means an annual interest rate equal to the Interest Rate plus five percent (5%).

"**DRV Event of Default**" is defined in Section 9.1(B).

"**Effective Date**" is defined in Section 8.1.

"**EIFD PFA**" means the Public Financing Authority for the City of Sacramento Railyards Enhanced Infrastructure Finance District.

"**Force Majeure Event**" is defined in Section 12.4.

"**Funding Obligations**" means, with respect to the Stadium, Stadium Land, and Ancillary Real Property (collectively, the "**Funding Obligations Property**") (i) the the special taxes for any community facilities districts ("CFD") secured by the Funding Obligations Property and other property in the Railyards in accordance with the allocations set forth in the CFD documentation; (ii) the obligation to pay required payments for any CFDs secured by the Funding Obligations Property separately; and (iii) biannual property tax payments in an amount equal to the City's entitlement to a portion of customary real estate taxes and supplementary taxes (including customary increases in both those taxes) applicable levied by the County of Sacramento.

"**Funding Obligations Property**" means the Stadium, Stadium Land, and Ancillary Real Property, individually and collectively.

"**Governmental Authority**" means any federal, state, or local entity, political subdivision, agency, department, commission, board, bureau, administrative, or regulatory body, or other instrumentality having jurisdiction over the Parties, the Stadium Land, Stadium Project, or any other properties or rights that are the subject of the Project Agreements.

"**Indomitable**" is defined in the introductory paragraph of this Agreement.

"**Indomitable Digital Signage Plan**" is defined in Section 3.6(A).

"**Indomitable Event of Default**" is defined in Section 9.1(A).

"**Indomitable Party**" and "**Indomitable Parties**" are defined in the introductory paragraph

of this Agreement.

"Infrastructure" means the infrastructure improvements included in the Infrastructure Financing Plan as specifically outlined and approved for the City of Sacramento Railyards Enhanced Infrastructure Financing District boundaries.

"Interest Rate" means the annual "prime" lending rate of interest published from time to time by the Wall Street Journal or its successor plus two percent (2%). If at any time the Wall Street Journal or its successor no longer announces a "prime" lending rate, then the Interest Rate shall be the annual interest rate that is announced by a national bank reasonably selected by the Parties and having an office in Sacramento, California as such national bank's "prime" lending rate, plus two percent (2%). The Interest Rate shall change and be adjusted upon each announcement by the Wall Street Journal or its successor (or any substitute national bank selected by the Parties pursuant to this definition) of each change in the "prime rate" used to determine the Interest Rate in the manner described in this definition. All interest to be paid pursuant to this Agreement shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each.

"LandCo" is defined in the Background.

"Lender" is defined in Section 12.14.

"USLC" means the United Soccer League Championship.

"Municipal Cost Cap" means \$300,000 for the first 12-month period after the opening of the Stadium, increased by 3% per year for each 12-month period thereafter.

"Municipal Services" means the provision of (A) vehicular and pedestrian traffic direction and control appropriate to secure reasonably safe and timely ingress and egress from the Stadium, and (B) police or other security services, fire prevention services, emergency medical services, street cleaning, trash removal services, and other typical municipal services.

"Music Venue Project" means the 3600-person-capacity live-entertainment facility of approximately 47,000 square feet within the Paint Shop, as approved with conditions in the Acting Zoning Administrator and Acting Preservation Director Record of Decision (Project No. Z21-107, dated March 3, 2021).

"Non-City Party Event of Default" means an Indomitable Event of Default or a DRV Event of Default, as the case may be.

"Operations Standard" means a level of operation that (A) is in a manner to provide a first-class attendee experience for all events that includes (i) sufficient on-site, uniformed security as shall be reasonably necessary to maintain and ensure public order and safety in and around the Stadium and in any event for the successful and interruption free operation of such events and to protect the parties and users thereof, (ii) a trained ushering staff that provides cordial ushering services as necessary to accommodate efficient patron seating and other ushering services and the reasonable flow of people entering and exiting the Stadium, (iii) high standards of cleanliness in all Stadium facilities open to patrons, and (iv) clean, efficient, and well-staffed food and beverage concessions operations appropriate to provide first-class and efficient services to patrons, (B) complies with all Applicable Law, and (C) is consistent with the level of operation (including with respect to efforts to attract and market non-Team events, taking into account the size of the market and the desire of event performers or promoters to hold such events in the City of Sacramento) of Comparable Facilities.

"Paintshop" means the approximately _____square foot building located on Lot 20 as shown on the Sacramento Railyards Tentative Master Parcel Map (City Resolution No. 2016-0387). For clarification, there is no Public Infrastructure Work involved with the improvements for the Paint Shop or the Music Venue Project.

"Parking Facilities" means all lots, garages, or other land owned or operated by Indomitable, LandCo, StadiumCo, TeamCo, or their contractors used for the parking of vehicles.

"Party" and **"Parties"** are defined in the introductory paragraph of this Agreement.

"Project Agreements" is defined in Section 1.1.

"Public Infrastructure Work" means any portion of the work that is performed to install and construct the Infrastructure the costs of which will be "paid for in whole or in part out of public funds" (as such language is defined in Section 1720 of the California Labor Code).

"Railyards East" means the area of the Railyards memorialized in the boundary map found in the Amended Infrastructure Financing Plan for the City of Sacramento Railyards Enhanced Infrastructure Financing District.

"Railyards East CFD" means the community facilities district to be formed by the City within Railyards East in accordance with the Mello-Roos Community Facilities Act of 1982 and to be formally known as Railyards East CFD No. 2025-01.

"SacPark" means the City's proprietary online parking reservation program, as may be amended, modified, or replaced from time to time.

"Stadium" means the stadium described in the Background and for which entitlements have been granted pursuant to City Resolution 2016-0388.

“StadiumCo” is defined in the Background.

“Stadium Event” means any ticketed event held at the Stadium.

“Stadium Land” is defined in the Background.

“Stadium Project” is defined in the Background.

“Stand-Alone Parking Facilities CUP” means the conditional use permit and site plan and design review approved by City Resolution 2016-0389.

“Team” is defined in the Background.

“TeamCo” is defined in the Background.

“Term Sheet” is defined in the Background.

“Team Non-Relocation Agreement” is defined in Section 1.1(E).

“Ticket Administrator” means the City employee with that title or job duties.

“Training Complex” means the land and buildings used by TeamCo as Team’s primary training facility.

“Work” means work to improve the Stadium, Stadium Land, and infrastructure necessary to develop the Stadium or Stadium Land.

“Youth” means a person aged 24 or younger.

* * *



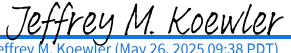


<p>City of Sacramento</p> <p>By: _____ Leyne Milstein Interim City Manager</p> <p>Date: _____, 2025</p>	<p>Indomitable Ventures, LLC</p> <p>By: <u></u> <small>Kevin Nagle (May 26, 2025 10:06 PDT)</small></p> <p>Kevin M. Nagle Manager</p> <p>Date: <u>05/26/2025</u>, 2025</p>
<p>Approved as to Form Sacramento City Attorney</p> <p>By: <u></u> <small>Matthew Ruyak (May 26, 2025 18:43 PDT)</small></p> <p>Matthew D. Ruyak Assistant City Attorney</p>	<p>Approved as to Legal Form</p> <p>By: <u></u> <small>Jeffrey M. Koewler (May 26, 2025 09:38 PDT)</small></p> <p>Jeffrey M. Koewler Delfino Madden O'Malley Coyle & Koewler Attorneys for Indomitable</p>
<p>Attest</p> <p>By: _____ Assistant City Clerk</p>	<p>Downtown Railyard Venture, LLC</p> <p>By: <u></u> <small>Denton (May 24, 2025 07:20 PDT)</small></p> <p>Larry D. Kelley, Jr. Managing Principal</p> <p>Date: <u>05/24/2025</u>, 2025</p>
	<p>Approved as to Legal Form</p> <p>By: <u></u> <small>Jay Heckenlively (May 24, 2025 05:52 GMT+1)</small></p> <p>Jay Heckenlively Attorneys for DRV</p>

Exhibit A
to
Comprehensive Project Agreement

[FEE DEFERRAL AGREEMENT]

Agreement for Deferral of Development Fees

This Agreement for Deferral of Development Fees, dated _____, for purposes of identification, is between the City of Sacramento, a California municipal corporation (the “City”); and [DEVELOPER’S NAME], a _____ (the “Developer”).

Background

The City has established a program, set out in the Sacramento City Code (the “City Code”) as chapter 18.52, for deferring the payment of development-impact fees that otherwise are due prior to the issuance of building permits (the “Program”).

The Developer owns the real property described in Exhibit A (the “Project Site”) and intends to develop the Project Site as described in Exhibit B (the “Project”). This agreement sets forth the conditions under which the City will defer the Developer’s payment of development-impact fees for the Project in accordance with the Program. The fees to be deferred are identified in Exhibit C by building permit number (the “Deferred Fees”).

With these background facts in mind, the City and the Developer agree as follows:

1. **Amount of Deferred Fees.** As of the effective date of this agreement (see section 10 below), the total amount of the Deferred Fees is \$_____, which is the sum of the development-impact fees owed for each building permit identified in Exhibit C. This amount is based on the Project’s scope as of the effective date of this agreement. If the City determines, from the final approved plans for the Project, that the Project’s scope has changed after the effective date of this agreement (including changes in construction and use), then the City will adjust the Deferred Fees to reflect the changed scope, with the adjusted Deferred Fees based on the fees in effect on the date the City accepted the complete building permit application or applications identified in Exhibit C. The Developer shall pay the Deferred Fees or the adjusted Deferred Fees, as appropriate, to the City in accordance with section 2 below.
2. **Time of Payment.** The Developer shall pay the Deferred Fees for each building permit identified in Exhibit C prior to the initiation of final inspection of the property identified in the building permit, prior to the expiration of the building permit, or three years from the effective date of this agreement, whichever occurs first. **Any certificate of occupancy or temporary certificate of occupancy issued, and any final inspection conducted, before the Developer has paid the Deferred Fees in accordance with this agreement is void *ab initio*.**
3. **Late Payment.** If, for any reason, the Developer has not paid the Deferred Fees within the timeframe set forth in section 2 above, then the City may serve the Developer with a written demand for payment as provided for in section 9. Within five business days of the effective date of this notice, the Developer shall pay the Deferred Fees, plus a late fee

equal to 10% of the amount to be paid. If the Developer fails to pay the Deferred Fees when due, the City may pursue any remedies available at law or in equity.

4. **Collection Expenses.** If the Developer does not pay the Deferred Fees when due, the Developer shall also pay all expenses the City incurs to collect the Deferred Fees, including but not limited to City staff time, third-party costs, and reasonable attorneys' fees and litigation costs, whether incurred for the city's staff attorneys or outside attorneys.
5. **Development Credits.** The Developer must submit any claim for development credits, as defined in chapter 18.56 of the Sacramento City Code, prior to executing this agreement and in accordance with Sacramento City Code section 18.56.125. **Claims not timely made are waived.**
6. **Prevailing Wages.** The Developer acknowledges that the City makes no representation regarding the application of prevailing-wage requirements to the Project. The Developer should consult with the Developer's own legal counsel on this issue before participating in the Program.
7. **No Third-Party Beneficiaries.** Nothing in this agreement is intended or shall be construed to give any person, other than the parties to the agreement, any legal or equitable right, remedy, or claim under this agreement.
8. **No Assignments.** The Developer may not assign this agreement or any of its rights, interests, or obligations under this agreement.
9. **Notices.** Any notice or other communication under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below. A notice or other communication that is mailed will be effective or will be considered to have been given on the third day after it is deposited in the U.S. Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section 9.

If to the City:

City of Sacramento
Community Development Department
300 Richards Blvd. 3rd Floor
Attention:
Director of Community Development

If to the Developer:

[Name]
[Address]
Attention:
[Name]
[Title]

10. **Effective Date.** This agreement becomes effective when all parties have signed it, as indicated by the dates in the signature blocks below.
11. **Attorneys' Fees.** The party prevailing in any litigation concerning this agreement will be entitled to an award by the court of reasonable attorneys' fees and litigation costs through final resolution on appeal in addition to any other relief that may be granted in the litigation.
12. **Authority.** Each person signing this agreement hereby represents and warrants that he or she is fully authorized to sign this agreement on behalf of his or her party and to bind that party to the performance of its obligations under this agreement.
13. **Interpretation.** This agreement is to be interpreted and applied in accordance with California law, except that the rule of interpretation in Civil Code section 1654 will not apply. Exhibits A, B, and C are part of this agreement.
14. **Counterparts.** The parties may execute this agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement.
15. **Entire Agreement.** This agreement sets forth the parties' entire understanding regarding the matters set forth. It supersedes all prior or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)

City of Sacramento

[Developer's Name]

By: _____
Signature

Print Name

Title

Date: _____

By: _____
Signature

Print Name

Title

Date: _____

Approved as to Form
Sacramento City Attorney

By: _____
Signature

Attest
Sacramento City Clerk

By: _____
Signature

Agreement for Deferral of Development Fees
The City of Sacramento and _____

Exhibit A

The Project Site

[illegible]

Agreement for Deferral of Development Fees
The City of Sacramento and _____

Exhibit B
The Project

In accordance with Sacramento City Code section 18.52.010, the Project consists of—

- ☐ A dwelling with five or more dwelling units and at least 50% of the building's square footage devoted to residential uses;
- ☐ A commercial or industrial use with a building area of 100,000 square feet or more;
or
- ☐ A new or existing residential subdivision of five or more lots.

Project Description:

[Describe the project. If the project is a phased-development, describe the phases and explain which phase—i.e. which specific units, identified by building permit numbers—this fee deferral agreement covers.]

**Agreement for Deferral of Development Fees
The City of Sacramento and _____**

**Exhibit C
Deferred Fees**

SEE ATTACHED

**Exhibit B
to
Comprehensive Project Agreement**

TEAM NON-RELOCATION AGREEMENT

(see attached)

TEAM NON-RELOCATION AGREEMENT

between

CITY OF SACRAMENTO

and

SAC SOCCER USL, LLC,

Dated as of: June 10, 2025

LIST OF EXHIBITS AND SCHEDULES

EXHIBIT A Liquidated Damages

SCHEDULE 7.14(B) Existing Liens

TEAM NON-RELOCATION AGREEMENT

This TEAM NON-RELOCATION AGREEMENT (this "**Agreement**") is made and entered into as of June 10, 2025 (the "**Effective Date**") between the City of Sacramento, a municipal corporation of the State of California (the "**City**"), and Sac Soccer USL, a Delaware limited liability company ("**TeamCo**"). The City and TeamCo are sometimes referred to herein as the "**Parties**" and each as a "**Party**."

BACKGROUND

TeamCo owns and operates the United Soccer League Championship ("USLC") franchise currently known as the Sacramento Republic FC (the "Team").

Concurrently with the Parties' execution of this Agreement, the City, Indomitable Ventures, LLC, a Delaware limited liability company (and parent company of TeamCo), and Downtown Railyard Venture, LLC, a Delaware limited liability company ("DRV"), have entered into the Comprehensive Project Agreement for the Sacramento Railyards Multi-Purpose Stadium & Central Shops (the "Comprehensive Project Agreement"), which, together with the other "Project Agreements" (as such term is defined in the Comprehensive Project Agreement), set forth in the agreements of the parties to the Comprehensive Project Agreement with respect to the ownership, financing, design, development, construction, lease, occupancy, use, maintenance, and operation of a multipurpose entertainment and sports center to be located in downtown Sacramento (the "Stadium").

The Team, TeamCo, and TeamCo's Affiliates (expressly including StadiumCo and Indomitable Ventures, LLC) will substantially benefit from the transactions contemplated in the Project Agreements, including the construction and operation of the Stadium.

As a material inducement to the City entering into the Comprehensive Project Agreement and each of the other Project Agreements to which the City is a party, and in consideration of the City's agreement to create an expanded enhanced infrastructure finance district that results in tax increment that supports the infrastructure critical to the development and construction of the Stadium, TeamCo has agreed to enter into this Agreement to ensure that the Team will play Home Matches at the Stadium on the terms and conditions set forth herein.

With these background facts in mind, the Parties agree as follows:

1. Home Matches to be Played at Stadium

1.1 *Covenant to Play.* TeamCo covenants and agrees that, during the Term, the Team will play a majority of its Home Matches at the Stadium, except that TeamCo may cause the Team to play, at an alternate site: (A) up to 8 USLC Pre-Season Home Matches during each Soccer Season; (B) up to 5 USLC Regular Season Home Matches during each Soccer Season; (C) limited anniversary matches at other City of Sacramento-based locations (e.g., Hughes Stadium); and (D) any number of USLC Playoff Home Matches during any Soccer Season (i) so long as the Team's opponent in any post-season series is scheduled to play an equal or greater number of its home Matches in such series outside of the city, municipality, or similar local jurisdiction in which such opponent's USLC regular season home venue is located (except as otherwise provided under USLC Rules applicable generally to all members of the USLC which are intended to deal with the different number of home Matches played by opposing teams in a post-season series (e.g., in a post-season series consisting of an odd number of Matches, the Team may be scheduled to play one more USLC Playoff Home Game at an alternate, neutral site than the number of Matches the Team's opponent is scheduled to play outside of the city, municipality, or similar local jurisdiction in which such opponent's USLC regular season home venue is located)) and (ii) only if required by USLC Rules applicable generally to all members of the USLC; it being agreed, for the avoidance of any doubt, that TeamCo shall not have the right to elect or otherwise voluntarily decide to play any of its post-season Home Games at any alternate site.

1.2 *Exceptions.* Notwithstanding Section 1.1, if an Alternate Site Condition exists, TeamCo shall be entitled to make arrangements for an alternate site and the Team shall be entitled to temporarily play its Home Matches at such alternate site, on the following terms and conditions:

- (A) Promptly after TeamCo first learns of such Alternate Site Condition, TeamCo shall deliver written notice to the City identifying the Alternate Site Condition and stating the number of days such Alternate Site Condition is expected to persist and the number of Home Matches expected to be played at the alternate site.
- (B) TeamCo shall use its commercially reasonable efforts to obtain an alternate site within the City of Sacramento or, failing that, as close to the City of Sacramento as is reasonably possible.
- (C) Prior to the Team playing any of its Home Matches at an alternate site, TeamCo shall reasonably make available to the City for its review a copy of the agreement, contract, or other commitment made by TeamCo with respect to the Team's use of such alternate site (an "**Alternate Site**

Commitment"); provided, however, that if any Alternate Site Commitment contains a confidentiality provision that prevents TeamCo from delivering all or any portion of such Alternate Site Commitment to the City, then TeamCo may satisfy its obligations under this Section 1.2(C) by reasonably making available to the City for its review only those portions of such Alternate Site Commitment that relate, directly or indirectly, to the number of Home Matches to be played at such alternate site or otherwise relate, directly or indirectly, to the term (including any extensions thereof) of such Alternate Site Commitment. Without limiting the generality of the foregoing, if such Alternate Site Commitment includes any provisions that would incentivize TeamCo to cause the Team to play more Matches at such alternate site than absolutely necessary (including by way of decreasing charges), then TeamCo shall reasonably make available to the City for its review all such provisions.

- (D) The Team may play its Home Matches at such alternate site only during the period of time that such Alternate Site Condition exists. Notwithstanding the foregoing, if the circumstances giving rise to such Alternate Site Condition do not allow TeamCo or its Affiliates to reasonably determine when such Alternate Site Condition will end (an "**Indeterminate Condition**"), then TeamCo may honor an Alternate Site Commitment reasonably made by TeamCo with respect to such Indeterminate Condition even if such Alternate Site Commitment extends beyond the expiration of such Indeterminate Condition; provided, that the Team recommences playing its Home Matches at the Stadium no later than 20 days after such Indeterminate Condition ends unless the following circumstances apply:
 - (i) If an Indeterminate Condition exists (x) prior to the commencement of any Soccer Season and is reasonably expected to still exist 60 days after the commencement of such Soccer Season or (y) after the commencement of any Soccer Season, but before May 1 of such Soccer Season, and is reasonably expected to still exist 60 days thereafter, then the associated Alternate Site Commitment may extend through the Soccer Season; and
 - (ii) If an Indeterminate Condition exists as of or after May 1 of any Soccer Season and is reasonably expected to still exist 45 days thereafter, then the associated Alternate Site Commitment may extend through the duration of such Soccer Season.

- (E) TeamCo shall use its commercially reasonable efforts to mitigate and overcome any Alternate Site Condition (whether an Indeterminate Condition or otherwise) to the extent the applicable event or condition giving rise thereto is within the reasonable control of TeamCo.

2. Maintenance of the Franchise; Non-Relocation

2.1 **Entity Existence; Franchise; Headquarters; and Team Name.** At all times during the Term:

- (A) TeamCo shall maintain its existence as an entity organized under the laws of the State of California or any other state of the United States, and shall not dissolve or liquidate without the prior written consent of the City.
- (B) TeamCo shall (i) maintain the membership of the Team in the U S L C in good standing through its compliance with the terms and conditions of that certain USL Franchise Agreement, dated December 1, 2012, as amended ("**Franchise Agreement**") and USLC Rules, (ii) defend the right of the Team to play soccer as a member of the USLC, and (iii) oppose the adoption of any U S L C Rule that contradicts any of the terms of this Agreement; provided, however, that the foregoing shall not prohibit TeamCo from voting in favor of adoption of any such USLC Rule if it is (x) not specifically targeted at the Team and (y) bundled or packaged with any other USLC Rule that is unrelated to the subject matter of this Agreement (though in such a situation TeamCo shall register its objection to such USLC Rule if compliance with such U S L C Rule would cause a default under this Agreement). Without limiting the generality of the foregoing, TeamCo shall not volunteer for contraction of the Team by the U S L C or vote in favor of its contraction.
- (C) TeamCo shall cause the name "Sacramento" to be included in the first part of the Team's name (i.e., the "Sacramento ____ ") and TeamCo shall not include any other geographic, city, county, state, or country reference in the Team's name.

2.2 **Negative Covenants;** Subject to Sections 1.1 and 1.2, at all times during the Term, TeamCo, its Affiliates, and their respective representatives shall not:

- (A) (i) Relocate, attempt to relocate, or permit the relocation of, the Team outside the boundaries of the City, (ii) change the home territory of the Team set forth under USLC Rules in any manner that would exclude the City, or (iii) permit or cause to occur any other event that could reasonably be expected to result in the occurrence of an event described in the foregoing clause (i) or (ii) in violation of this Agreement.
- (B) (i) Enter into any contract that obligates the Team to play Home Matches at any location other than the Stadium in violation of this Agreement, or (ii) take any other action that causes or could reasonably be expected to cause the Team's right to play professional soccer in the Stadium after the Commencement Date and for the remainder of the Term to be lost or materially impaired; provided, however, that the foregoing shall not prevent TeamCo or any of its Affiliates from (x) enforcing its rights, and the City's obligations, under the Project Agreements, and (y) taking any action with respect to any strike, lockout, or other labor dispute (provided the Team is not playing Home Matches elsewhere during any such period).
- (C) Solicit, enter into, or participate in any negotiations or discussions with, or apply for or seek approval from, third parties, including the USLC, with respect to any agreement, legislation, or financing that contemplates, or could reasonably be expected to result in, any action that would contravene or result in contravention of any Non-Relocation Covenant.
- (D) The prohibitions set forth in this Section 2.2 shall not apply to TeamCo's, its Affiliates' and their respective representatives' actions, negotiations, discussions, applications, or agreements during the last seven Operating Years of the Term with respect to a proposed relocation, change, or move that would not take effect during the Term

3. Transfers and Liens

- 3.1 *Transfers and Liens.*** Subject to this Section 3, TeamCo may, from time to time, make a Transfer or grant a Lien; provided, however, that any such Transfer or grant of a Lien shall be (A) conditioned on the Person who acquires the Team or holds any Lien being approved by the USLC in accordance with the USLC Rules as an owner of the Team or the holder of a Lien and (B) made or granted subject to the requirements and obligations of TeamCo under this Agreement, including compliance in all respects with the Non-Relocation

Covenants, so that any Person who acquires the Team (including, if applicable, the USLC), either pursuant to any such Transfer or pursuant to any foreclosure or other action against any such Lien, shall acquire and take the Team therein subject to all of the Non-Relocation Covenants and the other terms of this Agreement. Such Person shall thereafter be deemed to be "TeamCo" for purposes of this Agreement. No Transfer (including, if applicable, to the USLC) shall change, limit, release, or otherwise effect the obligations of TeamCo under this Agreement. Any Transfer made or Lien granted contrary to this Section 3 is void.

3.2 *Prior Notice and Documentation.*

- (A) TeamCo shall give the City at least 15 days' prior written notice of any Transfer and any sale, transfer, assignment, or other disposition of any direct or indirect majority ownership interests in the Team (or prompt written notice after a death or similar circumstance that results in such a disposition of any direct or indirect majority ownership interests in the Team).
- (B) In connection with any Transfer, the transferee must agree in writing, in form and substance reasonably acceptable to the City, to assume, in full and without qualification, TeamCo's obligations under this Agreement, specifically including the Non-Relocation Covenants and any then-unperformed obligations of TeamCo under this Agreement whether accrued or due before or after the effective date of such Transfer (with such agreement having been executed and delivered to the City simultaneously with, or prior to, such Transfer).
- (C) TeamCo shall not grant any Lien, unless the documents and other instruments implementing the Lien expressly provide, and the pledgee agrees in writing for the intended third-party benefit of the City and its successors and assigns, that (i) such Lien is subject to this Agreement, and (ii) any Transfer upon foreclosure or other enforcement of the Lien shall be subject to this Agreement. Concurrently with the execution of any Lien (or, if such Lien exists on the Effective Date, prior to the execution of this Agreement), TeamCo shall reasonably make available to the City for its review a copy, certified as true and complete by an officer of TeamCo, of the express agreement of the pledgee and the third party beneficiary language as required by this section. The Parties acknowledge and agree that this Section 3.2(C) shall not apply with respect to the Liens set forth on Schedule 7.14(B) attached hereto (or any refinancing thereof).

3.3 *Restrictive Covenants.* The Non-Relocation Covenants shall be deemed to be restrictive covenants that attach to and bind the Team As Property.

4. Specific Enforcement; Liquidated Damages; Team Heritage

(A) The Parties acknowledge that: (i) TeamCo's obligations under the Non-Relocation Covenants are unique, are the essence of the bargain, and are essential consideration for this Agreement and the other Project Agreements being entered into by the City; (ii) the Team is extraordinary and unique and that under the organization of professional soccer by and through the USLC, the City may not be able to replace the Team; and the determination of damages caused by a Non-Relocation Default, the effects of which would be suffered by the City and its surrounding communities, would be difficult, if not impossible, to ascertain. Therefore, the Parties acknowledge and agree that there exists no adequate and complete remedy at law to enforce this Agreement against TeamCo, and that equitable relief by way of a decree of specific performance or an injunction (such as a prohibitory injunction barring the Team from relocating or playing its Home Matches at any location other than the Stadium in violation of this Agreement or a mandatory injunction requiring the Team to play its Home Matches at the Stadium in accordance with this Agreement) is the only appropriate remedy for the enforcement of this Agreement notwithstanding the provisions for liquidated damages set forth in Section 4(B). Consistent with the Parties' intent that the equitable relief of this Section 4(A) is the preferred relief for a Non-Relocation Default, the City hereby covenants that, in the event of a Non-Relocation Default, or the threat of a Non-Relocation Default, the City shall seek equitable relief as provided by this Section 4(A) before attempting to avail itself of the liquidated damages provisions set forth in Section 4(B) (provided that equitable relief is a remedy available and enforceable at the time of such Non-Relocation Default). Furthermore, based on the foregoing, TeamCo hereby agrees as follows (and TeamCo shall not assert or argue otherwise in any action or proceeding):

- (1) Significant obligations are being incurred by the City to make the Stadium available for Home Matches and any Non-Relocation Default shall constitute irreparable harm to the City for which monetary damages or other remedies at law will not be an adequate remedy.
- (2) The City is entitled to obtain injunctive relief prohibiting action, directly or indirectly, by TeamCo that causes or could reasonably be expected to cause a Non-Relocation Default, or mandating action that averts or will avert a Non-Relocation Default, or enforcing any covenant, duty, or obligation of TeamCo hereunder through specific performance.

The City is further entitled to seek declaratory relief with respect to any matter under this Agreement.

- (3) The rights of the City to injunctive relief as a result of a Non-Relocation Default, as set forth in this Section 4(A) and as otherwise allowed under Applicable Law, shall not constitute a claim pursuant to Section 101(5) of the United States Bankruptcy Code, as it may be amended from time to time, or any substitute therefor, and shall not be subject to discharge or restraint of any nature in any bankruptcy, reorganization, or insolvency proceeding involving TeamCo or the Team, and this Agreement is not an "executory contract" as contemplated by Section 365 of the United States Bankruptcy Code.
 - (4) In any proceeding seeking relief for a Non-Relocation Default, any requirement for the City to (i) post any bond or other security or collateral, or (ii) make any further showing of irreparable harm, balance of harms, consideration of the public interest, or inadequacy of money damages, as a condition of any relief sought or granted is hereby waived.
 - (5) BY OPERATION OF THE PROVISIONS OF THIS SECTION 4(A), TEAMCO IS KNOWINGLY AND INTENTIONALLY RELINQUISHING OR LIMITING CERTAIN IMPORTANT RIGHTS AND PRIVILEGES TO WHICH IT OTHERWISE MIGHT BE ENTITLED, AND TEAMCO'S RELINQUISHMENT AND LIMITATION THEREOF IS VOLUNTARY AND FULLY INFORMED.
- (B) TeamCo acknowledges and agrees that upon the occurrence of a Type I Non-Relocation Default or a Type II Non-Relocation Default, if the equitable relief described in Section 4(A) is not granted by a court of competent jurisdiction for any reason, or is otherwise unavailable, the payment by TeamCo of liquidated damages is the next most appropriate remedy. Therefore, if both of the following conditions are satisfied: (i) a court of competent jurisdiction determines, in a final order (including all appeals) (a "**Final Order**"), that TeamCo has committed a Type I Non-Relocation Default or a Type II Non-Relocation Default and (ii) a court of competent jurisdiction declares that the equitable relief described in Section 4(A) will not be granted, or is otherwise unavailable, to the City, then TeamCo shall pay liquidated damages to the City in the applicable amount set forth on Exhibit A attached hereto, which payment must be paid as a lump sum, in immediately available funds, no later than 30 days after the last of such conditions is satisfied. In determining the amount of such liquidated damages, the Parties have exercised great care to make a reasonable forecast of direct damages allowable by Applicable Law that may arise from a Type I Non-Relocation

Default or a Type II Non-Relocation Default, taking into due consideration: (i) the substantial costs the City has agreed to incur in connection with the design, development, and construction of the Stadium; (ii) the extraordinary involvement, covenants, and expense of the public in securing TeamCo's commitment to cause the Team to play its Home Matches at the Stadium during the Term on the terms and conditions set forth herein; (iii) the loss of taxes attributable to the Team's operations; (iv) the consequent reduction in value of the Stadium arising from the absence of the Team; (v) the substantial economic benefit conferred upon the Team, TeamCo, and TeamCo's Affiliates, expressly including StadiumCo and Holdco, through the Project Agreements; (vi) the detrimental effects of a Type I Non-Relocation Default or a Type II Non-Relocation Default, as applicable, on the City and its surrounding communities, including the loss of intangible civic, social, and quality of life benefits; and (vii) the City's and its surrounding communities' loss of (1) national and international exposure, and (2) revenues and other direct and indirect economic and fiscal benefits. The Parties acknowledge that the reasonable forecast of direct damages provided in this section is not an exact measure of damages, as such an exact measure would be infeasible or impossible to estimate with precision due, in part, to the intangible nature of some of such damages and the large number of citizens and businesses that rely upon and benefit from the presence of the Team in the City.

- (C) Upon a Final Order being entered by a court of competent jurisdiction, if the equitable relief described in Section 4(A) is not granted by a court of competent jurisdiction for any reason, or is otherwise unavailable, TeamCo, for itself and its successors, assigns, and Affiliates, hereby waives any right, arising hereunder, at law, in equity, or otherwise, to object to or otherwise challenge the validity, appropriateness, or legitimacy of liquidated damages as the remedy for a Type I Non-Relocation Default or a Type II Non-Relocation Default.
- (D) Upon any Type I Non-Relocation Default that results in the contraction, dissolution, or relocation of the Team during the Term, TeamCo shall transfer, to the extent it has the rights thereto (and shall use its commercially reasonable efforts to cause the USLC to cooperate in the transfer of), the Team's heritage and records to the City, including the Team's name, logo, colors, history, playing records, trophies, and memorabilia.

- (E) If the City collects liquidated damages hereunder for a Type I Non-Relocation Default or a Type II Non-Relocation Default (i) the City hereby waives the right to collect, and shall not seek to collect, any additional monetary or other damages from TeamCo or its Affiliates with respect to such Non-Relocation Default (whether under this Agreement or another Project Agreement), and (ii) if such Non-Relocation Default is a Type I Non-Relocation Default, then each of the City, TeamCo, and StadiumCo shall have the right to terminate the Comprehensive Project Agreement (and thus all of the Project Agreements) pursuant to Section 7.2 of the Comprehensive Agreement by delivering written notice thereof to all of the parties thereto.

5. **All Other Remedies.** Upon a Non-Relocation Default, if the equitable relief and, with respect to a Type I Non-Relocation Default or a Type II Non-Relocation Default, the liquidated damages provided for in Section 4 are unavailable for any reason, the City shall be entitled to pursue all other legal and equitable remedies against TeamCo, whether or not such other remedies are specifically set forth in this Agreement; provided, however, that any damages or money judgment obtained in any such legal or equitable proceedings shall not exceed the amount of liquidated damages that the City would have been entitled to receive pursuant to Section 4(B) but for such unavailability. All such other legal and equitable remedies are cumulative and may be exercised concurrently, successively, or in any order.

6. Term

- 6.1 **Term.** The term of this Agreement (the "**Term**") commences on the Effective Date and, along with the obligations of the Parties hereunder, terminates on the expiration of the "**Master Funding Agreement**" (as defined herein). Notwithstanding the foregoing, early termination of this Agreement shall not relieve TeamCo of any obligation for damages for breaches of this Agreement occurring prior to the effective date of such termination.

7. Miscellaneous

- 7.1 **Additional Agreements.** In addition to this Agreement and the other Project Agreements, the Parties agree to cooperate in good faith to negotiate, execute, and deliver any additional documents reasonably required by any Party, from time to time, to effectuate the purposes and intent of this Agreement and the other Project Agreements.

7.2 Notices. Any notice or other communication under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section to the persons identified below. A notice or other communication that is mailed will be effective or will be considered to have been given on the third day after it is deposited in the U.S. Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered.

<p>If to the City:</p> <p>Michael Jasso Assistant City Manager City of Sacramento 915 I Street, Fifth Floor Sacramento, CA 95814</p> <p>With copies to:</p> <p>Matthew Ruyak Assistant City Attorney City of Sacramento 915 I Street, Fourth Floor Sacramento, CA 95814</p>	<p>If to TeamCo:</p> <p>Sac Soccer USL, LLC 428 J Street, Suite 700 Sacramento, California 95814 Attention: Kevin M. Nagle</p> <p>With copies to:</p> <p>Jeffrey M. Koewler Delfino Madden LLP 500 Capitol Mall, Suite 1550 Sacramento, CA 95814</p>
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Any Party may from time to time designate a different address or persons for notices by giving notice to that effect to the other Party in accordance with the terms and conditions of this section.

- 7.3 Force Majeure.** Failure in performance by either Party under this Agreement due to a Force Majeure Event shall not be deemed a breach of this Agreement. In addition, when this Agreement provides a time for the performance of any obligation other than the payment of a sum certain, the time provided is extended if compliance is not possible due to a Force Majeure Event. The extension lasts only as long as the Force Majeure Event prevents compliance. "**Force Majeure Event**" means any act, event, or condition that is beyond the reasonable control of the Party asserting the Force Majeure Event, if it prevents or delays such Party from performing any obligation under this Agreement, including, without limitation, the following: any act of public enemy, terrorism, blockade, war, insurrection, civil disturbance, explosion, or riot; epidemic or pandemic; landslide, earthquake, fire, storm, flood, or washout, or other catastrophic weather event; any other act of God; and strike, lockout, or other industrial disturbance.
- 7.4 Severability.** If a court with jurisdiction rules that any nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.
- 7.5 Obligations of the Parties.** The obligations and undertakings of the Parties under or in accordance with this Agreement are obligations solely of the Parties themselves and no recourse shall be had, whether in contract, in tort, or otherwise against any officer, director, employee, agent, member, volunteer, or representative of any Party in his or her individual capacity on account of any obligation or undertaking of or any act or omission by any Party under or pursuant to this Agreement.
- 7.6 Time of the Essence.** Time is of the essence in the performance of this Agreement.
- 7.1 Binding Effect.** This Agreement binds and inures to the benefit of the Parties' successors and permitted assigns.
- 7.8 Waiver.** A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A Party's waiver of another Party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or

any other provision. A waiver is binding only if set forth in a writing signed by the waiving Party.

- 7.9 Interpretation.** This Agreement is to be interpreted and applied in accordance with California law, except that that the rule of interpretation in California Civil Code section 1654 will not apply. The term "including" shall mean "including, without limitation" and "including, but not limited to" and shall not be interpreted to imply any limitation on the more general preceding provision unless otherwise expressly stated. All references in this Agreement to Sections, Exhibits, or Schedules refer to the Sections, Exhibits, and Schedules of this Agreement unless otherwise expressly stated. Each Exhibit and Schedule referenced in this Agreement is incorporated herein by reference and made a part hereof. The headings and captions of the Sections, Exhibits, and Schedules are included for convenience only and shall have no effect upon the construction or interpretation of this Agreement.
- 7.10 Integration and Modification.** This Agreement, the other Project Agreements, and any other documents executed by the City and one or more Indomitable Parties (as such term is defined in the Comprehensive Project Agreement) in connection herewith, collectively set forth the Parties' entire understanding regarding the matters set forth above and are intended to be their final, complete, and exclusive expression of those matters. This Agreement may be modified only by another written agreement signed by all Parties.
- 7.11 Conflicts among Project Agreements.** To the extent of any conflict or inconsistency between or among any of the Project Agreements, such conflict or inconsistency shall be resolved pursuant to Section 10 of the Comprehensive Project Agreement.
- 7.12 Relationship of the Parties.** The Parties do not intend to create any agency, partnership, joint venture, trust, or other relationship with duties or incidents different from those of parties to an arm's-length contract.
- 7.13 No Third-Party Beneficiaries.** This Agreement is solely for the benefit of the Parties and is not intended to benefit any third parties; provided, however, that Affiliates of TeamCo shall be third-party beneficiaries of the last sentence of Section 4(C).
- 7.14 Representations, Warranties, and Covenants.**

(A) *Mutual Representations.* Each Party hereby represents and warrants to the other that it has all necessary right, power, and authority to enter into this Agreement. Additionally, each Party represents and warrants that the execution and delivery of this Agreement and the performance and observance of all obligations and conditions to be performed or observed by each Party hereunder (expressly including, as to TeamCo, each of the Non-Relocation Covenants) have been duly authorized by all necessary action of such Party. This Agreement, when fully executed and delivered by each Party, shall constitute the legal, valid, and binding obligation of the Parties, enforceable in accordance with the terms hereof.

(B) *Additional Representations and Covenants of TeamCo.* TeamCo hereby represents and warrants to the City that: (i) TeamCo is the record and beneficial owner of the Team As Property and owns the Team As Property free and clear of any Lien, except for those Liens set forth on Schedule 7.14(B) attached hereto; and (ii) TeamCo is a member in good standing of the USLC and is in compliance with all USLC Rules that are relevant to the Non-Relocation Covenants and the Parties' other rights and obligations hereunder.

7.15 Attorneys' Fees. Each Party shall bear its own costs and attorneys' fees incurred in connection with the negotiation and execution of this Agreement.

7.16 Alternative Delivery. When a Party is obligated to deliver a document or similar item to another Party, the recipient may, in its sole discretion, opt for a review of that item without taking physical or electronic delivery thereof.

7.17 Counterparts. The Parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Facsimile signatures or signatures transmitted by email or other electronic means shall be effective to bind each of the Parties hereto.

7.18 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any proceedings regarding this Agreement, the Parties agree that the venue shall be the state courts of California located in Sacramento County or the U.S. District Court for the Eastern District of California.

7.19 Disclosure of Records. All non-public documents shared by the Parties hereunder shall be treated as confidential to the extent permitted by Applicable Law. All documents submitted to the City may be subject to disclosure pursuant to the California Public Records Act. If the City receives a request for disclosure under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil

investigative demand, or court-ordered or court-sanctioned discovery) of any document set apart and clearly marked "trade secret" or "confidential" when provided by TeamCo to the City, then the City shall notify TeamCo as soon as practicable before disclosure is required so that TeamCo may seek an appropriate protective order or may consent in writing to disclosure. Absent a protective order or written consent to disclosure, received before the time disclosure is required, the City may disclose the documents as required by law. The City is not obligated to defend against any litigation brought to compel disclosure of documents, but the City may defend against the litigation as the real party in interest, subject to the following: TeamCo shall indemnify and hold the City harmless against all damages and costs awarded against the City in the litigation, including reasonable attorneys' fees and litigation costs through final resolution on appeal. TeamCo shall have sole responsibility for defense of the actual "trade secret" or "confidential" designations.

8. Definitions and Terms. Capitalized terms in this Agreement have the definitions set forth in this section.

"Affiliate" means, with respect to any Person, any individual, trust, estate, partnership, joint venture, company, corporation, association, limited liability company, or other legal entity, business organization, or enterprise that is directly or indirectly controlling, controlled by, or under common control with, such Person.

"Agreement" is defined in the introductory paragraph of this Agreement.

"Alternate Site Commitment" is defined in Section 1.2(C).

"Alternate Site Condition" means the existence of one of the following conditions, but only to the extent that such condition(s) is not primarily the result of TeamCo's failure to perform its obligations as required under any of the Project Agreements:

- (A) the USLC determines that the condition of the Stadium is such that the USLC Rules (consistently applied and without discrimination in application to TeamCo or the Team) prohibit the playing of Home Matches at the Stadium and such determination is confirmed in writing by TeamCo with reference to the applicable USCL Rule (and a copy of the applicable written communication from the USLC, if any);

- (B) a Governmental Authority, Applicable Law, Force Majeure Event, or Condemnation Action (as defined in the Team Agreement) prevents the use or occupancy of any portion of the Stadium that is reasonably necessary for the playing, exhibiting, or viewing of Home Matches;
- (C) a legitimate scheduling conflict exists with respect to a given Home Game that TeamCo must hold such Home Game at an alternate site;
- (D) during any period of "untentability", such as the period following any damage or destruction of the Stadium, condemnation, any force majeure event (as defined herein), or any period when the Stadium is being rehabilitated or expanded.

"Annual Adjustment" means the annual increase to the Per Home Match Amount, which shall be based on the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U).

"Applicable Laws" means any law, statute, ordinance, rule, regulation, order, or determination of any Governmental Authority.

"City" is defined in the introductory paragraph of this Agreement.

"Comprehensive Project Agreement" is defined in the Background.

"Effective Date" is defined in the introductory paragraph of this Agreement.

"Final Order" is defined in Section 4(B).

"Force Majeure Event" is defined in Section 7.3.

"Governmental Authority" means any federal, state, or local entity, political subdivision, agency, department, commission, board, bureau, administrative, or regulatory body, or other instrumentality having jurisdiction over the Parties, the Stadium, or any other properties or rights that are the subject of the Project Agreements.

"Home Matches" means any soccer match which is sanctioned as an official competition (such as a preseason, regular season, or playoff match) which is scheduled by the sanctioning body or league as a home match..

"Indeterminate Condition" is defined in Section 1.2(D).

"Lien" means, with respect to the Team As Property, any pledge, security interest, lien, charge, or mortgage.

"Master Funding Agreement" means the agreement between the City of Sacramento, Indomitable Parties, DRV, and the Railyards Enhanced Infrastructure Financing District Public Finance Authority, for the distribution of tax increment funds from the enhance infrastructure financing district.

"Non-Relocation Covenants" means the collective covenants made by, and obligations imposed on, TeamCo pursuant to Sections 1, 2, and 3 of this Agreement.

"Non-Relocation Default" means a breach by TeamCo of any of the Non-Relocation Covenants.

"Operating Year" means the year-long period that begins on the date the issuance of the Certificate of Occupancy for the Stadium, and each subsequent year-long period thereafter.

"Party" and **"Parties"** are defined in the introductory paragraph of this Agreement.

"Per Home Match Amount" means (A) for the first Operating Year, \$150,000 and (B) for each subsequent Operating Year, the Per Home Match Amount for the immediately prior Operating Year, as increased by the Annual Adjustment for such subsequent Operating Year.

"Person" means any individual, trust, estate, partnership, joint venture, company, corporation, association, limited liability company, or other legal entity, business organization, or enterprise.

"Project Agreements" is defined in the Background.

"Soccer Season" means the annual season of soccer matches, including pre-season, regular season, and playoffs, adopted by the USLC governing body.

"Stadium" is defined in the Background.

"Team" is defined in the Background.

"Team As Property" means all of the following taken as a whole, whether the same are now owned or hereafter acquired, and wherever located, together with all accessions thereto, replacements and substitutions therefor, and proceeds thereof: (A) all of TeamCo's right, title, and interest in and under the franchise agreement pursuant to which TeamCo was granted the right to operate the Team as a USLC franchise, as such agreement may be modified, supplemented, or amended from time to time; (B) all goods, fixtures, inventory, equipment, supplies, and other tangible personal property of every nature now owned or hereafter acquired by TeamCo and used, intended for use, or reasonably required in the operation of the Team; (C) the right to use all trademarks and trade names and symbols or logos used in connection with the Team; and (D) all accounts, chattel paper, instruments, investment property, letters of credit, documents, contract rights, and general intangibles of TeamCo, relating in any way to, or arising in any manner from, TeamCo's ownership, use, operation, or sale of all or any part of the Team or the Team As Property.

"TeamCo" is defined in the introductory paragraph of this Agreement.

"Term" is defined in Section 6.1.

"Transfer" means any sale, transfer, assignment, or other disposition of the Team As Property; provided that, in the absence of a specific intent to use a Lien to effect a relocation of the Team or otherwise violate a Non-Relocation Covenant, the granting of a Lien upon the Team is not deemed to be a Transfer, but any foreclosure or sale, transfer, assignment, or other disposition in lieu of foreclosure in connection with such Lien would constitute a Transfer.

"Type I Non-Relocation Default" means any Non-Relocation Default involving (A) the dissolution of TeamCo in violation of Section 2.1(A), (B) the contraction of the Team resulting from actions taken by TeamCo in violation of Section 2.1(B), (C) the Team's loss of its USLC membership as a result of actions taken by TeamCo in violation of Section 2(B)(i), (D) the relocation of the Team, or (E) the Team's failure to play at least fifty percent (50%) of the Team's Home Matches at the Stadium during any given Soccer Season (which for the avoidance of doubt shall not be deemed a Non-Relocation Default if such failure was due to Home Matches being played at an alternate site under Section 1.2).

"Type II Non-Relocation Default" means any breach of Section 1.1 that is not a Type I Non-Relocation Default.

"USLC" means the USL Championship professional soccer league (including any successor league including, but not limited to, any elevation or relegation leagues or any league which takes over the business or operations of the USL Championship League), or any other league recognized by the United States Soccer Federation.

"USLC Rules" mean the league-wide rules duly adopted by USLC's governing body.

* * *

<p>City of Sacramento</p> <p>By: _____</p> <p>Leyne Milstein Interim City Manager</p> <p>Date: _____, 2025</p>	<p>Sac Soccer USL, LLC</p> <p>By: _____</p> <p>Kevin M. Nagle Manager</p> <p>Date: _____, 2025</p>
<p>Approved as to Form Sacramento City Attorney</p> <p>By: _____</p> <p>Matthew D. Ruyak Assistant City Attorney</p>	<p>Approved as to Legal Form</p> <p>By: _____</p> <p>Jeffrey M. Koewler Delfino Madden O'Malley Coyle & Koewler Attorneys for Sac Soccer USL, LLC</p>

Exhibit A
to
Team Non-Relocation Agreement

Liquidated Damages

1. Type I Non-Relocation Default:

Date of Type I Non-Relocation Default	Liquidated Damages
Operating Year 1	\$50,000,000
Operating Year 2	\$50,000,000
Operating Year 3	\$50,000,000
Operating Year 4	\$50,000,000
Operating Year 5	\$50,000,000
Operating Year 6	\$35,000,000
Operating Year 7	\$35,000,000
Operating Year 8	\$35,000,000
Operating Year 9	\$35,000,000
Operating Year 10	\$35,000,000
Operating Year 11	\$25,000,000
Operating Year 12	\$25,000,000
Operating Year 13	\$25,000,000
Operating Year 14	\$25,000,000
Operating Year 15	\$25,000,000
Operating Year 16	\$15,000,000
Operating Year 17	\$15,000,000
Operating Year 18	\$15,000,000
Operating Year 19	\$15,000,000
Operating Year 20	\$15,000,000
Operating Year 21	\$15,000,000
Operating Year 22	\$15,000,000
Operating Year 23	\$15,000,000
Operating Year 24	\$15,000,000

Operating Year 25	\$15,000,000
Operating Year 26	\$15,000,000
Operating Year 27	\$15,000,000
Operating Year 28	\$15,000,000
Operating Year 29	\$15,000,000
Operating Year 30	\$15,000,000
Each Operating Year Thereafter	\$15,000,000

2. Type II Non-Relocation Default:

The amount of liquidated damages payable for a Type II Non-Relocation Default shall equal the product of: (i) the number of Home Matches that were played at a location other than the Stadium in breach of Section 1.1, and (ii) the Per Home Match Amount; provided, however, that the amount of liquidated damages payable for a Type II Non-Relocation Default shall in no event exceed an amount equal to fifty percent (50%) of the liquidated damages set forth above in this Exhibit A that are payable for a Type I Non-Relocation Default in the applicable Operating Year.

Schedule 7.14(B)
to
Team Non-Relocation Agreement

Existing Liens

**Exhibit C
to
Comprehensive Project Agreement**

CITY & DRV PURCHASE AND SALE AGREEMENT

(see attached)

AGREEMENT OF PURCHASE AND SALE
(Lots 40 and 44 Railyards)

This Agreement of Purchase and Sale ("**Agreement**"), dated for reference purposes only June 10, 2025 ("**Agreement Date**"), is entered into by and between DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company ("**Seller**"), and CITY OF SACRAMENTO, a municipal corporation ("**City**").

Recitals

A. Seller is the owner of certain real property ("**Property**"), known as Lots 40 and 44, totaling approximate 3.51 gross acres, located in Sacramento ("**City**"), Sacramento County ("**County**"), California ("**State**"), as more particularly described on Exhibit A attached hereto, which includes all easements or licenses benefitting the Property; all air rights, wind rights, water, water rights, riparian rights, and water stock relating to the Property. Notwithstanding the foregoing, for the purposes of this Agreement, the term "Property" does not include any fee credits (which include, but are not limited to, credits for plan area, sewer, Quimby, parks fees), offsets or any other form of monetary benefit inuring to the benefit of Seller or development rights of Seller, or any other financial rights and benefits held by or available to Seller or otherwise inuring to the benefit of Seller in connection with the development of the master planned project commonly known as the "**Railyards**" or "**Railyards Project**".

B. City desires to purchase from Seller and Seller desires to sell to City the Property pursuant to the provisions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties agree as follows:

Agreement

1. Purchase and Sale. Seller agrees to sell and convey to City, and City agrees to purchase from Seller, the Property on the terms and subject to the conditions set forth in this Agreement. For the purposes of this Agreement, the date which the last party executes this Agreement and delivers it to the other party shall hereinafter be referred to as the "**Effective Date**."

2. Purchase Price. The purchase price ("**Purchase Price**") for the Property shall be an amount equal to \$14,000,000.00.

3. Payment of the Purchase Price. The Purchase Price shall be payable by City as follows:

(a) Deposit. Not later than ten (10) business days following the Effective Date, City shall deposit with Fidelity National Title Company ("**Escrow Holder**") the amount of \$1.00 ("**Deposit**"). . On the expiration of the Contingency Period (as hereinafter defined), unless this Agreement has been previously terminated by City pursuant to its rights set forth in this Agreement, the Deposit shall be fully non-refundable except as otherwise provided in this Agreement. The Deposit shall be credited to the Purchase Price at Close of Escrow.

(b) Balance of Purchase Price. On or before the Close of Escrow, City shall deposit with Escrow Holder the balance of the Purchase Price, in immediately available funds, which shall be paid to Seller at Close of Escrow.

(c) Independent Consideration. In addition to the Deposit, within ten (10) business days following the Effective Date, City will also deposit or cause to be deposited with Escrow Holder the additional sum of \$1.00 (the “**Independent Consideration**”). The Independent Consideration will be non-refundable to City as independent consideration for the rights and options extended to City under this Agreement, including, without limitation, the right and option to terminate this Agreement prior to the expiration of the Contingency Period as provided in this Agreement. The Independent Consideration will be released to Seller immediately following City’s deposit of the Independent Consideration with Escrow Holder. In all instances under this Agreement in which City elects to terminate or is deemed to have terminated this Agreement and the Deposit is returned to City, Seller shall retain the Independent Consideration when the Deposit is returned to City. The Independent Consideration will not be applicable towards the Purchase Price or treated as consideration given by City for any purpose other than stated in this Section 3(c).

4. Escrow.

(a) Opening of Escrow. Prior to the Agreement Date, Seller has opened an escrow (“**Escrow**”) with Escrow Holder (Escrow Number 0102500152). City and Seller agree to execute and deliver to Escrow Holder, in a timely manner, all escrow instructions necessary to consummate the transaction contemplated by this Agreement. Any such instructions shall not conflict with, amend or supersede any portion of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control.

(b) Close of Escrow. For purposes of this Agreement, “**Close of Escrow**” and “**Closing**” shall be defined as the date that the Grant Deed (as hereinafter defined) is recorded in the Official Records of the County. The Close of Escrow shall occur on or before July 1, 2025, or another date agreed to by the parties in a signed writing in accordance with Section 26(d).

5. Approved Conditions of Title. The Property shall be conveyed to City by Seller by Grant Deed, in the form attached hereto as Exhibit B (“**Grant Deed**”), subject only to (a) a lien to secure payment of real estate taxes, not delinquent; (b) the lien of supplemental taxes, bonds and assessments, not delinquent (which includes the Railyards Maintenance Community Facilities District No. 2012-04, Sacramento Streetcar Community Facilities District No. 2014-01, and City of Sacramento Railyards Community Facilities District no. 2018-01, as each are amended and supplemented (collectively, “**CFDs**” and as more particularly described in the Preliminary Report (as hereinafter defined)); (c) all matters apparent from the inspection of the Property and all other title matters affecting the Property caused or created by or with the written consent of City; (d) the Master CC&Rs and the Third Amendment to the Master CC&Rs, and (e) exceptions to title approved and/or accepted by City in accordance with this Agreement (collectively, “**Approved Conditions of Title**”).

6. Conditions to Close of Escrow.

(a) Conditions to City's Obligations. The Close of Escrow and City's obligations to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions (or City's waiver thereof) which are for City's sole benefit, on or prior to the dates designated below for the satisfaction of such conditions, or the Close of Escrow in absence of a specified date:

(i) Title. City shall have the right to approve any and all matters of and exceptions to title of the Property, including but not limited to the legal description, as disclosed by the following documents and instruments (collectively, "**Title Documents**"): (A) a Preliminary Title Report ("**Preliminary Report**") issued by Escrow Holder with respect to the Property and all matters referenced therein; and (B) all documents referred to in such Preliminary Report. Seller shall request Escrow Holder to deliver the Title Documents to City within two (2) calendar days following the Effective Date. City shall have until the date that is seven (7) days prior to the expiration of the Contingency Period to give Seller and Escrow Holder written notice ("**City's Title Notice**") of City's approval or disapproval, which shall be made in City's sole and absolute discretion, of the legal description and every item or exception disclosed by the Title Documents. The failure of City to give City's Title Notice to Seller within the specified time period shall be deemed City's disapproval of title to the Property, in which case the Agreement shall be canceled pursuant to the provisions of this Section 6(a)(i). In the event that City's Title Notice disapproves of any matter of title shown in the Title Documents, Seller shall, within two (2) business days after City's Title Notice is received by Seller ("**Seller's Response Period**"), give City written notice ("**Seller's Title Notice**") of those disapproved title matters, if any, which Seller is unable or unwilling to have eliminated from title to the Property by Close of Escrow. In the event that Seller is unwilling or unable to eliminate all of the title matters objected to by City in City's Title Notice or Seller's proposed means for eliminating the title matters objected to by City are unacceptable to City in its sole and absolute discretion, City shall have until the later of three (3) business days from receipt of Seller's Title Notice or the expiration of the Contingency Period to notify Seller in writing that either (1) City is willing to purchase the Property subject to such disapproved exceptions, or (2) City elects to terminate this Agreement. Failure of City to take either one of the actions described in Subsection (1) or (2) above shall be deemed to be City's election to take the action described in Subsection (2) above; provided, however, that City's delivery of an Approval Notice shall be deemed to be City's notice that City is willing to purchase the Property subject to such disapproved exceptions. In the event this Agreement is terminated pursuant to this Section 6(a)(i), the parties shall have no further obligations under this Agreement, excepting the Surviving Obligations (as hereinafter defined) and the provisions of Section 6(c) shall apply.

(ii) Inspections and Studies. From the Effective Date to 5:00 p.m. pacific on June 24, 2025 ("**Contingency Period**"), City shall have the right to (A) review and approve the Documents and Materials (as hereinafter defined), and (B) conduct any and all inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies, soils, seismic and geologic reports and environmental testing) with respect to the Property as City may elect to make or obtain. Prior to the expiration of the Contingency Period, City shall deliver to Seller and Escrow Holder written notice of its approval ("**Approval Notice**") or disapproval, which shall be made in City's sole and absolute discretion, of the Property and the Documents and Materials. The failure of City to deliver such notice prior to the expiration of the Contingency Period shall be deemed to constitute City's disapproval of the Property and the Documents and Materials, in which case this Agreement shall terminate in accordance with the provisions of this Section 6(a)(ii). The cost of any such inspections, tests and/or studies shall be borne by City. In the event City disapproves, or is deemed to have disapproved, of the condition of the Property and/or the Documents and Materials prior to the expiration of the Contingency Period, this Agreement shall automatically terminate, in which case, the parties shall have no further obligations under this Agreement, excepting the Surviving Obligations, and the provisions of Section 6(c) shall apply.

(iii) Right of Entry.

a. Subject to the provisions of this Section 6(a)(iii), City shall have the right, through its employees, agents, representatives, and consultants, at its sole cost and expense, to make any non-destructive analysis of the Property consisting of such engineering, feasibility studies, environmental assessments, soils tests, surveys and environmental studies as City may desire to permit City to determine

the suitability of the Property for City's contemplated uses and to conduct such other review and investigation which City deems appropriate to satisfy itself to acquire the Property. City may, at City's sole cost and expense, make an examination of governmental regulations which affect the Property, including zoning and land use issues, existing entitlements, conditions imposed by governmental agencies, and the ability of City to use and develop the Property for City's intended purpose. Seller shall, at no material cost or expense to Seller, cooperate with and assist City in making such reviews and inspections.

b. Subject to the conditions hereafter stated, Seller grants to City, its agents consultants, contractors, representatives and employees a license to enter upon the Property for the purpose of conducting non-destructive or invasive engineering surveys, soil tests, surveys, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at City's expense. City shall provide Seller with at least forty-eight (48) hours' notice prior to such entry involving any destructive or invasive testing, borings or other alteration of the physical condition of the Property which advises Seller of the identity of those persons/parties who will be entering upon the Property and the purpose of such entry, and Seller reserves the right to disapprove such testing in its sole and absolute discretion, require compliance with certain conditions to such testing, and/or to be present during any such entry. The license herein granted shall be co-terminus with the term of this Agreement.

c. City shall (i) conduct all studies in a safe manner and not allow any dangerous or hazardous conditions created by City or its agents, consultants or contractors to occur on the Property during such investigation (and City shall immediately cure any such conditions should they occur); (ii) comply with any conditions imposed by Seller, (iii) comply with all applicable laws and governmental regulations; (iv) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this paragraph; and (v) repair any damage to the Property caused by City's (or its employees', consultants', contractors', agents' or representatives') entry. Should City cause any lien to be incurred against the Property, City shall cause the removal thereof, and furnish Seller with proof of such removal, within five (5) business days from the imposition thereof. Notwithstanding other provisions of this Section 6(a)(iii), City shall not undertake any so-called Phase II environmental testing, borings or other destructive testing upon the Property without Seller's prior written consent, which shall not be unreasonably withheld. City shall, at its own expense, restore the Property to its original pre-environmental assessment condition, repairing any damage due to boring or destructive testing. City agrees that, unless otherwise required pursuant to applicable laws, statutes, and ordinances, including the California Public Records Act (Cal. Gov. Code, §7920.000 et seq.) it will not disclose the contents of any environmental test of the Property to any third party other than its investors, lenders, consultants, attorneys and other parties involved in completing the purchase and sale of the Property, and, at Seller's written request, Seller.

d. City shall be responsible for all costs associated with any losses, damages, liens, liabilities, expenses (excluding attorneys' fees), claims and causes of action (collectively, "**Claims**") which any such party may suffer or incur to the extent arising out of City's (or its employees', consultants', contractors', agents' or representatives') entry upon the Property prior to the Close of Escrow and/or the exercise of the license granted pursuant to this Section 6(a)(iii). This provision shall survive termination of this Agreement or Close of Escrow.

(iv) Review of Documents and Materials.

a. Seller shall make available to City through a virtual data room certain documents and materials relating to the Property in Seller's possession (collectively, "**Documents and Materials**"). Any documents and materials added to such virtual data room during the Contingency Period ("**Additional Information**") shall be deemed within the definition of "Documents and Materials";

provided, however, that Seller shall deliver written notice (the “**Delivery Notice**”) to City of the addition to the virtual data room of any Additional Information. Notwithstanding anything to the contrary set forth herein, in the event any Additional Information is added to the virtual data room less than four (4) business days prior to the expiration of the Contingency Period, the Contingency Period shall be extended until the date that is four (4) business days after City’s receipt of the Delivery Notice. The parties hereby agree that the following are excluded from the definitions of Documents and Materials and Property: (i) all proprietary information of Seller, its managing agent, its direct and indirect constituent owners and its property manager including, without limitation, computer software, related licenses and appraisals of the Property, and (ii) records that relate to internal matters of Seller (such as income tax returns, financial statements, intercorporate debt and equity, corporate governance, investment advisory services and other professional relationships).

b. City acknowledges that historical site activity in the Railyards Project included heavy maintenance and rebuilding of railroad locomotives for the entire Southern Pacific Transportation Company rail system, foundries, machine shops, painting, rail car manufacturing and painting, some of which resulted in certain soil and groundwater contamination. Identified past soil and groundwater contamination associated with historical site activity is referred to herein as the “**Existing Environmental Conditions**.” The Railyards Project is the subject of an Enforceable Agreement, dated June 2, 1988, between Union Pacific Railroad Company (“**UPRR**”), as successor to Southern Pacific Transportation Company, and the California Department of Toxic Substances Control (“**DTSC**”) (then the State Department of Health Services) (“**1988 Enforceable Agreement**” (part of the Documents and Materials)) and has undergone and will continue to undergo certain investigation and remediation by UPRR, as the responsible party, under DTSC oversight. On or about February 12, 2015, Seller, IA Sacramento Holdings, LLC (“**IAH**”) and UPRR entered into that certain Railyards Agreement Among UPRR, DRV and IAH (the “**2015 Railyards Agreement**” (part of the Documents and Materials))), whereby UPRR and Seller have agreed to an allocation of certain responsibilities with respect to certain environmental matters, including the Existing Environmental Conditions, at the Railyards Project. Seller has also disclosed to City that the Property and other portions of the Railyards Project are subject to the State Land Use Covenant (as hereinafter defined) (part of the Documents and Materials) which sets forth certain environmental compliance requirements associated with the development and use of the real property described therein.

(v) Third Amendment to Master CC&Rs. As set forth in the Preliminary Report, the Property is subject to the Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards recorded in the Official Records of the County of Sacramento on January 11, 2019, Document No. 210901110404 (“**Original Master CC&Rs**”), as amended by the First Amendment to Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards recorded in the Official Records of the County of Sacramento on January 17, 2023, Document No. 202301170671 (“**First Amendment to Master CC&Rs**”), and as amended by the Second Amendment to Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards recoded in the Official Records of the County of Sacramento on April 25, 2023, Document No. 202304250552 (“**Second Amendment to Master CC&Rs**” and along with the Original Master CC&Rs and First Amendment to Master CC&Rs are collectively the “**Master CC&Rs**”). Seller, as “Declarant”, under Article II, Section 1 and 2, as applicable, of the Original Master CC&Rs, has the right to (i) annex additional properties into the Master CC&Rs, and (ii) deannex “Lot(s) for the purposes of conveyance to a public agency”. Prior to the expiration of the Contingency Period, the City and Seller shall reach agreement upon a Third Amendment to Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards (“**Third Amendment to the Master CC&Rs**”) which provides that (a) while the City or other public agency holds fee title to the Property, the Property will be conditionally deannexed from all terms, conditions and obligations, including the payment of any assessments thereunder, under the Master CC&Rs, which deannexation shall become permanent upon the expiration of five (5) years from the Close of Escrow subject to subsection (b) below, and (b) in the event that City or other public agency

transfers fee title to any third party that is not a public agency prior to the expiration of five (5) years from the Close of Escrow, the Property shall be automatically annexed back into the Master CC&Rs and shall thereafter be subject to all terms, conditions and obligations, including the payment of any assessments thereunder, under the Master CC&Rs. Seller shall deliver an initial draft of the Third Amendment to the Master CC&Rs to the City within the first five (5) days of the Contingency Period. Neither party makes any representation or warranty regarding reaching such agreement and the failure to timely do so prior to the expiration of the Contingency Period shall not be deemed a default by either party but rather only a failed conditions precedent, in which case this Agreement shall automatically terminate, the parties shall have no further obligations under this Agreement, excepting the Surviving Obligations, and the provisions of Section 6(c) shall apply.

(vi) Natural Hazard Disclosure Statement. Prior to the expiration of the Contingency Period, Seller, at its cost and expense, shall deliver or make available to City, the Natural Hazard Disclosure Statement required by California Civil Code Section 1103.2, which shall be deemed for all purposes to be included within the meaning of "Documents and Materials".

(vii) Title Insurance. As of the Close of Escrow, Title Company (as hereinafter defined) shall have issued or shall have irrevocably committed to issue the Title Policy (as hereinafter defined) to City.

(viii) Seller's Obligations. As of the Close of Escrow, Seller shall have performed in all material respects all of the obligations required to be performed by Seller under this Agreement.

(ix) Seller's Representations. All representations and warranties made by Seller to City in this Agreement shall be deemed remade and true and correct as of the Close of Escrow, subject to any inconsistent representation(s) and warranty(ies) waived by City in accordance with Section 14.

(x) Master Funding Agreement for Railyards EIFD. As of the Close of Escrow, the Master Funding Agreement For Railyards EIFD between Seller, City, Indomitable Ventures, LLC, and the City of Sacramento Railyards Enhanced Financing District is in effect.

(b) Conditions to Seller's Obligations. The Close of Escrow and Seller's obligations to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions (or Seller's waiver thereof) which are for Seller's sole benefit, on or prior to the dates designated below for the satisfaction of such conditions, or the Close of Escrow in absence of a specified date:

(i) Third Amendment to the Master CC&Rs. The parties shall have reached agreement upon the terms and conditions of the Third Amendment to the Master CC&Rs prior to the end of the Contingency Period.

(ii) City's Obligations. As of the Close of Escrow, City shall have timely performed in all material respects all of the obligations required by the terms of this Agreement to be performed by City.

(iii) City's Representations. All representations and warranties made by City to Seller in this Agreement shall be deemed remade and true and correct as of the Close of Escrow.

(c) Failure of Condition to Close of Escrow. In the event any of the conditions set forth in Sections 6(a) or 6(b) are not timely satisfied or (subject to any applicable limitation) waived by the

appropriate benefited party, for a reason other than the default of City or Seller, this Agreement shall terminate, and the Deposit and all interest accrued thereon shall immediately be (i) in the event a condition set forth in Section 6(a) has not been timely satisfied or waived by City, returned to City by Escrow Holder or, (ii) otherwise, released to Seller and, except as otherwise provided herein, the parties shall have no further obligations hereunder, excepting the Surviving Obligations and any obligation of City which is intended to survive such termination and/or the Close of Escrow.

7. Deposits by Seller. Unless otherwise provided in this Section 7, at least one (1) business day prior to the Close of Escrow, Seller shall deposit with Escrow Holder the following documents:

(a) Grant Deed. The Grant Deed, duly executed by Seller, acknowledged and in recordable form.

(b) Third Amendment to the Master CC&Rs. The Third Amendment to the Master CC&Rs, duly executed by Seller, acknowledged and in recordable form.

(c) FIRPTA Certificate. A certification, acceptable to Escrow Holder and duly executed by Seller under penalty of perjury setting forth Seller's address and federal tax identification number in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445, as may be amended, of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder ("**FIRPTA Certificate**").

(d) California Franchise Tax Withholding. Evidence satisfactory to City and Escrow Holder that Seller is exempt from the withholding provisions of the California Revenue and Taxation Code, as amended, and that neither City nor Escrow Holder is required to withhold any amounts from the consideration paid by City pursuant to such provisions.

8. Deposits by City. Unless otherwise provided in this Section 8, at least one (1) business day prior to the Close of Escrow, City shall deposit with Escrow Holder the following documents:

(a) Required Materials. City shall deposit or cause to be deposited with Escrow Holder any other documents required by this Agreement to be executed and acknowledged, if applicable, by City.

(b) Purchase Price. On or before the Close of Escrow, City shall deposit or cause to be deposited with Escrow Holder, the required funds which are to be applied towards the payment of the Purchase Price.

9. Issuance of Title Insurance. At the Close of Escrow, Escrow Holder's title insurer ("**Title Company**"), shall issue to City its standard form California Land Title Association ("**CLTA**") Owner's Policy of Title Insurance showing fee title to the Property vested in City subject only to the Approved Conditions of Title ("**Title Policy**"). The Title Policy shall be issued with liability in an amount equal to the Purchase Price. Seller shall pay for the expense of the Title Policy. If City elects to have Title Company issue its American Land Title Association ("**ALTA**") Owner's Policy of Title Insurance, City shall pay for the expense of such ALTA premium increment, required survey, and any endorsements thereto and such ALTA policy with any endorsements required by City (such determination of required endorsements shall be made by City prior to the end of the Contingency Period) shall constitute the Title Policy for purposes of this Agreement.

10. Costs and Expenses. Except as otherwise specified in this Agreement, Seller shall pay (A) one-half of escrow fees and costs; (B) the expense of the Title Policy, and (C) the documentary transfer tax charged by the County. City shall pay (i) one-half of escrow fees and costs; (ii) any other transfer tax

charged by the City; and (iii) the expense of the ALTA if applicable. All other costs and expense of escrow and title shall be shared pursuant to the custom in the County. City and Seller shall each pay their respective legal and professional fees and fees of other consultants incurred with regard to the preparation of this Agreement.

11. Prorations. The following prorations shall be made between Seller and City as of 11:59 p.m. on the day of Close of Escrow unless otherwise specified below:

(a) Taxes. All non-delinquent real and personal property taxes and assessments (including the CFDs) on the Property shall be prorated on the basis that Seller is responsible for (i) all such taxes for the fiscal year of the applicable taxing authorities occurring prior to the Current Tax Period, and (ii) that portion of such taxes for the Current Tax Period determined on the basis of the number of days which have elapsed from the first day of the Current Tax Period to the Close of Escrow, inclusive, whether or not the same shall be payable prior to the Close of Escrow. The phrase "**Current Tax Period**" refers to the fiscal year of the applicable taxing authority in which the Close of Escrow occurs. In the event that as of the Close of Escrow the actual tax bills for the year or years in question are not available and the amount of taxes to be prorated as aforesaid cannot be ascertained, then the current year's taxes shall be estimated to be one hundred two percent (102.00%) of the amount of the previous year's tax bill for the Property. All delinquent taxes and all assessments, if any, on the Property shall be paid at the Close of Escrow from funds accruing to Seller. Notwithstanding any exemption, waiver or other avoidance means available to the City, the Property shall remain subject to the CFDs and the fee owner(s) of the Property, including the City and its successors and assigns, shall be responsible for all required payments due under the CFDs.

(b) Other Expenses. All other expenses for the Property shall be prorated as of 11:59 p.m. on the day following to the Close of Escrow between the parties based upon the latest available information.

(c) Corrections. If any errors or omissions are made regarding adjustments and prorations as set forth herein, the parties shall make the appropriate corrections promptly upon discovery thereof. If any estimates are made at the Close of Escrow regarding adjustments or prorations, the party shall make the appropriate correction promptly when accurate information becomes available. Any corrected adjustment or proration shall be paid in cash to the party entitled thereto.

12. Post-Closing Enforcement of the 2015 Railyards Agreement. Seller, following the Close of Escrow, agrees to adhere to the following process regarding the pursued enforcement the 2015 Railyards Agreement on behalf of the City, which obligation shall survive the Close of Escrow and the expiration of the Survival Period for the period of time that the Property remains deannexed from the Master CC&Rs in accordance with the Third Amendment to the Master CC&Rs; provided, however, such obligation of Seller shall cease and be of no further force or effect if the 2015 Railyards Agreement earlier terminates.

(a) Post-Closing Enforcement. As more particularly described in and defined in the 2015 Railyards Agreement, (a) UPRR has agreed to perform the "UPRR Order Recipient Obligations" for the direct benefit of Declarant (which is the Seller under this Agreement) in developing and selling portions of the Railyards (which includes the Property) and agreed that Seller has a direct right of enforcing the "UPRR Order Recipient Obligations" on its own behalf or on the behalf of "Order Recipients" ("**Section 18.3 UPRR Obligations**"), and (b) UPRR has agreed to perform the "UPRR Obligations" for the direct benefit of Seller in developing and selling portions of the Railyards and agreed that Seller has a direct right of enforcing the "UPRR Obligations" on its own behalf or on the behalf of "Subsequent Owners" ("**Section 18.4 UPRR Obligations**"). As more particularly described in, defined in, and subject to the 2015 Railyards Agreement, a Subsequent Owner (which would include the City following the Close of Escrow), which

receives an “Order”, thereafter falls within the definition of “Order Recipients”. If the City, as an Order Recipient, reasonably concludes that UPRR has failed to comply with either the Section 18.3 UPRR Obligations or the Section 18.4 UPRR Obligations and such failure directly or indirectly adversely effects the City’s development, use or business operations on the Property, the City shall have the right to deliver a written notice to Seller, which includes a written summary of the alleged failure of UPRR and any available supporting materials or information applicable thereto (“**UPRR Obligations Notice**”). Within forty-five (45) days following Seller’s receipt of the UPRR Obligations Notice, the parties shall meet and evaluate the information provided in the UPRR Obligations Notice for the purpose of supplementing or adjusting such claims or materials with other available information that may not have been contained within the UPRR Obligation Notice. Such additional information may be provided DTSC or other applicable governmental agencies or obtained through meetings by the parties with such agencies, and each party agrees to participate in a reasonable number of meetings with such agencies requested by the other party during such 45-day period. The UPRR Obligations Notice, as so supplemented and adjusted, is referred to as the “**Updated UPRR Obligations Notice**,” and the described failure of UPRR is the “**UPRR Failure**.”

(b) Pursuing Enforcement / Informal Negotiations – Mediation. Within thirty (30) days following the parties’ agreement upon the Updated UPRR Obligations Notice, if not resolved to the City’s satisfaction within such time period and except as provided in Section 12(c) below, Seller, at City’s cost, shall submit the UPRR Failure to the dispute resolution process with UPRR described in Section 19.1(a) and (c), if necessary, of the 2015 Railyards Agreement and shall use its commercially reasonable efforts to cause the UPRR Failure to be cured by UPRR through such process; provided, however, no representation or warranty is made by Seller regarding the outcome of such proceedings and the failure of Seller to prevail in such proceeding shall not be deemed a default of Seller.

(c) Pursuing Enforcement / Judicial Action. If (a) the City determines that the UPRR Failure requires the seeking of a temporary restraining order or a preliminary injunction, or (b) Seller is unsuccessful in resolving the UPRR Failure to the reasonable satisfaction of the City through the dispute resolution process described in Section 12(b) above, the City shall have the right to require Seller, by delivery of written notice, to use its commercially reasonable efforts to pursue the enforcement of the UPRR Failure by institution of judicial action against UPRR in accordance with Section 19(d) of the 2015 Railyards Agreement using legal counsel approved by and/or selected by the City (“**Enforcement Legal Counsel**”); provided that, notwithstanding any other provision of this Agreement to the contrary and irrespective of the outcome of such action, all fees, expenses and associated costs of the Enforcement Legal Counsel and the institution, processing, participation and outcome of such judicial action shall be the responsibility of the City (which shall be funded monthly in accordance with a written budget that has been approved in advance by the City); provided further no representation or warranty is made by Seller regarding the outcome of such action and the failure of Seller to prevail in such action shall not be deemed a default of Seller under this Agreement.

13. State Land Use Covenant. As set forth in the Title Documents, the Property is subject to the Land Use Covenant and Agreement Environmental Restrictions (“**State Land Use Covenant**”) recorded in the Official Records of the County of Sacramento on September 30, 2015, Series No. 201509301634. With regard to the State Land Use Covenant, the installation of a sub-building slab vapor mitigation system (“**Vapor Barrier**”) at City’s cost as part of the development of the Property that is approved by DTSC is required and City agrees to install or cause its successors and assigns to be installed the DTSC-approved Vapor Barrier in conjunction with the development of the Property, which obligation shall survive the Close of Escrow and the expiration of the Survival Period; provided that if DTSC waives such requirement, such obligation shall be modified to the scope of such DTSC waiver. Seller shall reasonably cooperate with City in gaining such approval of DTSC; provided, however, Seller makes no representation or warranty regarding the terms, conditions or outcome of such approval process (such vapor mitigation systems have been approved by DTSC for other developments within the Railyards).

14. "As-Is" Sale; Release. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT AND ANY DOCUMENTS DELIVERED BY SELLER TO CITY AT CLOSING, (1) CITY ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, (2) SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON, UNDER OR ABOUT THE PROPERTY OF HAZARDOUS MATERIALS OR THE CURRENT OR FUTURE REGULATORY STATUS OF THE PROPERTY, (3) CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION OR REPRESENTATION PROVIDED OR TO BE PROVIDED BY SELLER AND CITY FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND (4) SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. CITY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT DELIVERED BY SELLER TO CITY AT CLOSING, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS", "WHERE IS" CONDITION AND BASIS "WITH ALL FAULTS." IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY CITY SUBJECT TO THE FOREGOING.

EXCEPT TO THE EXTENT OF ANY REPRESENTATION OR WARRANTY EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT DELIVERED BY SELLER TO CITY AT CLOSING, EFFECTIVE FROM AND AFTER CLOSING, CITY HEREBY WAIVES, RELEASES, AQUITS, AND FOREVER DISCHARGES SELLER AND EACH OF ITS PARTNERS, MEMBERS, TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, PROPERTY MANAGERS, ASSET MANAGERS, AGENTS, ATTORNEYS, AFFILIATES AND RELATED ENTITIES, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "**RELEASEES**") TO THE MAXIMUM EXTENT PERMITTED BY LAW, OF AND FROM ANY AND ALL LIABILITIES, LOSSES, CLAIMS , DEMANDS, DAMAGES (OF ANY NATURE WHATSOEVER), CAUSES OF ACTION, COSTS, PENALTIES, FINES, JUDGMENTS, REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES AND COSTS AND EXPERTS' FEES (COLLECTIVELY, THE "**CLAIMS**"), WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PROPERTY INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND STRUCTURAL CONDITION OF THE PROPERTY, OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR MATTER (REGARDLESS OF WHEN IT FIRST APPEARED) RELATING TO OR ARISING FROM (A) THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, OR THE USE, PRESENCE, STORAGE, RELEASE, DISCHARGE, REMEDIATION, OR MIGRATION OF HAZARDOUS MATERIALS ON, IN, UNDER OR AROUND THE PROPERTY REGARDLESS OF WHEN SUCH HAZARDOUS MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE

PROPERTY, INCLUDING ANY RIGHT OF ACTION UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, 42 U.S.C. SECTIONS 9601 ET SEQ., AND OTHER SIMILAR FEDERAL, STATE, FOREIGN AND LOCAL LAWS (AS SUCH LAWS MAY BE AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME), (B) ANY PATENT OR LATENT DEFECTS OR DEFICIENCIES WITH RESPECT TO THE PROPERTY, (C) ANY AND ALL MATTERS RELATED TO THE PROPERTY OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, THE CONDITION AND/OR OPERATION OF THE PROPERTY AND EACH PART THEREOF, (D) ANY AND ALL MATTERS RELATED TO THE CURRENT OR FUTURE ZONING OR USE OF THE PROPERTY, AND (E) THE PRESENCE, RELEASE AND/OR REMEDIATION OF ASBESTOS AND ASBESTOS CONTAINING MATERIALS IN, ON OR ABOUT THE PROPERTY REGARDLESS OF WHEN SUCH ASBESTOS AND ASBESTOS CONTAINING MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE PROPERTY. TO THE GREATEST EXTENT PERMITTED BY LAW, CITY HEREBY AGREES, REPRESENTS AND WARRANTS THAT CITY REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW KNOWN OR UNKNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CLAIMS WHICH ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND CITY FURTHER AGREES, REPRESENTS AND WARRANTS THAT THE WAIVERS AND RELEASES HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON IN LIGHT OF THAT REALIZATION AND THAT CITY NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE AND ACQUIT SELLER AND THE RELEASEES FROM ANY SUCH UNKNOWN CLAIMS WHICH RELEASE, DISCHARGE AND ACQUITTAL MIGHT IN ANY WAY BE INCLUDED AS A MATERIAL PORTION OF THE CONSIDERATION GIVEN TO SELLER BY CITY IN EXCHANGE FOR SELLER'S PERFORMANCE HEREUNDER.

Initials:

City

Seller

With respect to the release set forth herein, City hereby acknowledges that such waiver is made with the full knowledge, understanding and agreement that California Civil Code § 1542 provides as follows, and that the protection afforded by said Code Section is hereby waived:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

City further acknowledges that this waiver and release is voluntary and without any duress or undue influence, and is given as part of the consideration for the agreements set forth herein. City expressly acknowledges that it may hereafter discover facts different from or in addition to those, which it now believes to be true with respect to the release of claims. City agrees that the foregoing release shall be and remain effective in all respects notwithstanding such different or additional facts.

City has been advised by its legal counsel and understands the significance of this waiver of Section 1542 relating to unknown, unsuspected and concealed claims, and City hereby specifically acknowledges that City has carefully reviewed this subsection and discussed its import with legal counsel and that the provisions of this subsection are a material part of this Agreement. By its initials below, City acknowledges that it fully understands, appreciates and accepts all of the terms of this subsection and release.

Initials:

City

Seller

Upon consummation of the Close of Escrow hereunder, the foregoing release shall be deemed to be restated and made again as of the Close of Escrow and shall survive the Close of Escrow.

15. Seller's Representations and Warranties. In consideration of City entering into this Agreement, Seller makes the representations, warranties and covenants set forth in this Section 15, which are material and are being relied upon by City. For the purpose of this Agreement, usage of "**to the best of Seller's knowledge,**" or words to such effect, shall mean the actual current knowledge of Denton Kelley and Josh Leachman, in their respective capacities on behalf of Seller (any inconsistency in a representation(s) and warranty(ies) made by any listed individual shall be limited to a recovery against Seller subject to the provisions of this Agreement), excluding constructive knowledge or duty of inquiry, existing as of the Effective Date. To the extent that Seller becomes aware of any conflict with the representations and warranties set forth herein after the Effective Date and prior to the Close of Escrow, Seller shall provide City with written notice thereof, in which case City shall have the right to either (i) terminate this Agreement, in which case the provisions of Sections 6(c) shall apply, or (ii) proceed with the transaction described herein, waiving such inconsistent representation(s) and warranty(ies). In the event City becomes aware of any such conflict prior to the Close of Escrow, and thereafter completes the transaction described hereby, City shall be deemed to have proceeded in accordance with subsection (ii) above.

(a) Seller's Authority. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby in the execution, delivery and performance of this Agreement has been duly authorized and no other action by Seller is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b) No Conflict. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of Seller's organizational documents, or any contract, document or law to which Seller is subject.

(c) Proceedings. Except as disclosed to City in writing by Seller prior to the expiration of the Contingency Period, there are no actions, suits, proceedings or governmental investigations pending or, to the best of Seller's knowledge, threatened against or affecting the Property, in law or equity.

(d) No Prior Transfers. Seller has not previously sold, transferred or conveyed the Property and Seller has not entered into any executory contracts for the sale of the Property (other than this Agreement).

(e) Litigation. To the best of Seller's knowledge, there is no litigation arbitration, condemnation or administrative hearing before any court or governmental agency concerning Seller or the Property (collectively, "**Litigation**"), except as disclosed on Exhibit C attached hereto ("**Litigation Summary**"). Seller shall promptly notify City in writing of any Litigation that is instituted after the Effective Date.

(f) Hazardous Materials. Except as otherwise disclosed in connection with the Existing Environmental Conditions or the Environmental Disclosure Materials (as hereinafter defined), Seller has not and, to the best of Seller's knowledge, no other third party has caused or permitted the storage, use, generation, handling or disposal of any Hazardous Materials (as hereinafter defined) in, on, or about the Property except in compliance with Hazardous Materials Laws (as hereinafter defined). The reports,

studies, assessments, investigations and other materials that have been, or that will be, made available to City for its review as part of the Documents and Materials, which includes the 2015 Railyards Agreement and State Land Use Covenant, any environmental assessment conducted by City prior to the Closing, and any supplemental information thereto provided by Seller to City as Additional Information (collectively, "**Environmental Disclosure Materials**") shall constitute, to the best of Seller's knowledge, all written materials in the possession or control of Seller related to the presence of Hazardous Materials at, on or under the Property and the compliance of the Property with Hazardous Materials Laws; provided that Seller (i) is under no obligation to seek through a Public Records Act or other disclosure mechanism to possess or control any materials in the possession of a government agency, and (ii) makes no representation or warranty as to whether City is entitled to rely on any of the Environmental Disclosure Materials and if City desires to rely on the same, City shall be responsible for obtaining, at its sole cost and expense, written permission from the preparer of any such items. As used herein, "**Hazardous Materials**" means any material, substance or waste designated as hazardous, toxic, radioactive, injurious or potentially injurious to human health or the environment, or as a pollutant or contaminant, or words of similar import, under any Hazardous Materials Law. As used herein, "**Hazardous Materials Law**" means any federal, state or local law, statute, regulation or ordinance now or hereafter in force, as amended from time to time, pertaining to materials, substances or wastes which are injurious or potentially injurious to human health or the environment or the release, disposal or transportation of which is otherwise regulated by any agency of the federal, state or any local government with jurisdiction over the Property or any such material, substance or waste removed therefrom, or in any way pertaining to pollution or contamination of the air, soil, surface water or groundwater.

16. City's Representations and Warranties. In consideration of the Seller entering into this Agreement and as an inducement to Seller to sell the Property to City, City makes the following representations and warranties, each of which is material and is being relied upon by Seller (the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder).

(a) Authority. City has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by City is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b) No Conflict. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of City's organizational documents, or any contract, document or law to which City is subject.

17. Breach by Seller. If the Close of Escrow does not occur or if City terminates this Agreement because of Seller's failure to perform or breach of any of its obligations, representations or warranties hereunder and such failure or breach continues uncured for five (5) business days following notice from City to Seller thereof, City may elect, as its sole and exclusive remedy hereunder, to either (i) terminate this Agreement by delivery of written notice to Seller in which case the Deposit shall be immediately returned to City and both parties shall be relieved from any further liability hereunder except for (a) those obligations and agreements of Seller and City which expressly survive termination of this Agreement (the "**Surviving Obligations**"), and (b) City shall be entitled to recover, its actual damages including, without limitation, third party costs (including, but not limited to, other professional fees, excluding attorneys' fees) incurred in connection with the preparation and negotiation of this Agreement and City's investigation of the Property (collectively, "**City's Costs**"), not to exceed \$100,000.00 (the "**Cap**"), or (ii) commence an action for specific performance of Seller's obligations hereunder. In the event that City fails to commence an action against Seller pursuant to clause (ii) of the preceding sentence by August 31, 2025, City shall automatically be deemed to have terminated the Agreement pursuant to clause (i) of the preceding sentence.

Except as provided in this Section 17, City expressly and unconditionally waives any right to recover damages from Seller.

18. Breach by City / Liquidated Damages. TIME IS OF THE ESSENCE OF CITY'S OBLIGATIONS HEREUNDER. IF CLOSE OF ESCROW DOES NOT OCCUR BECAUSE CITY DEFAULTS HEREUNDER OR BREACHES ANY OF THE TERMS OR CONDITIONS CONTAINED HEREIN PRIOR TO CLOSE OF ESCROW AND, EXCEPT WITH RESPECT TO A BREACH OF CITY'S OBLIGATIONS UNDER SECTION 8, SUCH DEFAULT OR BREACH CONTINUES UNCURED FOR FIVE (5) BUSINESS DAYS FOLLOWING NOTICE FROM SELLER TO CITY THEREOF, SELLER SHALL BE ENTITLED, AS ITS SOLE AND EXCLUSIVE REMEDY, TO TERMINATE THIS AGREEMENT AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES HEREUNDER AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER TO EACH OTHER EXCEPT FOR THE SURVIVING OBLIGATIONS. SELLER HEREBY WAIVES ANY RIGHTS, AT LAW OR IN EQUITY, THAT SELLER MAY HAVE TO SEEK SPECIFIC PERFORMANCE AGAINST CITY FOR CITY'S BREACH OR DEFAULT UNDER THIS AGREEMENT. THE PARTIES AGREE THAT IT WOULD BE EXTREMELY IMPRACTICAL AND DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF CITY'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 18 REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE AND ACCORDINGLY, SUCH AMOUNT SHALL BE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR SUCH A DEFAULT AND FAILURE BY CITY AND THE FULL, AGREED AND LIQUIDATED DAMAGES WHICH SELLER SHALL BE ENTITLED; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT WAIVE OR AFFECT SELLER'S RIGHTS AND CITY'S OBLIGATIONS PURSUANT TO THE SURVIVING OBLIGATIONS. THE PAYMENT AND RETENTION OF THE DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3389.

Initials:

City

Seller

19. Destruction. If, prior to the Close of Escrow, any part of the Property is damaged or destroyed by earthquake, flood, landslide, fire or other casualty, Seller shall immediately notify City of such fact. If such damage or destruction is "material", City shall have the option to terminate this Agreement upon written notice to the Seller given not later than ten (10) days after receipt of Seller's notice. For purposes of this Section 19, "material" shall be deemed to be any uninsured damage or destruction to the Property, or any insured damage or destruction where the cost of repair or replacement is estimated to be \$500,000.00 or more or shall take more than ninety (90) days to repair, in City's and Seller's good faith judgment. If City elects to terminate this Agreement, Escrow Holder shall promptly return to each party all funds and documents deposited by that party, respectively, into Escrow, whereupon neither party shall have any further rights or obligations hereunder, excepting the Surviving Obligations and any obligation of City which is intended to survive such termination and/or the Close of Escrow, and the payment of escrow cancellation fees and title charges which shall be borne equally by the parties. If City does not elect to terminate this Agreement, or if the casualty is not material, neither party shall have the right to terminate this Agreement but Seller shall assign and turn over, and City shall be entitled to receive and keep, all

insurance proceeds payable and received by Seller with respect to such casualty (which shall then be repaired or not at City's option and cost), the cash portion of the Purchase Price shall be reduced by an amount equal to any deductible under Seller's insurance, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof.

20. Post-Closing Remedies. Subject to Section 21 below, from and after the Close of Escrow, each party shall have the right to pursue its actual damages against the other party (a) for a breach of any covenant or agreement contained in this Agreement that survives Close of Escrow, and (b) for a breach of any representation or warranty made by the other party in this Agreement. Subject to Section 21 below, the obligations described this Section 20 shall survive Closing and any termination of this Agreement. In no event shall either party be liable for, and each party expressly and unconditionally waives any right to recover from the other party any speculative, consequential or punitive damages.

21. Survival. Each of the Seller's and City's respective representations and warranties contained in this Agreement or in the documents to be executed and delivered by Seller hereunder by Close of Escrow (collectively, the "**Surviving Provisions**") shall survive the Close of Escrow for a period of twelve (12) months (the "**Survival Period**"). No claim for a breach of any of the Surviving Provisions shall be actionable or payable: (a) unless the valid claims for all such breaches collectively aggregate more than \$50,000.00, (b) unless written notice containing a description of the specific nature of such breach shall have been given by City or Seller to the other prior to the expiration of the Survival Period, and (c) unless an action shall have been filed by City or Seller and served upon the other within sixty (60) days after expiration of the Survival Period. Furthermore, notwithstanding anything to the contrary contained in this Agreement or any related documents, following the Close of Escrow, Seller's liability for breach of any Surviving Provisions or any other covenants or obligations hereunder, shall not exceed the sum of \$1,000,000.00. The provisions of this Section 21 shall survive Close of Escrow.

22. Notices. Any and all notices or other communications required or permitted to be given under this Agreement, or by law, shall be in writing and addressed to all of the following addresses for the applicable party and either (i) personally delivered by commercial courier, (ii) sent by Federal Express or other nationally recognized overnight courier service that provides receipted delivery service, delivery charges prepaid, return receipt requested, or (iii) sent by E-Mail if it is addressed to all of the parties identified below, in which event notice shall be deemed delivered upon the sender's receipt of confirmation of transmission of said notice, as long as a confirming notice is sent by another recognized method on the next business day. Except as to E-Mail notice, notice shall be deemed to have been given upon the date of delivery (or the date of refusal to accept delivery, as the case may be) or at such other address as either party may from time to time specify in writing to the other in the manner aforesaid.

TO CITY:

City of Sacramento
Real Estate / Asset Management
915 I Street, 2nd Floor
Sacramento, California 95814
Attention: Richard Sanders
Telephone: (906) 808-7034

Email: rsanders@cityofsacramento.org

WITH A COPY TO:

City of Sacramento
OIED

915 I Street, 3rd Floor
Sacramento, California 95814

Attention: Marco Gonzalez
Telephone: (906) 808-5757

Email: mgonzalez@cityofsacramento.org

TO SELLER:

DOWNTOWN RAILYARD VENTURE, LLC
3140 Peacekeeper Way
McClellan, CA 95652
Attention: Denton Kelley and Jay Heckenlively
Telephone: (916) 965-7100
Email: dkelley@ldkcapital.com; jheckenlively@mccllellanpark.com

TO ESCROW HOLDER:

Fidelity National Title Company
8525 Madison Avenue, Suite 110
Fair Oaks, CA 95628
Attention: Paul Avila
Telephone: (916) 646-6057
Email: PAvila@fnf.com

Notice of change of address shall be given by written notice in the manner described in this Paragraph.

23. Brokers. The parties represent that no broker is involved in the transaction described by this Agreement. If any claims for brokers' or finders' fees for the consummation of this Agreement arise, then City hereby agrees to indemnify, hold harmless and defend Seller from and against such claims if they shall be based upon any statement or representation or agreement by City, and Seller hereby agrees to indemnify, hold harmless and defend City if such claims shall be based upon any statement, representation or agreement made by Seller.

24. Assignment. Without the prior written consent of Seller in its sole discretion, City shall not, directly or indirectly, assign this Agreement or any of its rights hereunder. Any attempted assignment in violation hereof shall, at the election of Seller, be of no force or effect and shall constitute a default by City.

25. Fee Credits. Following the Close of Escrow, and for ten years thereafter, City agrees that if, in conjunction with any construction by City within any part of the Property owned by City, municipal fees are required to be paid (e.g. sewer fees, transit fee, etc.), City shall seek the availability of any applicable fee credits held by Seller. If Seller possesses any such fee credits, City agree to, in lieu of obtaining paying such fees to the applicable municipality, to purchase such credits from Seller at the then applicable cost thereof. Seller shall have the right to decline selling such credits, in which case, City's obligation under this Section with regard to the subject request shall not apply. The provisions of this Section 25 shall survive the Close of Escrow and the expiration of the Survival Period.

26. Miscellaneous.

(a) Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid, and shall be enforced to the fullest extent permitted by law.

(b) Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

(c) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(d) Professional Fees. The parties must bear their own costs and attorneys' fees incurred in connection with this agreement.

(e) Entire Agreement. This Agreement (including all Exhibits attached hereto) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto and lawful assignees.

(f) Time of Essence. Seller and City hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that failure to timely perform any of the terms, conditions, obligations or provisions hereof by either party shall constitute a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

(g) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties to create the relationship of principal and agent, a partnership, joint venture or any other association between City and Seller.

(h) Construction. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. Unless otherwise indicated, all references to paragraphs, sections, subparagraphs and subsections are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.

(i) Governing Law. The parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The parties hereto expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

(j) Possession of Property. City shall be entitled to the possession of the Property immediately following the Close of Escrow.

(k) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Telecopied, emailed or electronically generated PDF signatures shall be effective for purposes of executing and delivering this Agreement and any amendment hereto.

(l) Days of Week. If any date for performance herein falls on a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code, the time for such performance shall be extended to 5:00 p.m. on the next business day. As used herein "business day" means any day other than a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code.

(m) Merger Provision. All covenants and agreements made or undertaken by either party under this Agreement, unless otherwise specifically provided herein that such covenants survive Close of Escrow, will not survive the Close of Escrow but will be merged into the Deed and other closing documents delivered at the Close of Escrow, and except as otherwise expressly provided herein, any and all rights of action of either party for any breach of any representation, warranty or covenant contained in this Agreement shall merge with the Deed and other instruments executed at Close of Escrow, shall terminate at Close of Escrow, and shall not survive Close of Escrow.

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

(o) Electronic Signatures. The parties agree that this Agreement may be electronically signed. The parties agree that the electronic signatures appearing on this agreement are the same as handwritten signatures for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Signature Page Follows

CITY:

CITY OF SACRAMENTO,
a Municipal Corporation

By: _____
Leyne Milstein

Interim City Manager

Date: _____, 2025

APPROVED AS TO FORM:

Matthew D. Ruyak

Assistant City Attorney

SELLER:

DOWNTOWN RAILYARD VENTURE, LLC, a
Delaware limited liability company

By: LDK RAILYARD, LLC, a California
limited liability company

Its: Manager

By LDK VENTURES, LLC, a California
limited liability company

Its: Member

By: _____
Larry D. Kelley, Jr.

Its: Manager

Date: _____, 2025

EXHIBIT LIST

Exhibit A	Property
Exhibit B	Grant Deed
Exhibit C	Litigation Summary

EXHIBIT A
PROPERTY

EXHIBIT B
FORM OF GRANT DEED

RECORDING REQUESTED BY:

CITY OF SACRAMENTO

NO FEE DOCUMENT

Govt Code 27383

WHEN RECORDED MAIL TO:

City of Sacramento

Attn: Real Estate Services

915 I Street, 2nd Floor

Sacramento CA 95814

MAIL TAX STATEMENTS TO:

City of Sacramento

Finance Administration

915 I Street, Floor 5

Sacramento CA 95814

(Space above this line for Recorder's use)

NO TRANSFER TAX DUE per R&T Code 11922

Grantee is a Government Agency

GRANT DEED

THIS GRANT DEED is made as of this ____ day of _____, 20__ by DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company ("**Grantor**"), to CITY OF SACRAMENTO, a municipal corporation ("**Grantee**").

WITNESSETH:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby grants to Grantee that certain real property located in the City of Sacramento, County of Sacramento, State of California and legally described on **Exhibit A** attached hereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the day and year first set forth above.

GRANTOR: DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company

By: LDK RAILYARD, LLC, a California limited liability company

Its: Manager

By LDK VENTURES, LLC, a California limited liability company

Its: Member

By: _____
Larry D. Kelley, Jr.

Its: Manager

(All signatures must be acknowledged)

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

STATE OF CALIFORNIA)

) ss.

COUNTY OF _____)

On _____, 20__, before me, _____, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Legal Description

EXHIBIT C
LITIGATION SUMMARY

**Exhibit D
to
Comprehensive Project Agreement**

MASTER FUNDING AGREEMENT

(see attached)

MASTER FUNDING AGREEMENT FOR RAILYARDS EIFD

This Master Funding Agreement for Railyards EIFD (this “**Master Agreement**”), dated as of June 10, 2025, for reference, is between DOWNTOWN RAILYARD VENTURE, LLC (“**DRV**”) and its permitted assignees under this Master Agreement; INDOMITABLE VENTURES, LLC (“**Indomitable**”) and its permitted assignees under this Master Agreement; the CITY OF SACRAMENTO RAILYARDS ENHANCED INFRASTRUCTURE FINANCING DISTRICT (the “**Railyards EIFD**”), a California governmental entity formed under California Government Code sections 53398.50 through 53398.88; and the CITY OF SACRAMENTO (the “**City**”), a California municipal corporation and charter city.

Backgrounds

- (a) Defined terms used in this Background section and not otherwise defined have the meanings given elsewhere in this Master Agreement.
- (b) Indomitable, DRV, and the City entered into the Comprehensive Project Agreement on June 10, 2025, for, among other reasons, (i) the development of the Stadium, a proposed multi-purpose, outdoor stadium, and (ii) (a) the development of certain open space improvements on portions of Lot 21a, 21b, 21c, 22 and Lot 10, and (b) the structural renovation for seismic and life safety improvements to the historic buildings located on Lots 24, 25, 26, and 27, all as shown on the Sacramento Railyards Tentative Master Parcel Map.
- (c) Under the Sacramento Republic FC Preliminary Term Sheet approved by the City Council of the City of Sacramento on November 12, 2024, DRV, Indomitable, and the City set out a nonbinding framework for, among other purposes, financing the Eligible Facilities.
- (d) Among other things, the Preliminary Term Sheet contemplates the amendment of the existing Stadium EIFD and original infrastructure financing plan which was adopted by the Railyards Public Financing Authority (“**PFA**”) (formerly known as the Stadium Public Financing Authority), pursuant to its Resolution No. 2019-0002 adopted on December 10, 2019.
- (e) In accordance with the EIFD Law, the PFA, by its Resolution No. [_____] adopted on June 24, 2025, amended the boundaries of the Railyards EIFD to include the Railyards West Project Area and adopted the Amended IFP.
- (f) The City contemplates the potential formation of a Mello-Roos community facilities district to be known as “Railyards East CFD No. 2025-01 (Improvements),” for which, once formed, the City will levy a Special Tax on the taxable parcels located within Railyards East and issue CFD Bonds.
- (g) The parties are entering into this Master Agreement to evidence each party’s rights and obligations with respect to the financing of the Eligible Facilities and affordable housing as contemplated by the Preliminary Term Sheet.

- (h) Under the California Environmental Quality Act (“CEQA”), the City, as the lead agency, approved the developments within the Railyards EIFD identified in the Railyards Specific Plan Environmental Impact Report SCH No. 2006032058 on December 11, 2007 (Resolution No. 2007-903), the Railyards Specific Plan Update, Kaiser Permanente Medical Center and Stadium Subsequent Environmental Impact Report on November 10, 2016 (Resolution No. 2016-0379) and Addendum for Central Shops at the Railyards (together, the “CEQA Project”). This Master Agreement does not constitute a substantial change in the CEQA Project, a substantial change in the circumstances under which the CEQA Project is being undertaken, or new information and therefore does not require subsequent or supplemental environmental review pursuant to California Public Resources Code section 21166 and CEQA Guidelines section 15162.

With these background facts in mind, and in consideration of the promises below, the parties agree as follows:

1. Definitions.

- (a) “Act” means the Mello-Roos Community Facilities Act of 1982, as amended.
- (b) “Acquisition Agreement” means the document(s) contemplated herein within Section 2 (Railyards East CFD) for either CFD funded Eligible Costs, and Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds) for EIFD funded Eligible Costs, which apply to constructed Eligible Facilities that are to be permanently owned by the City or initially acquired by the City, by and between (as applicable) the City, DRV, Indomitable, and the Railyards EIFD.
- (c) “Amended IFP” means the infrastructure financing plan for the Railyards EIFD as most recently approved by the City Council on June 10, 2025, and by the PFA on June 24, 2025, as may be amended from time to time.
- (d) “Ancillary Development” means development anticipated to be built around the Stadium located in Railyards East that may include residential and commercial development.
- (e) “Available Tax Increment” means the Tax Increment available to the Railyards EIFD after payment or deduction of the County of Sacramento’s administrative costs and the EIFD Administration Costs.
- (f) “Central Shops” and “Central Shops District” means (i) the open space areas on Lot 21a, 21b, 21c, 22 and Lot 10, and (ii) the historic buildings located on Lots 24, 25, 26, and 27, all as shown on the Sacramento Railyards Tentative Master Parcel Map as further defined in the Comprehensive Project Agreement.
- (g) “CEQA Project” means the development identified in the Railyards Specific Plan Environmental Impact Report SCH No. 2006032058 (Resolution No. 2007-903), the Railyards Specific Plan Update, Kaiser Permanente Medical Center and Stadium

Subsequent Environmental Impact Report (Resolution No. 2016-0379) and Addendum for Central Shops at the Railyards.

- (h) **“City Eligible Cost Reimbursement Amount”** means \$14,000,000.
- (i) **“City Eligible Costs”** means the costs incurred by the City for land acquisition as further described in the Amended IFP (and which is deemed Eligible Facilities as defined herein), as approved by the City in accordance this Master Agreement.
- (j) **“City Share of Available Tax Increment”** shall be the allocation of Available Tax Increment to the City in accordance with Section 3(a) and (b) of this Master Agreement.
- (k) **“CFD Bonds”** means municipal bonds, notes or other debt obligations that are issued for the Railyards East CFD secured by the Special Tax, the proceeds of which are used to reimburse Indomitable for Indomitable Eligible Costs.
- (l) **“Comprehensive Project Agreement”** means that certain Comprehensive Project Agreement, by and between Indomitable, DRV, and the City, dated [Month, Day], 2025.
- (m) **“Debt Service”** means collectively, the principal, interest, and mandatory sinking-fund payments on the CFD Bonds or the EIFD Bonds.
- (n) **“DRV Eligible Cost Reimbursement Amount”** means \$50,000,000, as will be annually increased, beginning on each succeeding July after the effective date of this Master Agreement, by the Index Adjustment and terminating on December 31, 2038, except as such annual increases may be suspended as provided in Section 5 of this Master Agreement.
- (o) **“DRV Eligible Costs”** means the costs incurred by DRV, for the design and construction of the Eligible Facilities, as evidenced by Eligible Cost Invoices in accordance with this Master Agreement.
- (p) **“DRV Project Retained Increment Fund”** means the fund of that name held by the Railyards EIFD for the purposes described in Section 5 of this Master Agreement. Any interest accruing on amounts held in the DRV Project Retained Increment Fund shall be for the sole benefit of the City and Railyards EIFD.
- (q) **“DRV Share of Available Tax Increment”** shall be the allocation of Available Tax Increment to DRV in accordance with Section 3(a) and (b) of this Master Agreement.
- (r) **“EIFD Administration Costs”** means all administration costs incurred by the Railyards EIFD as defined in the Amended IFP.
- (s) **“EIFD Bonds”** means any such municipal bonds, notes or other obligations that are (a) issued by the Railyards EIFD, secured by the Available Tax Increment, (b) issued by the Railyards EIFD for the Railyards West Project Area, secured by the Available Tax Increment from the Railyards West Project Area, or (c) issued by the Railyards EIFD

for the Railyards East Project Area, secured by the Available Tax Increment from the Railyards East Project Area.

- (t) **“EIFD Law”** means Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with section 53398.50).
- (u) **“EIFD Waterfall”** means the allocation methodology of Railyards East Available Tax Increment proceeds and Railyards West Available Tax Increment proceeds by and between DRV, Indomitable, and the City as further described in this Master Agreement.
- (v) **“Eligible Cost Reimbursement Amount”** means the sum of the (i) Indomitable Eligible Costs, (ii) DRV Eligible Cost Reimbursement Amount, and (iii) City Eligible Cost Reimbursement Amount.
- (w) **“Eligible Costs”** means, (i) with respect to Indomitable, the Indomitable Eligible Costs, (ii) with respect to DRV, the DRV Eligible Costs, and (iii) with respect to the City, the City Eligible Costs.
- (x) **“Eligible Cost Invoice(s)”** means invoices approved by the City using its reasonable discretion and in accordance with this Master Agreement.
- (y) **“Eligible Facilities”** means the facilities and improvements as specifically provided in the Amended IFP.
- (z) **“Fiscal Year”** means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its fiscal year in accordance with applicable law.
- (aa) **“Funding Obligation Agreement”** means an agreement pursuant to which the applicable parties to such agreement agree to provide to the City and Railyards EIFD bi-annual payments in-lieu of taxes (PILOTs) for tax-exempt property. Pursuant to such Funding Obligation Agreement, (i) PILOT shall be owed to the City in an amount at least equal to the City’s portion of the 1% property tax that would be generated from such property if it were taxable less any Tax Increment due to the Railyards EIFD, together with any fees or assessments due to the City from such property, (ii) PILOT shall be owed to the Railyards EIFD in an amount at least equal to the Tax Increment generated from such property if it were taxable that would be due to the Railyards EIFD, and (iii) PILOT shall be owed to the City in an amount at least equal to the Special Tax generated from such property if it were taxable that would be due with respect to the Railyards East CFD.
- (bb) **“Housing Tax Increment”** means 20% of the Available Tax Increment available, as further described herein, after satisfaction of the Eligible Cost Reimbursement Amount.
- (cc) **“Index Adjustment”** means adjustments based upon the percentage change in the Engineering News-Record Construction Cost Index (ENR-CCI) on an annual basis, measured from March 1 to the subsequent March 1, not to exceed a maximum annual adjustment in any given year of four percent.

- (dd) **“Indomitable Conditions of Approval”** means (i) the facilities required by the City as a condition of approval to construct and operate the Stadium in a conditional use permit approved by Resolution No. 2016-0388, adopted by the City Council of the City on November 10, 2016, as such conditional use permit or may be modified by a record of decision made by the City’s Zoning Administrator and Planning Division, (ii) any ancillary infrastructure required to satisfy the conditions of the conditional use permit for the Stadium and conditions of approval in the approved Tentative Map, (iii) and any additional infrastructure that the City requires for the Stadium according to required plans and studies.
- (ee) **“Indomitable Eligible Costs”** means the sum of the total costs incurred by Indomitable for (i) the design and construction of the Indomitable Facilities, as evidenced by Eligible Cost Invoices in accordance with this Master Agreement, and (ii) Railyards East CFD Payment Shortfalls. Simple interest shall accrue on a monthly basis as contemplated in subsections (i) and (ii) of this definition as provided herein. With respect to Indomitable’s costs for the design and construction of the Indomitable Facilities under subsection (i), interest shall begin to accrue on the amount of Indomitable’s accrued but unreimbursed costs related to an Indomitable Facility upon the date of the issuance of any notice of completion and the acceptance by the City of such Indomitable Facility. With respect to Railyards East CFD Payment Shortfalls under subsection (ii), interest shall begin to accrue on the amount of such accrued but unreimbursed Railyards East CFD Payment Shortfalls upon the date that such Railyards East CFD Payment Shortfalls are paid by Indomitable to the County. Interest shall accrue on such accrued but unreimbursed costs under subsections (i) and (ii) of this definition beginning on the dates specified in this definition at an annual rate equal to the Index Adjustment and shall end once reimbursed or on December 31, 2038, whichever is earlier, except as such monthly interest accruals may be suspended as provided in Section 5 of this Master Agreement.
- (ff) **“Indomitable Facilities”** means any Eligible Facilities that are Indomitable Conditions of Approval.
- (gg) **Indomitable Share of Available Tax Increment**” shall be the allocation of Available Tax Increment to Indomitable in accordance with Section 3(a) and (b) of this Master Agreement.
- (hh) **“Music Venue Project”** means that certain Music Venue Project as contemplated by and defined in the Comprehensive Project Agreement, or similar permitted use of such area within the Paintshop as defined by the Comprehensive Project Agreement as reasonably determined by the City Manager or their designee. The Music Venue Project and the Paintshop do not include any Eligible Facilities.
- (ii) **“Non-Housing Tax Increment”** means 80% of the Available Tax Increment available, as further described herein, after satisfaction of the Eligible Cost Reimbursement Amount.

- (jj) **“Project Funding Agreement(s)”** means the document(s) contemplated herein within Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds) for EIFD funded Eligible Costs, which apply to constructed Eligible Facilities that are not to be permanently owned by the City or initially acquired by the City, by and between (as applicable) the City, DRV, Indomitable, and the Railyards EIFD.
- (kk) **“Property Taxes”** means the ad valorem Property Taxes levied on property within the Railyards EIFD, including such taxes on private possessory interests in real property owned by government entities.
- (ll) **“PFA”** means the “City of Sacramento Railyards Enhanced Infrastructure Financing District Public Financing Authority” (formerly known as the “City of Sacramento Stadium Area Enhanced Infrastructure Financing District Public Financing Authority”), the governing body of the Railyards EIFD.
- (mm) **“Preliminary Term Sheet”** means the Sacramento Republic FC Preliminary Term Sheet approved by the City Council of the City of Sacramento on November 12, 2024.
- (nn) **“Priority Administrative Expenses”** means (i) all administration costs incurred by or on behalf of the Railyards East CFD related to the Railyards East CFD as defined in the RMA (estimated for Fiscal Year 2025-26 to be \$45,000), and (ii) for each subsequent Fiscal Year, an amount equal to the preceding Fiscal Year’s Priority Administrative Expenses plus 3% of such amount.
- (oo) **“Public Improvements”** means any construction, alteration, demolition, installation, or repair work done as or related to Eligible Facilities that is paid for in whole or in part out of public funds.
- (pp) **“Railyards”** means a 244-acre site located immediately north of Sacramento’s Central Business District, east of the Sacramento River, south of North B Street and west of the Alkali Flat neighborhood.
- (qq) **“Railyards East”** and **“Railyards East Project Area”** means the area of the Railyards memorialized in the boundary map found in the Amended IFP.
- (rr) **“Railyards East CFD”** means the community facilities district to be formed by the City within Railyards East in accordance with the Act and to be formally known as Railyards East CFD No. 2025-01 (Improvements).
- (ss) **“Railyards East CFD Payment Shortfalls”** means those Special Tax payments annually paid by Indomitable (including any successors and assigns) which are applied towards Debt Service on the CFD Bonds and (which at the time of such application) are in excess of the Indomitable Share of Available Tax Increment available at that time to make the payment in accordance with subsection (c)(2) of Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds).

- (tt) **“Railyards EIFD”** means the “City of Sacramento Railyards Enhanced Infrastructure Financing District” (formerly known as the “Stadium EIFD”).
- (uu) **“Railyards Specific Plan”** means the specific plan document adopted in 2016 and amended in 2021 by the City Council that establishes goals and policies specific to the Railyards.
- (vv) **“Railyards West”** and **“Railyards West Project Area”** means the area of the Railyards memorialized in the boundary map found in the Amended IFP.
- (ww) **“RMA”** means the Rate and Method of Apportionment of Special Tax to be considered by the City Council for the Railyards East CFD as may be amended from time to time in accordance with the Act.
- (xx) **“Special Tax”** means the special tax to be levied on taxable parcels within Railyards East by the City, for and on behalf of the Railyards East CFD, in accordance with the RMA.
- (yy) **“Stadium”** means the new outdoor multi-purpose expandable 12,000-seat state-of-the-art multi-purpose stadium to be located in Railyards East that will host soccer and sporting events, concerts and other community events.
- (zz) **“Stadium EIFD”** means the former “City of Sacramento Stadium Area Enhanced Infrastructure Financing District” (now known as the Railyards EIFD).
- (aaa) **“Stadium Project Retained Increment Fund”** means the fund of that name held by the Railyards EIFD for the purposes described in Section 5 of this Master Agreement. Any interest accruing on amounts held in the Stadium Project Retained Increment Fund shall be for the sole benefit of the City and Railyards EIFD.
- (bbb) **“Tax Increment”** means (i) the Property Taxes allocated to, and deposited in, the Railyards EIFD special fund in accordance with the Amended IFP and Government Code section 53398.75, subdivision (a)(2); (ii) the net available revenue, as defined in Government Code section 53398.75, subdivision (d), allocated to, and deposited in, the Railyards EIFD special fund; and (iii) any other revenues deposited into the Railyards EIFD special fund and lawfully available to the Railyards EIFD in accordance with the Amended IFP and the EIFD Law.

2. Railyards East CFD

Immediately prior to commencing formation of the Railyards East CFD, written approval by the City and the eligible landowners (who are qualified electors eligible to vote under the Act) of property located within the proposed Railyards East CFD shall be provided. The City intends to undertake proceedings to form the Railyards East CFD, encompassing the Railyards East area. If formed, the Railyards East CFD will provide funding for certain Eligible Facilities by issuing one or more series of CFD Bonds secured by the Special Tax. Proceeds of CFD Bonds will be used to reimburse Indomitable for Indomitable Eligible Costs, fund a debt service reserve fund and related

CFD Bond-costs, as provided herein. The aforementioned parties shall cooperate in any procedures needed to form the Railyards East CFD.

- (a) *The Special Tax.* Revenue from the Special Tax will be used as follows, unless otherwise specified in an indenture for a series of CFD Bonds:
 - (1) First, to pay the Priority Administrative Expenses.
 - (2) Second, to Debt Service on the CFD Bonds, to the extent the CFD Bonds are not paid from Available Tax Increment in accordance with subsection (c)(2) of Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds) of this Master Agreement and the indenture for the applicable series of CFD Bonds.
 - (3) Third, to cure any delinquencies and replenish any reserve funds for the CFD Bonds.
 - (4) Fourth, to be retained by the City and/or the trustee for the CFD Bonds and applied as credit against the subsequent CFD Bonds Debt Service payment.
- (b) *General Requirements for CFD Bonds.* The following apply to each series of CFD Bonds:
 - (1) The City will issue CFD Bonds only if the City has determined in its sole discretion, after consulting with Indomitable, one of the City's municipal advisors and any other party deemed appropriate and relevant by the City, that issuance is financially feasible.
 - (2) The issuance of CFD Bonds complies with pertinent sections associated with land-secured debt included in the City's Debt Management Policy then in effect prior to the respective issuance of CFD Bonds.
 - (3) Proceeds from the first series of CFD Bonds may be used to reimburse Indomitable for the costs of Railyards East CFD formation. Proceeds from each series of CFD Bonds will be used to pay for costs of issuance, underwriter's discount, required Debt Service reserve, and may include up to two (2) years of capitalized interest.
 - (4) The City will size and structure the CFD Bonds based on terms of financing permitted by the Act to (i) pay Debt Service on the CFD Bonds, (ii) reimburse Indomitable for any unreimbursed Indomitable Eligible Costs, and (iii) to provide at least 110% Debt Service coverage on CFD Bonds following the payment of any Priority Administrative Expenses. The sizing and structure of the CFD Bonds shall also be based upon the determinations of the underwriter used for the issuance of the CFD Bonds as may be necessary in such underwriter's reasonable discretion in order to sell the CFD Bonds.
 - (5) The City shall enter into Acquisition Agreements with Indomitable facilitating the construction and acquisition of Indomitable Facilities to be constructed by Indomitable and to be permanently owned by the City or initially acquired by the

City. Pursuant to such Acquisition Agreement, Indomitable will design and construct the Indomitable Facilities using its own funds and provide for the transfer to, or otherwise evidence ownership by, the City of those Indomitable Facilities when completed. The City will reimburse Indomitable for such amounts from the proceeds of CFD Bonds and any applicable interest earnings on the project proceeds of the CFD Bonds.

- (6) Neither the City's general fund nor any other funds or revenues of the City (except the Special Taxes) will be obligated, in law or equity, for credit enhancements, guarantees, payment of Debt Service, or debt-service coverage related to the CFD Bonds.
- (c) *CFD Bonds.* Prior to the issuance of the first series of CFD Bonds, City will consult with Indomitable and one of the City's municipal advisors to review the feasibility of issuance of the first series of CFD Bonds. If the issuance of CFD Bonds is determined by the City, in conjunction with one of the City's municipal advisors, to be feasible, the first series of CFD Bonds will be issued to reimburse Indomitable for Railyards CFD formation costs, Indomitable Eligible Costs, associated costs of issuance, underwriter's discount, and required Debt Service reserve.
 - (1) The final decision on the sizing, structuring, and terms of the CFD Bonds will be in the City's sole discretion.
 - (2) The Special Tax levied each fiscal year on the taxable Railyards East CFD parcels shall be equal to that fiscal year's Special Tax Requirement, as such term is defined in the RMA, subject to the Maximum Special Tax (as defined in the RMA) limitation.
 - (3) The City shall use the net proceeds of the first series of CFD Bonds to reimburse Indomitable for Indomitable Eligible Costs. To the extent the Indomitable Eligible Costs are not fully paid from the proceeds of the first series of CFD Bonds, such unpaid Indomitable Eligible Costs shall be subject to reimbursement in subsequent series of CFD Bonds subject to the same parameters provided herein as the first series of CFD Bonds. In the consideration of subsequent issuances of CFD Bonds, the additional bonds test requirements included in the applicable indenture for the CFD Bonds must be satisfied.
- (d) *Compliance with Applicable Law.* The City shall comply with all laws and regulations that apply to the Railyards EIFD and the CFD Bonds, including the Act, the City's local goals and policies concerning the use of the Act, the guidelines promulgated by the California Debt Investment and Advisory Commission, and (if appropriate) the federal laws and regulations pertaining to tax-exempt debt.
- (e) *Provision of RMA Regarding Changes in Taxable Property.* The RMA shall contain a provision that protects holders of the CFD Bonds in the event property within Railyards East anticipated to be subject to the Special Tax at the time the first series of CFD Bonds are issued subsequently becomes tax-exempt and without such a provision the expected

maximum Special Tax revenues would be reduced to a point at which the required Debt Service coverage on the CFD Bonds (i.e., 110%) could not be maintained net of Priority Administrative Expenses, except to the extent any loss of revenues is covered by the Funding Obligation Agreement.

3. Railyards EIFD Payment Obligations and EIFD Bonds

- (a) Railyards East Project Area – the Railyards EIFD shall allocate the Available Tax Increment within the Railyards East Project Area as follows:
 - (1) 100% of Available Tax Increment from the Railyards East Project Area shall initially be allocated to pay the Indomitable Eligible Costs.
 - (2) Upon satisfaction of the Indomitable Eligible Costs, Available Tax Increment from the Railyards East Project Area shall then be allocated in the following percentages: DRV (50%) and City (50%).
 - (3) Upon satisfaction of either the DRV Eligible Cost Reimbursement Amount or the City Eligible Cost Reimbursement Amount, 100% of Available Tax Increment from the Railyards East Project Area shall then be allocated to either DRV or the City as applicable to satisfy either the City's or DRV's respective remaining unpaid Eligible Cost Reimbursement Amount.
 - (4) Upon satisfaction of the Eligible Cost Reimbursement Amount, Available Tax Increment from the Railyards East Project Area shall then be allocated to the Railyards EIFD to satisfy the Housing Tax Increment component and the Non-Housing Tax Increment component, and the remainder shall be allocated, as determined by the Railyards EIFD and the City, for the further implementation of the Amended IFP.
- (b) Railyards West Project Area – the Railyards EIFD shall allocate the Available Tax Increment within the Railyards West Project Area as follows:
 - (1) Available Tax Increment from the Railyards West Project Area shall initially be allocated in the following percentages between Indomitable (40%), DRV (40%), and the City (20%).
 - (2) Upon satisfaction of the Indomitable Eligible Costs (but not DRV Eligible Cost Reimbursement Amount or the City Eligible Cost Reimbursement Amount), Available Tax Increment shall be allocated in the following percentages: DRV (50%) and City (50%).
 - (3) Upon satisfaction of either the DRV Eligible Cost Reimbursement Amount or the City Eligible Cost Reimbursement Amount, 100% of Available Tax Increment from the Railyards West Project Area shall then be allocated to either DRV or the City as applicable to satisfy either the City's or DRV's remaining unpaid Eligible Cost Reimbursement Amount.

- (4) Upon satisfaction of the Eligible Cost Reimbursement Amount, Available Tax Increment from the Railyards West Project Area shall then be allocated to the Railyards EIFD to satisfy the Housing Tax Increment component and Non-Housing Tax Increment component, and the remainder shall be allocated, as determined by the Railyards EIFD and the City, for the further implementation of the Amended IFP.

(c) Application of Available Tax Increment

- (1) *Pledge of Available Tax Increment.* The Railyards EIFD hereby pledges and creates a first lien on, and security interest in, (i) with regard and limited to the CFD Bonds, the annual Indomitable Share of Available Tax Increment, as security for the Special Tax Requirement (as defined in the RMA for the CFD Bonds), including payment of Debt Service, Priority Administrative Expenses, curing any delinquencies and replenishing any reserve funds for the CFD Bonds, and (ii) with regard and limited to the EIFD Bonds and to the extent not pledged under clause (i) above or released from such lien pursuant to any indenture pursuant to which CFD Bonds are issued, the annual Indomitable Share of Available Tax Increment, the annual DRV Share of Available Tax Increment and the annual City Share of Available Tax Increment, as security for its payment obligations for the EIFD Bonds. Such pledges shall be first and exclusive pledges and shall attach and be binding and effective without the need for any physical delivery, recordation, filing, or further act. The pledges of Available Tax Increment pursuant to this paragraph for payment of Debt Service on CFD Bonds and EIFD Bonds shall be senior to any other pledges of Available Tax Increment and shall remain in effect for so long as any CFD Bonds or EIFD Bonds, as applicable, are outstanding. After payment of annual Debt Service on the CFD Bonds and EIFD Bonds as provided in subsections (c)(2)(A) and (B) of this Section 3, the remaining Available Tax Increment shall be available for the purposes provided in subsections (c)(2)(C) and (D) of this Section 3.
- (2) *Transfer and Use of Available Tax Increment.* Each year, the Railyards EIFD shall disburse the Available Tax Increment in accordance with the allocations detailed in subsections (a), (b) and (c) of this Section 3 in the following order of priority:
 - (A) First, from the Indomitable Share of Available Tax Increment, the amount pledged to the CFD Bonds in Section (3)(c)(1) shall be transferred from the Railyards EIFD to the trustee for the CFD Bonds (the “**CFD Trustee**”), within thirty (30) days after receipt of each installment of Tax Increment from Sacramento County. It is anticipated that the receipt of Tax Increment from Sacramento County will occur in January and May of each calendar year. The Railyards EIFD shall continue to transfer the Indomitable Share of Available Tax Increment to the CFD Trustee each calendar year until the amount held by the Trustee is sufficient to satisfy the Special Tax Requirement for the CFD Bonds for that calendar year. Each such transfer for CFD Bonds shall be prior to and senior to any such transfer for Debt Service on EIFD Bonds provided for in subsection (c)(2)(B) of this Section

3. If the Indomitable Share of Available Tax Increment transferred to the Trustee in any calendar year exceeds the amount necessary to satisfy the Special Tax Requirement for CFD Bonds during that calendar year, then the CFD Trustee shall return to the Railyards EIFD the excess, if any, Available Tax Increment.
- (B) Second, from the Indomitable Share of Available Tax Increment (less any amounts required to satisfy the Special Tax Requirement for the CFD Bonds pursuant to subparagraph (A) above), the DRV Share of Available Tax Increment and the City Share of Available Tax Increment to the extent available, the amount required to pay Debt Service, EIFD Administration Costs and replenish reserve funds on any EIFD Bonds. Once EIFD Bonds are issued, the Railyards EIFD shall transfer to the trustee for the EIFD Bonds (the “**EIFD Trustee**”), within thirty (30) days after receipt of each installment of Tax Increment from Sacramento County, the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment derived from such installment. The Railyards EIFD shall continue to transfer the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment to the EIFD Trustee each calendar year until the amount held by the EIFD Trustee is sufficient to pay the Debt Service, EIFD Administration Costs and replenish reserve funds on the EIFD Bonds for that calendar year. If the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment transferred to the EIFD Trustee in any calendar year exceeds the amount necessary to pay the Debt Service, EIFD Administration Costs and replenish reserve funds on EIFD Bonds during that calendar year, then the EIFD Trustee shall return to the Railyards EIFD the excess, if any, Available Tax Increment.
- (C) Third, to pay to DRV, Indomitable, or the City for their respective Eligible Costs that were not paid from proceeds of CFD Bonds or EIFD Bonds, such payments to each such party to be allocated in accordance with the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment, except as may be otherwise provided in Section 5 of this Master Agreement.
- (D) Fourth, if any Available Tax Increment remains after payments made above, then the City and Railyards EIFD may use that Available Tax Increment for the Housing Tax Increment component and Non-Housing Tax Increment component (in accordance with the allocations detailed herein) and, as determined by the Railyards EIFD and the City, any remainder shall be allocated for the further implementation of the Amended IFP.
- (d) In the event the City Eligible Cost Reimbursement Amount is satisfied prior to the satisfaction of the Indomitable Eligible Costs and/or the DRV Eligible Cost Reimbursement Amount, and neither the EIFD Bonds or CFD Bonds contemplated

herein have been issued or have been retired, the Available Tax Increment allocated in the following percentages between Indomitable (50%) and the DRV (50%).

(e) General EIFD Bond Issuance Parameters –

General Requirements for EIFD Bonds. The following apply to each series of EIFD Bonds:

- (1) Railyards EIFD will issue EIFD Bonds only if Railyards EIFD has determined, in its sole discretion, after consulting with Indomitable, DRV, Railyards EIFD's municipal advisor and any other party deemed appropriate and relevant by the Railyards EIFD, that issuance is financially feasible.
- (2) The issuance of EIFD Bonds complies with the Railyards EIFD debt management policy then in effect prior to the issuance of the EIFD Bonds. It is contemplated that the Railyards EIFD will adopt the City debt management policy (to the extent applicable) as its own debt management policy.
- (3) Proceeds from the first series of EIFD Bonds may be used to reimburse DRV and/or Indomitable for costs related to the formation and amendment of the Railyards EIFD. Proceeds from each series of EIFD Bonds will be used to pay for costs of issuance and underwriter's discount and may include up to two (2) years of capitalized interest.
- (4) Railyards EIFD will size and structure the EIFD Bonds based on the projected Available Tax Increment available to in accordance with the allocation detailed herein and that is expected to be available to provide at least 110% Debt Service coverage on Bonds, after the payment of EIFD Administration Costs. The necessary debt service coverage on the EIFD Bonds will be determined by the underwriter used for the issuance of the EIFD Bonds in such underwriter's reasonable discretion in order to sell the EIFD Bonds.
- (5) Railyards EIFD and the City shall enter into (i) Acquisition Agreement(s) with Indomitable or DRV (as applicable) facilitating the construction and acquisition of Eligible Facilities constructed by Indomitable or DRV which are to be permanently owned by the City or initially acquired by the City, and (ii) Project Funding Agreement(s) with Indomitable or DRV (as applicable) facilitating the construction of Eligible Facilities constructed by Indomitable or DRV which are not to be permanently owned by the City or initially acquired by the City. Pursuant to (A)(i) such Acquisition Agreement(s), Indomitable or DRV will design and construct the Eligible Facilities using their own funds and provide for the transfer to, or otherwise evidence ownership by, the City when completed, and (ii) pursuant to such Project Funding Agreements, Indomitable or DRV will design and construct the Eligible Facilities using their own funds and retain ownership of those Eligible Facilities when completed; and (B) in accordance with the Acquisition Agreements or Project Funding Agreements, as applicable, the Railyards EIFD will reimburse Indomitable or DRV, as applicable, from the

proceeds of EIFD Bonds and any applicable interest earnings on project proceeds of the EIFD Bonds.

- (6) Prior to issuance of the EIFD Bonds and CFD Bonds, as applicable, Indomitable (and/or its affiliates owning taxable property within the Railyards EIFD) and/or DRV (and/or its affiliates owning taxable property within the Railyards EIFD), shall enter into a Funding Obligation Agreement. The purpose of the Funding Obligation Agreement is to, among other things, protect holders of EIFD Bonds and CFD Bonds in the event that property anticipated to generate Tax Increment and/or Special Tax within the Railyards EIFD and Railyards East CFD at the time the applicable series of EIFD Bonds and CFD Bonds is issued subsequently becomes tax-exempt. The Funding Obligation Agreement shall be in the form and contain the substantive terms required by the City, Railyards EIFD and/or underwriter used for the issuance of the applicable series of bonds as may be necessary in such parties' reasonable discretion in order to sell the CFD Bonds or EIFD Bonds, as applicable.
- (7) Neither the City's general fund nor any other funds or revenues of the City or Railyards EIFD (except the Available Tax Increment in accordance with EIFD Law) will be obligated, in law or equity, for credit enhancements, guarantees, payment of Debt Service, or debt-service coverage related to the EIFD Bonds.

4. Reimbursement of Eligible Costs.

- (a) *From Proceeds of CFD Bonds.* Reimbursement of Indomitable Eligible Costs from the proceeds of CFD Bonds for the Indomitable Facilities constructed by Indomitable and acquired by the City will be disbursed as provided in an Acquisition Agreement.
- (b) *From Proceeds of EIFD Bonds.* Proceeds from EIFD Bonds shall be allocated to Indomitable, DRV and the City:
 - (1) If from EIFD Bonds secured only by Available Tax Increment from the Railyards East Project Area, the proceeds shall be allocated in accordance with subsection (a) of Section 3 of this Master Agreement,
 - (2) If from EIFD Bonds secured only by Available Tax Increment from the Railyards West Project Area, the proceeds shall be allocated in accordance with subsection (b) of Section 3 of this Master Agreement,
 - (3) If from EIFD Bonds secured by Available Tax Increment from both the Railyards West Project Area and the Railyards East Project Area, the proceeds shall be allocated as determined by the parties to this Master Agreement prior to the date of the issuance of such EIFD Bonds (for the purposes of such determination, the respective amounts of Available Tax Increment separately generated from the Railyards West Project Area and the Railyards East Project Area securing the EIFD Bonds and the application of the allocations provided in subsections (a) and

(b) of Section 3 of this Master Agreement based upon such weighted usage shall be reasonably considered by the parties).

Subject to such allocation, reimbursement of Indomitable Eligible Costs and DRV Eligible Costs for the Eligible Facilities to be acquired by the City will be disbursed as provided in the Acquisition Agreements, and for the Eligible Facilities not to be acquired by the City will be disbursed as provided in the Project Funding Agreements.

- (c) *From Proceeds of Available Tax Increment.* Available Tax Increment, after applicable allocation to and payment of Debt Service, shall be allocated to Indomitable, DRV and the City in accordance with subsections (a) and (b) of Section 3 of this Master Agreement. Subject to such allocation, reimbursement of Indomitable Eligible Costs and DRV Eligible Costs for the Eligible Facilities to be acquired by the City will be disbursed as provided in the Acquisition Agreements, and for the Eligible Facilities not to be acquired by the City will be disbursed as provided in the Project Funding Agreements.
- (d) *Payment Timing.* Any Eligible Cost Invoices will be subject to any payment provisions set forth in any Acquisition Agreement or Project Funding Agreement, as applicable, (whose payment timing provisions shall control in the event of any conflict with the payment timing provisions of this Master Agreement).
- (e) *Maximum Total Reimbursement.* The total reimbursement to Indomitable, DRV and the City for their collective Eligible Costs from any combination of the proceeds of CFD Bonds, proceeds of EIFD Bonds, Available Tax Increment or any other City or Railyards EIFD source may not exceed the Eligible Cost Reimbursement Amount. Neither the City nor the Railyards EIFD is obligated to reimburse or otherwise pay the Indomitable or DRV for Eligible Costs that are not reimbursed in accordance with this Master Agreement. Indomitable and DRV will be solely responsible for paying all unreimbursed Eligible Costs.
- (f) *Conflict with Acquisition Agreement or Project Funding Agreement.* In the event of any conflict between this Master Agreement and any Acquisition Agreement(s) or Project Funding Agreement(s), as applicable, subsequently entered into by the parties in regard to issues in subsections (a), (b) and (c) of this Section 4, the terms and provisions of the Acquisition Agreement(s) or Project Funding Agreement(s), as applicable, shall govern.

5. Railyards EIFD Retained Tax Increment and Index Adjustments

- (a) *Retained Tax Increment.* The following provisions in this subsection (a) shall apply only to Available Tax Increment that has not been pledged pursuant to Section 3(c)(1) of this Master Agreement or in any indenture or fiscal agent agreement in connection with CFD Bonds or EIFD Bonds.
 - (1) *With Respect to DRV and the Music Venue Project.*
 - (A) *Start of Construction.* If construction of the Music Venue Project has not commenced consistent with building permit(s) issued by the City before

January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the Available Tax Increment payable to DRV thereafter shall be retained by the Railyards EIFD and held in the DRV Project Retained Increment Fund. If construction of the Music Venue Project has commenced consistent with building permit(s) issued by the City after January 1, 2028 but prior to January 1, 2031 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), then the Available Tax Increment payable to DRV thereafter shall be paid to DRV as provided in Section 3 of this Master Agreement (except as may be limited by subsection (B) below) and Railyards EIFD shall pay all of the Available Tax Increment retained in the DRV Project Retained Increment Fund to DRV.

- (B) *Certificate of Occupancy.* If the City has not issued a Certificate of Occupancy for the Music Venue Project by January 1, 2031, the Available Tax Increment payable to DRV thereafter shall be retained by the Railyards EIFD in the DRV Project Retained Increment Fund. If the City issues a Certificate of Occupancy for the Music Venue Project after January 1, 2031 but prior to January 1, 2036, then the Available Tax Increment payable to DRV thereafter shall be paid to DRV as provided in Section 3 of this Master Agreement and Railyards EIFD shall pay all of the Available Tax Increment retained in the in the DRV Project Retained Increment Fund to DRV.
- (C) *No Certificate of Occupancy Before 2036.* If the City has not issued a Certificate of Occupancy for the Music Venue Project before January 1, 2036, then the City and Railyards EIFD may determine, within thirty (30) calendar days, in their reasonable discretion, to either (a) close DRV Project Retained Increment Fund and transfer any all of the Available Tax Increment contained therein to the City and Indomitable allocated in the following percentages between Indomitable (50%) and the City (50%) to be used to pay the City Eligible Cost Reimbursement Amount and unreimbursed Indomitable Eligible Costs, or (b) grant an extension to DRV regarding the final date before which a Certificate of Occupancy must be issued for the Music Venue Project.

(2) *With Respect to Indomitable and the Stadium.*

- (A) *Start of Construction.* If construction of the Stadium has not commenced consistent with building permit(s) issued by the January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the Available Tax Increment payable to Indomitable thereafter shall be retained by the Railyards EIFD and held in the Stadium Project Retained Increment Fund. If construction of the Stadium has commenced consistent with building permit(s) issued by the City after January 1, 2028

but prior to January 1, 2031 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), then the Available Tax Increment payable to Indomitable thereafter shall be paid to Indomitable as provided in Section 3 of this Master Agreement (except as may be limited by subsection (B) below) and Railyards EIFD shall pay all of the Available Tax Increment retained in the Stadium Project Retained Increment Fund to Indomitable.

- (B) *Certificate of Occupancy.* If the City has not issued a Certificate of Occupancy for the Stadium by January 1, 2031, the Available Tax Increment payable to Indomitable thereafter shall be retained by the Railyards EIFD in the Stadium Project Retained Increment Fund. If the City issues a Certificate of Occupancy for the Stadium after January 1, 2031 but prior to January 1, 2036, then the Available Tax Increment payable to Indomitable thereafter shall be paid to Indomitable as provided in Section 3 of this Master Agreement and Railyards EIFD shall pay all of the Available Tax Increment retained in the Stadium Project Retained Increment Fund to Indomitable.
 - (C) *No Certificate of Occupancy Before 2036.* If the City has not issued a Certificate of Occupancy for the Stadium before January 1, 2036, then the City and Railyards EIFD may determine, within thirty (30) calendar days, in their reasonable discretion, to either (a) close Stadium Project Retained Increment Fund and transfer all of the Available Tax Increment retained therein to the City and DRV to be allocated between DRV and the City as provided in Section 3(b)(2) and 3(b)(3) (and treated as if the Indomitable Eligible Costs have been satisfied), or (b) grant an extension to Indomitable regarding the final date before which a Certificate of Occupancy must be issued for the Stadium.
- (b) *Index Adjustments to DRV Eligible Cost Reimbursement Amount and Indomitable Eligible Costs.* The following provisions in this subsection (b) shall apply as contemplated in this Master Agreement.
- (1) *With Respect to DRV and the Music Venue Project.*
 - (A) *Start of Construction.* If construction of the Music Venue Project has not commenced consistent with building permit(s) issued by the City before January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the annual increases that accrue to the DRV Eligible Cost Reimbursement Amount as provided in the definition thereof shall thereafter be suspended. If construction of the Music Venue Project has commenced consistent with building permit(s) issued by the City and as reasonably determined by the City Manager or their designee after January 1, 2028 but prior to January 1, 2031, the annual increases to the

DRV Eligible Cost Reimbursement Amount shall thereafter resume accruing (except as may be limited by subsection (B) below).

- (B) *Certificate of Occupancy.* If the City issues a Certificate of Occupancy for the Music Venue Project before January 1, 2031, then the annual increases that accrue to the DRV Eligible Cost Reimbursement Amount shall accrue as provided in the definition thereof and any annual increases that would have accrued to the DRV Eligible Cost Reimbursement Amount but were suspended as provided in subsection (A) shall be retroactively applied as if no suspension had occurred. If the City has not issued a Certificate of Occupancy for the Music Venue Project by January 1, 2031, the annual increases that accrue to the DRV Eligible Cost Reimbursement Amount shall thereafter be suspended until such time as the City issues a Certificate of Occupancy for the Music Venue Project, on which date the annual increases to the DRV Eligible Cost Reimbursement Amount shall thereafter resume accruing, except that, as described in the definition of the DRV Eligible Cost Reimbursement Amount, in no event shall any annual increases to the DRV Eligible Cost Reimbursement Amount accrue after December 31, 2038.

(2) *With Respect to Indomitable and the Stadium.*

- (A) *Start of Construction.* If construction of the Stadium has not commenced consistent with building permit(s) issued by the City before January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the monthly accruals of interest on unreimbursed Indomitable Eligible Costs as provided in the definition thereof shall thereafter be suspended. If construction of the Stadium has commenced consistent with building permit(s) issued by the City after January 1, 2028 but prior to January 1, 2031 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the monthly accruals of interest on unreimbursed Indomitable Eligible Costs shall thereafter resume accruing (except as may be limited by subsection (B) below).
- (B) *Certificate of Occupancy.* If the City issues a Certificate of Occupancy for the Stadium before January 1, 2031, then the monthly accruals of interest on unreimbursed Indomitable Eligible Costs shall continue to accrue as provided in the definition thereof and any monthly accruals of interest on unreimbursed Indomitable Eligible Costs that would have accrued but were suspended pursuant to subsection (A) shall be retroactively applied as if no suspension had occurred. If the City has not issued a Certificate of Occupancy for the Stadium by January 1, 2031, the monthly accruals of interest on unreimbursed Indomitable Eligible shall thereafter be suspended until such time as the City issues a Certificate of Occupancy for the Stadium, on which date the monthly accruals of interest on unreimbursed Indomitable Eligible Costs shall thereafter resume accruing, except that, as described in the

definition of the Indomitable Eligible Costs, in no event shall any monthly interest on unreimbursed Indomitable Eligible Costs accrue after December 31, 2038.

6. Miscellaneous.

- (a) *Notices.* Except as provided in subsection (o) (Signatures; Counterparts) of this Section 6, any notice or other communication under this Master Agreement, including notices of a change in address, must be in writing and will be considered properly given and effective only when delivered to the persons identified below at the addresses shown below:

If to Indomitable:

Indomitable Ventures, LLC
428 J Street, Suite 700
Sacramento, California 95814

Attention: Kevin M. Nagle

If to DRV:

Downtown Railyard Venture, LLC
3140 Peacekeeper Way
McClellan, California 95652

Attention: Larry D. Kelley, Jr.

If to the Railyards EIFD:

City of Sacramento
Department of Finance – Infrastructure
Finance Division
915 I Street, 5th Floor
Sacramento, California 95814
Attention: Sini Makisini

If to the City:

City of Sacramento
Office of Innovation and Economic
Development
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Leslie Fritzsche, Economic
Investment Manager

- (b) *Assignments.* This Master Agreement binds and inures to the benefit of the parties' successors and assigns.
- (c) *Enforcement.* If a party to this Master Agreement or any of its successors, assigns and affiliates acquires any, direct or indirect, right, title or interest in all or any portion of the property within the Railyards EIFD which is subject to the Special Tax or pays property taxes from which the Available Tax Increment is derived has or subsequently acquires any form of tribal sovereign immunity to the enforcement under the laws of the State of California of this Master Agreement and/or any claim, controversy or dispute arising under or related to this Master Agreement, each such party and its successors, assigns and affiliates (i) waive tribal sovereign immunity for the purpose of enforcement under the laws of the State of California of this Master Agreement and/or any claim, controversy or dispute arising under or related to this Master Agreement, (ii) shall not invoke the doctrine of exhaustion of tribal or other administrative remedies to defeat or delay such action, (iii) shall not invoke the doctrine of tribal sovereign immunity to evade such action, (iv) shall enter into a Funding Obligation Agreement pursuant to Section 3(e)(6) of this Master Agreement. Each party and its successors,

assigns and affiliates hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of California and of the United States of America located in Sacramento County, California for any actions, suits, proceedings arising out of or relating to this Master Agreement and waive any objection to the laying of venue of any action, suit or proceeding arising therefrom in such courts. Any purchaser, transferee or other holder of any, direct or indirect, right, title or interest in all or any portion of the property within the Railyards EIFD which is subject to the Special Tax or pays property taxes from which the Available Tax Increment is derived, by the acceptance of a deed, assignment or other conveyance document, whether from such party or its successors, assigns or affiliates, shall by the acceptance of such deed, assignment or other conveyance document, be deemed to have consented to, to be bound by, and accepted the terms and conditions of this Master Agreement, which includes, but is not limited to, the waiver of tribal sovereign immunity contained herein.

- (d) *Dispute resolution.* If any dispute arises between parties to this Master Agreement as to its subject matter, the parties shall first attempt to resolve the dispute among themselves and shall meet and confer in good faith to provide all information relevant to the dispute so that the parties will have adequate information to resolve the dispute. If the parties are unable to resolve the dispute among themselves, then the parties shall attempt in good faith to resolve the dispute by mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association. A party may resort to legal action only if the parties are unable to resolve any dispute among themselves or by mediation.
- (e) *Validation Action.* All parties to this Master Agreement recognize that certain issues related the formation and amendment of the Railyards EIFD, the issuance of the EIFD Bonds and the expenditures of Available Tax Increment and EIFD Bond proceeds contemplated herein will be the subject of a judicial validation action to be filed by the City and Railyards EIFD in Superior Court of the State of California, County of Sacramento pursuant to Code of Civil Procedure section 860, et seq., and Government Code sections 53511, 53398.57 and 53398.58. The parties agree to renegotiate this Master Agreement if a validation judgment by said court is not issued in favor of the City and Railyards EIFD to the satisfaction of the parties to this Master Agreement.
- (f) *Binding effect.* This Master Agreement binds and inures to the benefit of the parties' successors and assigns.
- (g) *Time of essence.* Time is of the essence in the performance of this Master Agreement.
- (h) *Force Majeure.* If a party's performance of any obligation required by this Master Agreement is delayed, hindered, or prevented by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including a failure, refusal, or delay in issuing permits, inspections, approvals, and authorizations), injunction or court order, riots, insurrection, war, terrorism, bioterrorism, fire, epidemic or pandemic, quarantine, earthquake, flood or other natural disaster, or other similar reason of a like nature that is beyond the reasonable control of the party, then the party's performance of the

obligation will be excused for the duration of the delay, and the time for the performance of the obligation will be extended for a period equal to the duration of the delay. Any party claiming a delay in accordance with this section shall notify the other parties in writing of the delay within thirty (30) days after the delay begins, and the notice must specify the nature and estimated length of the delay; provided, however, the failure to timely deliver such notice shall not be deemed a waiver of prior delays caused by force majeure if documented in a subsequently delivered notice.

- (i) *Severability.* If a court with jurisdiction rules that any provision of this Master Agreement is invalid, unenforceable, or contrary to law or public policy, then the parties want the court to interpret it as follows:
 - (1) by modifying the provision to the minimum necessary to make it enforceable or, if that modification is not permitted by law, by disregarding the provision;
 - (2) by holding that the rest of the Master Agreement will remain in effect as written;
 - (3) by holding that the provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and
 - (4) by holding this entire Master Agreement unenforceable if modifying or disregarding the unenforceable provision would result in the failure of an essential purpose of this Master Agreement.
- (j) *Waiver.* A party's failure to insist on strict performance of this Master Agreement or to exercise any right or remedy upon a breach of it will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any provision in this Master Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving party.
- (k) *Interpretation.* This Master Agreement is to be interpreted and applied in accordance with California law, except that the rule of interpretation in California Civil Code section 1654 will not apply.
- (l) *Attorneys' fees.* In the event any party shall bring suit against the other to enforce any rights under this Agreement, the prevailing party shall recover from the other, in addition to any other award, an amount equal to reasonable attorneys' fees to be fixed by the court.
- (m) *No third-party beneficiaries.* This Master Agreement is solely for the benefit of the parties and is not intended to benefit any third parties.
- (n) *Effective date.* This Master Agreement is effective on the date all parties have signed it, as indicated by the dates in the signature blocks below.
- (o) *Signatures; Counterparts.* The parties may sign this Master Agreement with electronic or digital signatures. In addition, the parties may sign this Master Agreement in

counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Delivery of a signed counterpart may be accomplished by email transmission of a PDF file as follows:

For delivery to Indomitable, knagle@thenaglecompanies.com

For delivery to DRV, dkelley@ldkcapital.com, with copy to jheckenlively@mcclellanpark.com

For delivery to the City, jmassey@cityofsacramento.org

For delivery to the Railyards EIFD, cbaranoff@lozanosmith.com

- (p) *Integration and modification.* This Master Agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by all parties.
- (q) *Prevailing Wage.* Indomitable and DRV each covenant that with respect to any contracts or subcontracts for the construction of any Public Improvements, they will construct all Public Improvements that will be dedicated to the City or any other public agency consistent with all applicable laws and regulations relating to prevailing wages including but not limited to California Labor Code section 1720(c)(2) and the City's municipal code. Indomitable and DRV shall each provide, at the written request of the City Engineer, evidence satisfactory to the City Engineer of compliance with the provisions of this subsection (q) with respect to any Public Improvements constructed that may include, but are not limited to, certified payrolls.

[Remainder of page intentionally left blank - Signature page follows]

Each party is signing this Master Agreement on the date under each party's signature.

INDOMITABLE VENTURES, LLC

CITY OF SACRAMENTO

By: _____

Kevin M. Nagle
Manager

By: _____

Leyne Milstein
Interim City Manager

Date: _____, 2025

Date: _____, 2025

**DOWNTOWN RAILYARD VENTURE,
LLC**

ATTEST:

By: _____

Larry D. Kelley, Jr.
Managing Principal

By: _____

Mindy Cuppy
City Clerk

Date: _____, 2025

APPROVED AS TO FORM:

**CITY OF SACRAMENTO RAILYARDS
ENHANCED INFRASTRUCTURE
FINANCING DISTRICT**

By: _____

Matthew D. Ruyak
Assistant City Attorney

By: _____

Leyne Milstein
Executive Director

Date: _____, 2025

APPROVED AS TO FORM:

By: _____

Constantine Baranoff
Lozano Smith LLP, EIFD PFA Attorney

**Exhibit E
to
Comprehensive Project Agreement**

**DEVELOPMENT AGREEMENT
ASSIGNMENT AND ASSUMPTION
AGREEMENT
(see attached)**

*Recording Requested by and Benefiting
the City of Sacramento, a Government Entity –
No Fee Required per Government Code §§6103,
27383, 27388.1(a)(s)(d)*

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
City Clerk
City of Sacramento
915 I Street
Sacramento, CA 95814

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

(City Agreement 2008-0150-6)

THIS PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Assignment”), dated for identification purposes only as June 10, 2025, by and between DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company (“LANDOWNER”), and INDOMITABLE LANDCO, LLC, a Delaware limited liability company (“ASSIGNEE”), and the CITY OF SACRAMENTO, a municipal corporation (“CITY”). The LANDOWNER, ASSIGNEE and CITY hereinafter may be referred to collectively as the “Parties” or in the singular as “Party,” as the context requires.

RECITALS

A. LANDOWNER has entered into a Development Agreement with CITY dated November 10, 2016, recorded with the Sacramento County Clerk/Recorder on January 06, 2017, in Book 20170106 at Page 536, and identified as City Agreement 2008-0150-2 (“Original DA”), as amended by the Amendment 1 to the Development Agreement, dated October 7, 2021 (“First Amendment to DA”), and identified as City Agreement 2008-0150-04, and as amended by the Amendment 2 to the Development Agreement, undated (signed by the parties as of May 23, 2023, and identified as City Agreement 2008-0150-05 (“Second Amendment to DA” and along with the Original DA and the First Amendment to the DA are collectively the “Development Agreement”), pursuant to which LANDOWNER obtained vested rights to develop certain property as more particularly described in the Development Agreement (the “Property”) for the project referred to as the Sacramento Railyards (the “Project”), subject to LANDOWNER’s compliance with certain conditions and obligations set forth in the Development Agreement.

B. LANDOWNER intends to transfer an approximately 31-acre portion of the Property, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “Assigned Parcels”), to ASSIGNEE under the terms of a written agreement between LANDOWNER and ASSIGNEE dated May 1, 2025, for purposes of identification, as has been subsequently amended by the LANDOWNER and ASSIGNEE (collectively, the “Purchase Agreement”).

C. Pursuant to the terms and conditions of the Purchase Agreement, LANDOWNER has agreed to construct certain infrastructure within the Project, which are described on Exhibit B attached hereto ("Excluded Obligations").

D. LANDOWNER has agreed to assign to ASSIGNEE, and ASSIGNEE has agreed to assume from LANDOWNER, all of the rights and obligations under the Development Agreement as they relate to the Assigned Parcels, subject to the terms and conditions of this Assignment. CITY has consented to the foregoing assignment and assumption on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Effective Date; Termination.** This Assignment shall be effective as of the date that ASSIGNEE acquires fee title to the Assigned Parcels (the "Effective Date"). In the event the Purchase Agreement terminates prior to the closing thereunder, this Assignment shall automatically terminate and the Parties shall have no further obligations hereunder. Unless otherwise specified, all capitalized terms used in this Assignment are used as defined in the Development Agreement. Upon the Effective Date, the remainder of the Property, excluding the Assigned Parcels, is referred to as the "Remaining Property".

2. **Assignment and Assumption.** As of the Effective Date, LANDOWNER hereby assigns and transfers to ASSIGNEE any and all of LANDOWNER's rights under the Development Agreement as they relate to the Assigned Parcels, excepting the Excluded Obligation, and ASSIGNEE hereby accepts and assumes all of the duties and obligations of LANDOWNER under the Development Agreement, excepting the Excluded Obligation, as they relate to the Assigned Parcels. ASSIGNEE hereby agrees to observe and fully perform all of the duties and obligations of LANDOWNER under the Development Agreement, excepting the Excluded Obligation, and to be subject to all of the terms and conditions of the Development Agreement, with respect to the Assigned Parcels. For avoidance of doubt, (i) LANDOWNER and ASSIGNEE have agreed that as between them LANDOWNER shall be responsible for complying with the Excluded Obligation and ASSIGNEE shall not be responsible for complying with the Excluded Obligation, (ii) notwithstanding anything to the contrary in the Development Agreement (including, without limitation, Section 2.8.3 of the Development Agreement) or otherwise, LANDOWNER shall have no approval, consent, or similar rights under the Development Agreement with respect to the Assigned Parcels, including any uses, entitlements, or changes in use proposed by Assignee (or otherwise affecting the Assigned Parcels), and (iii) this Assignment does not limit CITY's discretion to impose conditions on the development of any portion of the Assigned Parcels as part of the SPDR process subject to the terms of the Development Agreement ("SPDR Offsite Conditions").

3. **Assumption Terms and Conditions.** LANDOWNER and ASSIGNEE understand and agree that this Assignment is subject in particular to Section 2.7 of the Original DA, which reads as follows:

"2.7 Assignment.

2.7.1. **Right to Assign.** LANDOWNER shall have the right to freely sell, alienate, transfer, assign, lease, license and otherwise convey all or any portion of the Property

and improvements thereon, and as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided that no partial transfer shall be permitted to cause a violation of the Subdivision Map Act (Government Code Section 66410 et seq.). LANDOWNER shall notify CITY of any sale, transfer or assignment of all of LANDOWNER's interests in all or any portion of the Property by providing written notice thereof to CITY in the manner provided in Section 9.2 not later than thirty (30) days before the effective date of such sale, transfer or assignment the assignment; provided, however, that LANDOWNER's failure to provide such notice shall not invalidate such sale, transfer or assignment and provided further that any successor in interest in ownership of all or a portion of the Property shall not benefit from the Vested Rights conferred herein without entering into an Assignment and Assumption Agreement with CITY.

2.7.2. Release of LANDOWNER. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement unless the purchaser, transferee, or ASSIGNEE delivers to CITY a fully executed Assignment and Assumption Agreement to assume all of the obligations of LANDOWNER under this Agreement with respect to the Property, or such portion thereof sold, transferred or assigned, for Development of the Project ("Full Assignment"). If the purchaser, transferee, or ASSIGNEE delivers to CITY a fully executed Assignment and Assumption Agreement to assume less than all of the obligations of LANDOWNER under this Agreement with respect to the Property, or such portion thereof sold, transferred or assigned, for Development of the Project ("Partial Assignment"), LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement unless CITY executes the Partial Assignment. CITY shall release LANDOWNER from the duties, liabilities and obligations under this Development Agreement with respect to the interest(s) sold, assigned or transferred as set forth in the Full Assignment or Partial Assignment only if LANDOWNER is not in default under this Agreement as of the effective date of the Full Assignment or Partial Assignment.

2.7.3 Assignees. ASSIGNEE shall be obligated and bound by the terms and conditions of this Agreement if ASSIGNEE, LANDOWNER, and CITY execute a Full Assignment or Partial Assignment, and shall be the beneficiary hereof and a party hereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to ASSIGNEE by LANDOWNER (the portion of the Property sold, assigned, or transferred to ASSIGNEE is referred to herein is the "Assignee's Parcel"). ASSIGNEE shall observe and fully perform the duties and obligations of LANDOWNER under this Agreement that relate to the Assignee's Parcel as set forth in the Full Assignment or Partial Assignment. CITY shall release ASSIGNEE from LANDOWNER's duties, liabilities and obligations under this Agreement with respect to the interest(s) that are not sold, assigned or transferred to ASSIGNEE as set forth in the Full Release or Partial Release. A Full Assignment shall be deemed to be to the satisfaction of the City Attorney if executed substantially in form of the Assignment and Assumption Agreement attached hereto as Exhibit 1 and incorporated herein by this reference, or such other form as is proposed by LANDOWNER, and approved by the City Attorney prior to the effective date of the assignment. A Partial Assignment is subject to approval by the City Attorney and must be approved by the City Attorney prior to the effective date of the assignment."

4. **Assignee Development Agreement.** Upon the written request of CITY, ASSIGNEE agrees to enter into a separate development agreement with respect to the Assigned Parcels in accordance with the same terms and conditions as set out in the Development Agreement, subject only to those changes in the Development Agreement that are mutually agreed to by both CITY and ASSIGNEE, and subject to processing of the approval of that development agreement in accordance with CITY's Procedural Ordinance.

5. **Initial Term and Extensions.**

(i) In accordance with Section 2.1.1.2 of the Original DA, as of the Effective Date, the 1st Development Milestone shall be allocated between and separately applicable to the extension of the Term of the Development Agreement for the Remaining Property and to the extension of the Term of the Development Agreement for the Assigned Parcels as follows:

Allocation to Remaining Property:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
1,614,200	3,228

Allocation to Assigned Parcels:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
385,800	772

For the purpose of determining if the 1st Development Milestone has been reached separately for the Remaining Property or the Assigned Parcels, the compliance with above allocations of non-residential square footage and residential units shall be based upon completed construction, based on occupancy permits or certificates issued, upon the Remaining Property and the Assigned Parcels, as applicable, and shall not be aggregated between the Remaining Property and the Assigned Parcels. For clarification, the Term of the Development Agreement may be individually extended for Remaining Property or the Assigned Parcels, as applicable, depending on each separately reaching its allocated 1st Development Milestone.

(ii) In accordance with Section 2.1.1.3 of the Original DA, as of the Effective Date, the 2nd Development Milestone shall be allocated between and separately applicable to the extension of the Term of the Development Agreement for the Remaining Property and to the extension of the Term of the Development Agreement for the Assigned Parcels as follows:

Allocation to Remaining Property:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
2,219,525	4,035

Allocation to Assigned Parcels:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
530,475	965

For the purpose of determining if the 2nd Development Milestone has been reached separately for the Remaining Property or the Assigned Parcels, the compliance with above allocations of non-residential square footage and residential units shall be based upon completed construction, based on occupancy permits or certificates issued, upon the Remaining Property and the Assigned Parcels, as applicable, and shall not be aggregated between the Remaining Property and the Assigned Parcels. For clarification, the Term of the Development Agreement may be individually extended for Remaining Property or the Assigned Parcels, as applicable, depending on each separately reaching its allocated 1st Development Milestone.

6. **Mixed Income Housing Strategy.** In accordance with Section 3.8 of the Original DA, as of the Effective Date, the obligation to develop the number of affordable housing units within the Property by the LANDOWNER set forth in Table 1 of the Mixed Income Housing Strategy shall be allocated between and separately applicable to the Remaining Property and the Assigned Parcels as follows:

Allocation to Remaining Property:

Phase	Housing Units Per Phase	Affordable Units Developed (at 40% to 60% AMI) or land dedicted	Commulative Housing Units Developed
1	2,421	242 units	2,421
2	1,211	81 units and/or land dediction	3,632
3	1,211	81 units and/or land dediction	4,834
4	1,614	81 units and/or land dediction	6,448
5	1,614		8,071

Allocation to Assigned Parcels:

Phase	Housing Units Per Phase	Affordable Units Developed (at 40% to 60% AMI) or land dedicted	Commulative Housing Units Developed
1	579	58 units	579
2	289	19 units and/or land dediction	868
3	289	19 units and/or land dediction	1,157
4	386	19 units and/or land dediction	1,543
5	386		1,929

As of the Effective Date, any affordable units that have been constructed at the Property shall be allocated to the Remaining Property. For clarification, the above allocations of affordable units per

phase shall be separately assessed to the Remaining Property and to the Assigned Parcels, as applicable, and shall not be aggregated between the Remaining Property and the Assigned Parcels.

7. **Allocation of Density of the Development Program at the Property.** Table 3-2 attached to the Specific Plan describes the maximum allowable development program at the Property (collectively, "Property Development Density") as follows:

- a. 6,000 to 10,000 Residential Units.
- b. 514,270 square feet of Retail.
- c. 2,757,027 to 3,857,027 square feet of Office.
- d. 771,405 square feet of Flexible Mixed-Use.
- e. 1,228,000 square feet of Medical Campus.
- f. 485,390 square feet of Historic and Cultural.
- g. 25,000 seat capacity Stadium.
- h. 30 acres of Open Space.

As of the Effective Date, the Assigned Parcels are allocated the following portions of the Property Development Density, with the remainder of the Property Development Density allocated to the Remaining Property:

- a. 1,158 to 1,929 Residential Units.
- b. 99,216 square feet of Retail.
- c. 531,903 to 744,122 square feet of Office.
- d. 148,824 square feet of Flexible Mixed Use.
- e. 25,000 seat capacity Stadium.
- f. 0.5 acres of Open Space.

8. **No Cross-Default.** The Parties acknowledge and agree that following the Effective Date the respective obligations of LANDOWNER and ASSIGNEE under the Development Agreement shall be separate and independent from one another, such that a default by LANDOWNER of any of the LANDOWNER's duties and obligations specifically including but not limited to the Excluded Obligations will not constitute a default under the Development Agreement by ASSIGNEE, and a default by ASSIGNEE of any of the ASSIGNEE's duties and obligations, will not constitute a default under the Development Agreement by LANDOWNER, and CITY's rights and remedies under the Development Agreement shall apply only to the Party, and the Property or Assigned Parcels, that is the subject of the default. Any duties and obligations under the Development Agreement that apply to both the Assigned Parcels and the remaining Property must be complied with by both LANDOWNER and ASSIGNEE, as applicable.

9. **Master Developer Default of Improvement Obligations.** If LANDOWNER, as the Master Developer of the Property, defaults in the performance of any of its improvement obligations under the Development Agreement, construction of the Excluded Obligations, or other permits, entitlements, or agreements that could impact the timing or ability of ASSIGNEE to commence and pursue its grading, construction-related activities at the Assigned Parcels, CITY agrees upon ASSIGNEE's request, to meet and confer and cooperate in good faith with ASSIGNEE to determine what LANDOWNER improvement obligations remain to be completed. Although CITY agrees to meet and confer and cooperate in good faith with ASSIGNEE, CITY bears no responsibility for the completion of any of LANDOWNER's improvement obligations under the Development Agreement, or other permits, entitlements, or

agreements that could impact the timing or ability of ASSIGNEE to commence and pursue its grading, construction-related activities at the Assigned Parcels.

10. **Development Agreement Status.** As of the Effective Date of this Agreement, (i) the Development Agreement is in full force and effect and a binding obligation of the LANDOWNER and the CITY, and (ii) the CITY has not declared LANDOWNER to be in default of its obligations under the Development Agreement.

11. **SPDR Offsite Conditions.** CITY makes no representation or assurance as to the terms, conditions, or scope of any SPDR Offsite Condition that may be imposed by CITY as part of the SPDR process, other than that CITY will comply with City Code chapter 17.808 and the terms of the Development Agreement. If CITY issues a SPDR permit for any portion of the Assigned Parcels that includes conditions that SPDR Offsite Conditions be completed, ASSIGNEE and LANDOWNER shall have the right to request that CITY enter into an offsite improvement agreement with LANDOWNER which provides for LANDOWNER's construction of all or any portion of the SPDR Offsite Conditions identified by ASSIGNEE and LANDOWNER ("OIA"), which OIA shall require, among other requirements, the posting of financial assurances acceptable to CITY assuring the payment and performance of the assumed construction obligations. The terms and conditions of any OIA are subject to the written approval of CITY and LANDOWNER, which approval the parties may withhold in their sole discretion, and no representation or warranty is made by either CITY or LANDOWNER as to the content of the terms and conditions of the OIA or whether an agreement shall be reached. Subject to the foregoing, CITY and LANDOWNER shall use their respective good faith efforts to determine if acceptable terms and conditions of an OIA can be reached within sixty (60) days following CITY's receipt of written request by ASSIGNEE and LANDOWNER to initiate such process, provided that the failure of CITY and LANDOWNER to reach such agreement within such time period shall not constitute a breach of the Development Agreement. The execution of an OIA by CITY and LANDOWNER does not bar CITY from pursuing any remedy allowed by law against ASSIGNEE for failing to comply with the SPDR permit, including failing to complete the SPDR Offsite Conditions. CITY shall use its good faith efforts to enforce its rights and pursue remedies under the OIA against LANDOWNER prior to taking action against ASSIGNEE; provided, however, (i) no representation or assurance, of any kind, is made by the CITY that such enforcement shall be successful, and (ii) CITY bears no responsibility for the completion of any of LANDOWNER's improvement obligations under the OIA, or other permits, entitlements, or agreements that could impact the timing or ability of ASSIGNEE to commence and pursue its grading, construction-related activities, or opening of the intended improvements to the public. CITY will deem LANDOWNER's successful completion of all required obligations set forth in the OIA as ASSIGNEE's successful completion of the corresponding SPDR Offsite Conditions that were imposed on the SPDR permit.

12. **Successors and Assigns.** All of the covenants, terms and conditions set forth in this Assignment shall, upon recordation, run with the land and shall be binding upon and inure to the benefit of the Parties and to their respective heirs, successors and assigns.

13. **Legal Advice.** ASSIGNEE agrees that it has read, and has sought and received all required legal and other expert consultation with regard to the duties and obligations set out in the Development Agreement to which ASSIGNEE is hereby bound, and fully understands all of its terms and conditions. ASSIGNEE further agrees that: (i) LANDOWNER has furnished ASSIGNEE with a copy of all documents and materials containing or relating to terms and conditions of development of the Assigned Parcels; (ii) ASSIGNEE has read and understands all of the terms and conditions of said documents and materials; and (iii) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other public financing mechanisms and obligations inherent in such documents

and materials, nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all of obligations and requirements, and be bound by all of the provisions of such documents and materials, in addition to the express terms and conditions of the Development Agreement.

14. **Representations; Entire Agreement.** ASSIGNEE hereby affirms and acknowledges that CITY has not made any representations, commitments or promises to ASSIGNEE that are contrary to or different from the express terms and conditions of the Development Agreement, unless such terms and conditions have been set forth in writing and approved by ASSIGNEE and the City Council prior to the execution of this Assignment. This Assignment contains the entire agreement of the Parties, no other understanding whether verbal, written or otherwise exists between the Parties, and no prior verbal or written communications regarding this Assignment shall be binding on any Party.

15. **Further Assurances.** The Parties agree to execute all such additional instruments and documents and to take all such additional actions, as may be reasonable and necessary to carry out the provisions of this Assignment.

16. **Notices.** All notices required or provided for under this Assignment shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the other Parties and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other Party(ies) as indicated below:

Notice to the CITY:

City of Sacramento
915 I Street
Sacramento, California, 95814
ATTN: City Manager

Notice to the LANDOWNER:

Downtown Railyard Venture, LLC
3140 Peacekeeper Way
McClellan, California 95652
Attn: Larry D. Kelley Jr.
Managing Principal
Tel: (916) 965-7100
E-Mail: lkelley@ldkcapital.com

Downtown Railyard Venture, LLC
3140 Peacekeeper Way
McClellan, California 95652
Attn: Jay Heckenlively
General Counsel
Tel: (916) 965-7100
E-Mail: jjh@ldkventures.com

Notice to the ASSIGNEE:

Indomitable Ventures, LLC
4370 Town Center Boulevard, Suite 230
El Dorado Hills, CA 95762
Attn: Kevin M. Nagle
E-Mail: kevin@thenaglecompanies.com

Delfino Madden, LLP
500 Capitol Mall, Suite 1550
Sacramento, CA 95814
Attn: Jeffrey M. Koewler
Tel: (916) 661-5696
E-Mail: jkoewler@delfinomadden.com

Any Party may change the address to which notices are to be mailed by giving written notice of such changed address to each other Party(ies) in the manner provided herein.

17. **Governing Law.** The Assignment shall be governed by and construed in accordance with the laws of the State of California.

18. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original (including copies sent to a Party by facsimile or electronic transmission) as against the Party signing such counterpart, but which together shall constitute one and the same instrument.

19. **Release of LANDOWNER.** Upon execution and delivery of this Agreement by CITY, CITY hereby releases LANDOWNER from all duties, liabilities and obligations related to the Assigned Parcels pursuant to the Development Agreement, except for Excluded Obligations.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment as of the date and year first above written.

LANDOWNER:

DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company

By: LDK RAILYARDS, LLC, a California limited liability company
Its: Manager

By: LDK VENTURES, LLC, a California limited liability company
Its: Member

By: _____
Name: Larry D. Kelley, Jr.
Its: Manager

ASSIGNEE:

INDOMITABLE LANDCO, LLC, a Delaware limited liability company

By: _____
Name: Kevin M. Nagle
Its: Manager

CITY:

CITY OF SACRAMENTO, a Municipal Corporation

By: _____
Name: Michael Jasso
Its: Assistant City Manager

Attest:

By: _____
Title: Assistant City Clerk

Approved as to Form:

By: _____
Title: Senior Deputy City Attorney

(ATTACH NOTARY ACKNOWLEDGMENTS)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

On _____, before me, _____,

Notary Public

Date

Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY(IES) CLAIMED BY SIGNER(S)

- ☐ Individual
☐ Corporate Officer

- ☐ _____ Title(s)
☐ Partner(s) ☐ Limited
☐ ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is Representing:
Name of Person(s) or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

On _____, before me, _____,
Notary Public Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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Signature of Notary Public

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

On _____, before me, _____,
Notary Public Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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- ☐ Individual
☐ Corporate Officer

- ☐ _____ Title(s)
☐ Partner(s) ☐ Limited
 ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is Representing:
Name of Person(s) or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

Exhibit A
Legal Description of Assigned Parcels

The land situated in the City of Sacramento, County of Sacramento, State of California, described as follows:

All that real property situated in the City of Sacramento, County of Sacramento, State of California and being a portion of Parcel 2 as described in that certain Grant Deed Recorded October 17, 2018 in Book 20181017, Page 0799, Sacramento County Official Records, and being a portion of the remainder parcel as shown on the final map entitled "The Railyards Unit No. 2", filed in Book 409 of Maps, Page 1, said County Records. More particularly described as follows:

Beginning at the intersection of 7th Street and North 'B' Street as shown on record of Survey Filed July 1, 2004 in Book 66 of Surveys, Page 15, Sacramento County Official Records. Said point lying on the North boundary of said Parcel 2; thence along the boundary of said Parcel 2, common with the boundary of said remainder parcel the following 22 courses:

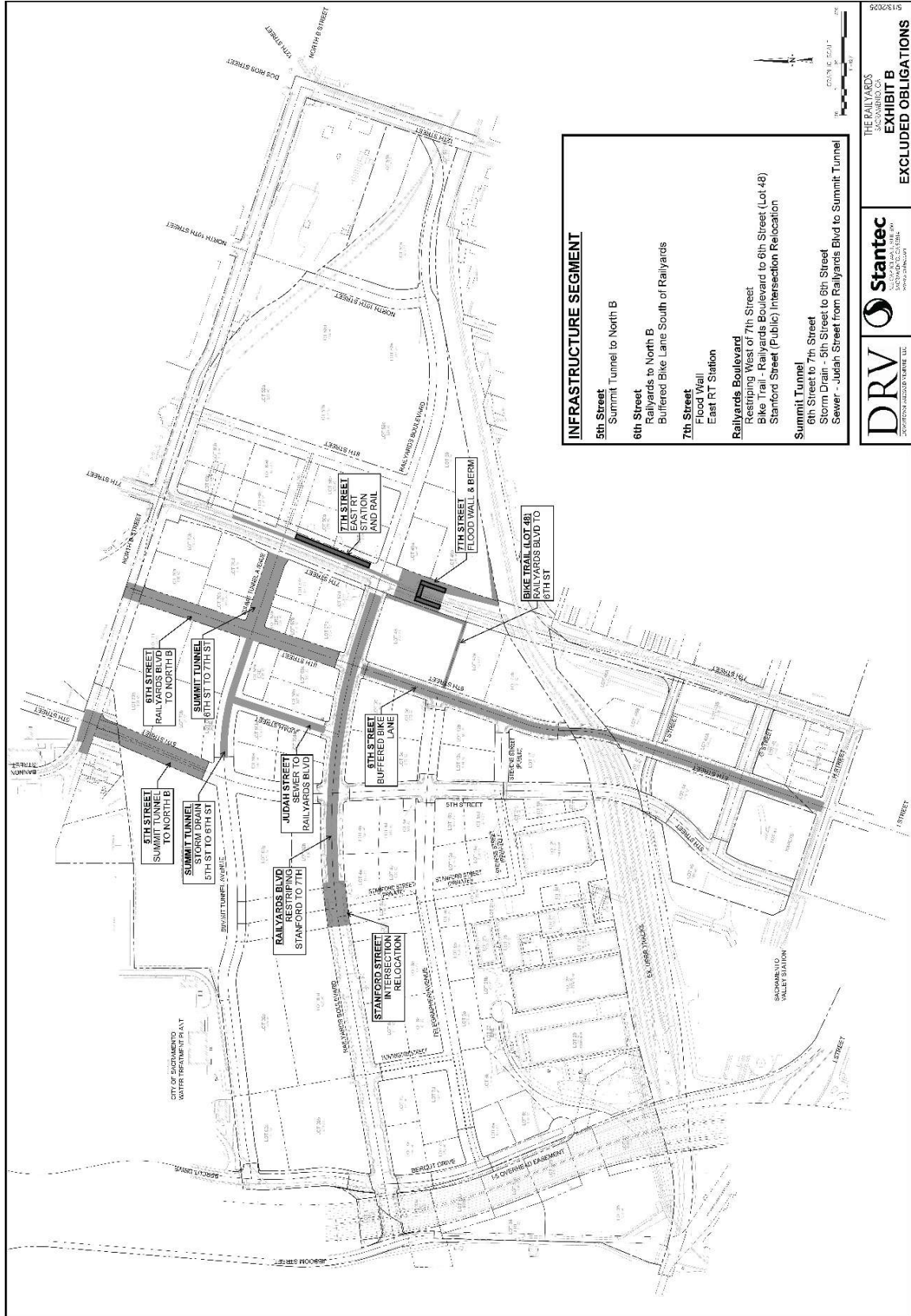
1. Thence South 71° 36' 52" East, 616.79 feet;
2. Thence South 56° 40' 59" East, 155.27 feet;
3. Thence South 47° 19' 40" East, 75.74 feet;
4. Thence to the right along the arc of a 296.67 foot radius, non-tangent curve, concave to the Southwest, having a radial bearing of North 35° 28' 18" East, a central angle of 15° 33' 22", and an arc length of 80.55 feet;
5. Thence South 38° 58' 10" East, 61.00 feet;
6. Thence to the right along the arc of a 296.57 foot radius, tangent curve, concave to the Southwest, having a central angle of 08° 09' 56", and an arc length of 42.27 feet;
7. Thence South 30° 48' 14" East, 55.84 feet;
8. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
9. Thence South 37° 23' 00" East, 14.72 feet;
10. Thence South 38° 59' 32" East, 10.00 feet;
11. Thence South 40° 35' 03" East, 14.72 feet;
12. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
13. Thence South 47° 09' 49" East, 20.41 feet;
14. Thence to the left along the arc of a 372.24 foot radius, tangent curve, concave to the Northeast, having a central angle of 08° 20' 43", and an arc length of 54.22 feet;
15. Thence South 18° 25' 08" West, 37.18 feet;
16. Thence South 38° 51' 44" East, 185.20 feet;
17. Thence South 71° 36' 14" East, 609.61 feet;
18. Thence South 18° 28' 51" West, 342.82 feet to a point on the North boundary of Parcel B, as described in Document Recorded December 28, 2006, in Book 20061228, Page 1681, Sacramento County Official Records;
19. Thence along the Northerly boundary of said Parcel B, North 71° 31' 30" West, 93.07 feet;
20. Thence continuing along last said boundary, to the left along the arc of a 1,370.00 foot radius tangent curve, concave to the South, having a central angle of 29° 45' 03", and an arc length of 711a.37 feet;
21. Thence continuing along last said boundary, South 78° 43' 28" West, 1,371.35 feet;

22. Thence continuing along last said boundary, to the left along the arc of a 500.00 foot radius, tangent curve, concave to the South, having a central angle of $08^{\circ} 32' 54''$, and an arc length of 74.60 feet to a point on the centerline of said 7th Street;

Thence along said centerline of 7th Street, to the right along the arc of a 8,500.00 foot non tangent curve, having a radial bearing of North $72^{\circ} 47' 18''$ West, a central angle of $04^{\circ} 57' 30''$, and an arc length of 735.58 feet; thence continuing along said centerline of 7th Street, North $22^{\circ} 10' 12''$ East, 241.12 feet; thence continuing along said centerline of 7th Street, to the left along the arc of a 8,500.00 foot radius, tangent curve, having a central angle of $03^{\circ} 39' 34''$, and an arc length of 542.89 feet; thence continuing along said centerline of 7th Street, North $18^{\circ} 30' 38''$ East, 155.59 feet to the point of beginning.

Shown as Parcel 1 on that certain document entitled "Certificate of Compliance For Lot Line Adjustment" recorded July 19, 2019, in Book 20190719, Page 0343, of Official Records.

Exhibit B
Excluded Obligations





THE RAILYARDS
INFRASTRUCTURE
EXHIBIT B
EXCLUDED OBLIGATIONS

5/19/2015

Exhibit F
to
Comprehensive Project Agreement

FUNDING OBLIGATION AGREEMENT

(see attached)

FUNDING OBLIGATIONS AGREEMENT

between

CITY OF SACRAMENTO and

[OBLIGATED PARTY]

Dated as of:

FUNDING OBLIGATIONS AGREEMENT

This FUNDING OBLIGATIONS AGREEMENT (“**Agreement**”), dated [date], for purposes of identification, is between the CITY OF SACRAMENTO, a municipal corporation (the “**City**”), and [OTHER PARTY] (the “**Obligated Party**”).

BACKGROUND

The City, Indomitable Ventures, LLC, and Downtown Railyard Venture, LLC are parties to a Comprehensive Project Agreement for the Sacramento Railyards Multi-Purpose Stadium & Central Shops, dated June 10, 2025, for purposes of identification (the “**Comprehensive Project Agreement**”).

As relevant to this Agreement, the Comprehensive Project Agreement memorializes the City’s and Indomitable Ventures, LLC’s rights and obligations regarding (i) the **Stadium** (as defined below), (ii) the development of **Stadium Land** (as defined below), **Ancillary Real Property** (as defined below), and **Ancillary Development** (as defined below), and (iii) certain other matters, including payment of taxes. The Comprehensive Project Agreement identifies several related agreements, including the Funding Obligations Agreement, which is attached as Exhibit F to the Comprehensive Project Agreement (the “**Funding Obligations Agreement**”). The purpose of the Funding Obligations Agreement is to legally bind a prospective purchaser of all or any portion of **Funding Obligation Property** (as defined below) who would otherwise be exempt in whole or in part from any **Funding Obligations** (as defined below) to fulfill the Funding Obligations as described in this Agreement.

Under section 4.8(B) of the Comprehensive Project Agreement, Indomitable **LandCo** (defined below) shall not convey, in full or in part, ownership or possessory interest in all or any portion of the Funding Obligation Property to any person exempt from paying any portion of the Funding Obligations, unless the prospective transferee has executed the Funding Obligations Agreement.

Under section 4.8(C) of the Comprehensive Project Agreement, if Indomitable LandCo (or any subsequent landowner) becomes exempt from the payment of taxes associated with real property interests, for whatever reason, it shall immediately execute the Funding Obligations Agreement.

Under section 7.2(A) of the Comprehensive Project Agreement, a party to that agreement may, without the consent of any other party to that agreement, make an assignment of the Comprehensive Project Agreement, in whole or in part, to any affiliate of such party, if the affiliate enters into a Funding Obligations Agreement, if applicable, and subject to the requirements of section 7.3 of the Comprehensive Project Agreement.

Under section 7.2(D) of the Comprehensive Project Agreement, any Indomitable Party (as defined in that agreement) may, without the consent of any other party to that agreement, make an assignment of the Comprehensive Project Agreement to any person (or an affiliate thereof) that acquires, or obtains control of, the Sacramento Republic FC soccer team (“**Team**”) with the approval of the United Soccer League Championship (USLC), if the person (or the affiliate thereof) enters into a Funding Obligations Agreement, if applicable, and subject to the requirements of section 7.3 of the Comprehensive Project Agreement.

The Obligated Party is entering into this Funding Obligations Agreement to fulfill the requirements of the Comprehensive Project Agreement.

With these background facts in mind, the City and the Obligated Party agree as follows:

1. **Assignment or Change in Tax Status.** If Obligated Party is an assignee under Section 7 of the Comprehensive Project Agreement, or Obligated Party has become exempt from the payment, in whole or in part, from any Funding Obligations, it shall:
 - a. Pay the special taxes (or a payment-in-lieu of taxes in an equivalent amount) for the **Railyards CFD 2018-01** (defined below), which is secured in whole or in part by any portion of the Funding Obligation Property in the Railyards, in accordance with the allocations set forth in the CFD documentation ("**Proportionate Obligations**"); and
 - b. Pay the special taxes (or a payment-in-lieu of taxes in an equivalent amount) for the **Railyards East CFD** (defined below), which is secured in whole or in part by any portion of the Funding Obligation Property, in accordance with the CFD documentation, ("**Separate Obligations**"); and
 - c. Make payments in an amount equal to the biannual property tax payments in an amount equal to the City's entitlement to a portion of customary real estate taxes and supplementary taxes (including customary increases in both those taxes) applicable to the **Funding Obligations Property** (defined below) customarily levied by the County of Sacramento.
2. **Ownership Conveyance.** In the event that the Obligated Party becomes the successor owner (in whole or in part) of the Funding Obligations Property, the following provisions shall apply:
 - (A) Prior to the conveyance of ownership, the Obligated Party shall satisfy and retire, according to any terms and conditions in the CFD bond documentation—
 - (1) the Proportionate Obligations; and
 - (2) the Separate Obligations; and
 - (3) Make payments in an amount equal to the biannual property tax payments and supplementary taxes (including customary increases in both those taxes) applicable to the Funding Obligations Property levied by the County of Sacramento that the City of Sacramento would otherwise have received had a non-exempt real estate tax owner continued ownership of the Funding Obligations Property.
3. **City's Remedies— Obligated Party Event of Default.** In the event of Obligated Party's default of the provisions contained within this Agreement, the City shall have the right, at the City's election, to exercise any one or more of the remedies described below against Obligated Party. Exercise of any of such remedies shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Agreement or otherwise available to the City at law or in equity, except as otherwise expressly stated in this Agreement.

- (A) The City may, at the City's option but without obligation to do so, and without releasing Obligated Party from any obligations under this Agreement, take any action as the City deems necessary or desirable to cure any Obligated Party Event of Default in such manner and to such extent as the City in good faith deems necessary or desirable. Obligated Party shall pay the City, upon demand, all reasonable advances, costs, and expenses of the City in connection with making any such payment or taking any such action, together with interest on all such amounts at the Default Rate from the date of payment of any such advances, costs, and expenses by the City.
- (B) The City may sue Obligated Party as a result of Obligated Party's Event of Default and obtain damages, specific performance, other equitable relief, or any combination of the foregoing.

4. Term

Term. The term of this Agreement commences on the Effective Date and continues for the term of the Comprehensive Project Agreement and extended thereafter for the maximum period allowed by law.

5. Effectiveness

Effectiveness. This Agreement is effective upon Obligated Party's governing body [tribal council] formal approval and express waiver of its tribal sovereign immunity regarding the terms and enforcement of this Agreement. Such approval and waiver must be evidenced by a certified copy of a duly adopted [tribal council] resolution, or other similar evidence satisfactory in the City's sole discretion.

6. Miscellaneous

- 6.1 Additional Agreements.** In addition to this Agreement the Parties agree to cooperate in good faith to negotiate, execute, and deliver any additional documents reasonably required by any party, from time to time, to effectuate the purposes and intent of this Agreement.
- 6.2 Notices.** Any notice or other communication under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section to the persons identified below. A notice or other communication that is mailed will be effective or will be considered to have been given on the third day after it is deposited in the U.S. Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered.

recourse shall be had, whether in contract, in tort, or otherwise against any officer, director, employee, agent, member, volunteer, or representative of any party in his or her individual capacity on account of any obligation or undertaking of or any act or omission by any party under or pursuant to this Agreement.

- 6.6 *Time of the Essence.*** Time is of the essence in the performance of this Agreement.
- 6.7 *Binding Effect.*** This Agreement binds and inures to the benefit of the Parties' successors and permitted assigns.
- 6.8 *Waiver.*** A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving party.
- 6.9 *Interpretation.*** This Agreement is to be interpreted and applied in accordance with California law, except that that the rule of interpretation in California Civil Code section 1654 will not apply. The term "including" shall mean "including, without limitation" and "including, but not limited to" and shall not be interpreted to imply any limitation on the more general preceding provision unless otherwise expressly stated. All references in this Agreement to Sections refer to the Sections, of this Agreement unless otherwise expressly stated. The headings and captions of the Sections are included for convenience only and shall have no effect upon the construction or interpretation of this Agreement.
- 6.10 *Integration and Modification.*** This Agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. This Agreement may be modified only by another written agreement signed by all parties.
- 6.11 *Relationship of the Parties.*** The Parties do not intend to create any agency, partnership, joint venture, trust, or other relationship with duties or incidents different from those of parties to an arm's-length contract.
- 6.12 *No Third-Party Beneficiaries.*** This Agreement is solely for the benefit of the parties and is not intended to benefit any third parties.
- 6.13 *Representations, Warranties, and Covenants.*** Each party hereby represents and warrants to the other that it has all necessary right, power, and authority to enter into this Agreement. Additionally, each party represents and warrants that the execution and delivery of this Agreement and the performance and observance of all obligations and conditions to be performed or observed by each party hereunder have been duly authorized by all necessary action of such party. This Agreement, when fully executed and delivered by each party, shall constitute the legal, valid, and binding obligation of the parties, enforceable in accordance with the terms hereof.

- 6.14 Attorneys' Fees.** Each party shall bear its own costs and attorneys' fees incurred in connection with the negotiation and execution of this Agreement.
- 6.15 Alternative Delivery.** When a party is obligated to deliver a document or similar item to another party, the recipient may, in its sole discretion, opt for a review of that item without taking physical or electronic delivery thereof.
- 6.16 Counterparts.** The parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Facsimile signatures or signatures transmitted by email or other electronic means shall be effective to bind each of the Parties hereto.
- 6.17 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any proceedings regarding this Agreement, the parties agree that the venue shall be the state courts of California located in Sacramento County or the U.S. District Court for the Eastern District of California.
- 6.18 Enforcement.** If a party to this Agreement acquires any, direct or indirect, right, title or interest in all or any portion property subject to this Agreement or subsequently acquires any form of tribal sovereign immunity to the enforcement under the laws of the State of California of this Agreement and/or any claim, controversy or dispute arising under or related to this Agreement, each such party (i) waive tribal sovereign immunity for the purpose of enforcement under the laws of the State of California of this Agreement and/or any claim, controversy or dispute arising under or related to this Agreement, (ii) shall not invoke the doctrine of exhaustion of tribal or other administrative remedies to defeat or delay such action, and (iii) shall not invoke the doctrine of tribal sovereign immunity to evade such action. Each party hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of California and of the United States of America located in Sacramento County, California for any actions, suits, proceedings arising out of or relating to this Agreement and waive any objection to the laying of venue of any action, suit or proceeding arising therefrom in such courts. Any purchaser, transferee or other holder of any right, title or interest in all or any portion of the Funding Obligations Property which remains subject to this Agreement, by the acceptance of a deed, assignment or other conveyance document, whether from such party or its successors, assigns or affiliates, shall by the acceptance of such deed, assignment or other conveyance document, be deemed to have consented to, to be bound by, and accepted the terms and conditions of this Agreement, which includes, but is not limited to, the waiver of tribal sovereign immunity contained herein.
- 6.19 Indemnity.** Obligated Party will indemnify, defend, and hold harmless the City from any and all claims, damages, losses, costs (i.e., actual, out-of-pocket costs and expenses), or liability arising or related to any breach of this Agreement.
- 6.20 City Services.** The City recognizes Obligated Party's desire to continue receiving municipal services, including public safety and other public services, on a basis consistent with the level of services generally provided to similarly situated properties or developments within the City's jurisdiction. The City does not guarantee or warrant the provision, availability, or uninterrupted delivery of any specific service or service level. The availability and allocation of municipal resources shall remain at the sole discretion of the City and shall be subject to

factors including, but not limited to, budgetary constraints, staffing levels, policy priorities, operational needs, and emergency conditions.

7. **Definitions and Terms.** Capitalized terms in this Agreement have the definitions set forth in this section.

"Agreement" is defined in the introductory paragraph of this Agreement.

"Ancillary Real Property" is defined in the Comprehensive Project Agreement.

"City" is defined in the introductory paragraph of this Agreement.

"Comprehensive Project Agreement" is defined in the introductory paragraph of this Agreement.

"Effective Date" means the date both parties have signed this Agreement, as indicated in the signature blocks below.

"Funding Obligations" means, with respect to Funding Obligations Property: (i) the obligation to pay required payments of special taxes for any community facilities districts ("**CFD**"), secured in whole or in part by the Funding Obligations Property and other property in the Railyards, in accordance with the terms and conditions set forth in the CFD documentation; (ii) the obligation to pay required payments for any CFDs secured by the Funding Obligations Property separately; in accordance with the terms and conditions set forth in the CFD documentation; and (iii) capture of revenue from a portion of future, biannual property tax payments in an amount equal to the City's entitlement to a portion of customary real estate taxes and supplementary taxes (including customary increases in both those taxes) applicable to all or any portion of the Funding Obligations Property levied by the County of Sacramento.

"Funding Obligations Agreement" is defined in the introductory paragraphs of this Agreement.

"Funding Obligations Property" means APN 002-0010-074-0000, or any portion thereof.

"Indomitable LandCo" means Indomitable LandCo LLC, a Delaware limited liability company.

"Obligated Party" means [name of obligated party].

"Proportionate Obligations" is defined in Section 1 on this Agreement.

"Railyards CFD 2018-01" means the community facilities district formed in 2018 pursuant to the Mello-Roos Community Facilities Act of 1982 and covering the Sacramento Downtown Railyards.

"Railyards East" means the area of the Railyards memorialized in the boundary map found in the Amended Infrastructure Financing Plan for the City of Sacramento Railyards Enhanced Infrastructure Financing District.

"Railyards East CFD" means the community facilities district to be formed by the City within Railyards East in accordance with the Mello-Roos Community Facilities Act of 1982 and to be formally known as Railyards East CFD No. 2025-01.

“Separate Obligations” is defined in Section 1 of this Agreement.

“Stadium” is defined as public-private partnership resulting in the development of an expandable 12,000 seat state-of-the-art, outdoor multi-purpose stadium that will serve as the home for the Team and all related infrastructure in the Downtown Sacramento Railyards. Stadium also incorporates by reference Stadium Land.

“Stadium Land” is defined as land, and any future improvements of the land, located east of 8th Street in the Downtown Sacramento Railyards, described in Exhibit G of the Comprehensive Stadium Agreement, which will serve as the Team’s home and be used to house the Team’s home games. Stadium Land also incorporates by reference Stadium.

Exhibit G
to
Comprehensive Project Agreement

STADIUM LAND



Exhibit H
to
Comprehensive Project Agreement

COMMUNITY BENEFITS

1. Charitable Contributions: Cash contributions on average of \$75,000 per year to Sacramento charities and non-profits. Total estimated value: \$4,500,000.
2. Free Community Youth Soccer Clinics: Club will host 1,000 youth participants per year at club clinics in underserved neighborhoods in Sacramento (estimated at \$50 per clinic). Total estimated value: \$3,000,000.
3. Complimentary Tickets: Donations of 100 tickets per game for use of Sacramento charities and non- profits. Total estimated value: \$3,600,000.
4. Soccer Field and Soccer Court Construction: Continued builds or upgrades of soccer field or soccer court in Sacramento for public use. Total estimated value: \$1,000,000.
5. Volunteer Hours: Club staff commitment of 2,500 volunteer hours per year (average of \$25 per hour) to Sacramento charitable organizations. Total estimated value: \$3,750,000.
6. Public access to the open space, park, and trail areas when the Stadium and site is not scheduled for an event.

Note: Total estimated values based on non-relocation term of 35-years and 3% annual escalation.

Exhibit I
to
Comprehensive Project Agreement

DESCRIPTION OF ANCILLARY REAL PROPERTY

(see attached)

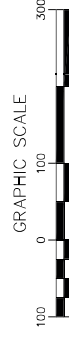


Exhibit J
to
Comprehensive Project Agreement

FORM MASTER LEASE AGREEMENT FOR DIGITAL BILLBOARDS

(see attached)

Master Lease for Digital Billboards City of Sacramento and Downtown Railyard Venture, LLC

This lease ("**Lease**"), dated as of _____, 2025, for purposes of identification, is between the **City of Sacramento** (the "**City**"), a California municipal corporation, and **Downtown Railyard Venture, LLC**, a Delaware limited liability company ("**DRV**"). The City and DRV are sometimes each referred to as a "**Party**" and collectively as the "**Parties**."

Background

On November 12, 2024, the City, Indomitable Ventures, LLC, and DRV approved non-binding Preliminary Term Sheets (the "**Term Sheets**"), setting forth their respective desires and intentions regarding (i) the development of a proposed multi-purpose stadium (the "**Stadium**") on land located east of 8th Street in the Downtown Sacramento Railyards that will serve as the Sacramento Republic FC's home and be used to host its home games, and will also host family shows, concerts, community-oriented events, and other sporting and entertainment events; (ii) the ownership, financing, design, development, construction, occupancy, use, maintenance, and operation of the Stadium (the "**Stadium Project**"); (iii) the sale of certain land to the City convenient for buildout of the Sacramento Valley Station Area Plan; (iv) the "**Central Shops Plaza and Structural Renovation**"; and (v) certain other matters.

On June __, 2025, the Parties (and Indomitable Ventures, LLC) entered into the Comprehensive Project Agreement, together with other Project Agreements (as described in the Comprehensive Project Agreement), which collectively memorialize certain of the rights and obligations regarding (i) the Stadium Project, (ii) the development of the land nearby the Stadium, (iii) the Central Shops Plaza and Structural Renovation, and (iv) certain other matters.

As contemplated by the Comprehensive Project Agreement, the Parties desire to enter into this Lease to memorialize certain of their rights and obligations regarding new digital billboards. City desires to permit DRV to develop up to five new billboards in consideration for DRV's contributions to development of the Central Shops Plaza and Structural Renovation consistent with the eligibility requirements set forth in section [xx.xx.xxx] of the Sacramento City Code. DRV desires to lease up to five parcels from the City for the purpose of installing, operating, and maintaining digital billboards. Accordingly, the City and DRV desire to enter into this Lease for the parcels identified in Exhibit A to this Lease. This Lease concerns the digital billboards that DRV will install, operate, and maintain on the parcels identified in Exhibit A.

With these background facts in mind, the City and DRV agree as follows:

1. Definitions. This section defines the terms "Business Day," "Caltrans," "Caltrans Permits," "City Permits," "Commencement Date," "Digital Billboard," "Effective Date," "Hazardous Substances," "Include," "Lease Year," "Message Center," "Operational," "Premises," "Sign Structure," and "Term." Other terms are defined elsewhere in this Lease.

- (a) "Business Day" means any day the City's main offices located at 915 I Street, Sacramento, California, are open to the public.
- (b) "Caltrans" means the California Department of Transportation.
- (c) "Caltrans Permits" means all permits and approvals that DRV must obtain from Caltrans to install, operate, and maintain a Digital Billboard in accordance with this Lease.
- (d) "City Permits" means all building permits, zoning amendments, relocation agreements, and other permits, entitlements, and agreements that the City, acting in its governmental capacity, must issue or approve for DRV to install, operate, and maintain a Digital Billboard in accordance with this Lease.
- (e) "Commencement Date" means the date as of which both of the following have occurred: (1) the City has finally approved the Plans (defined in Section 6(a)), and (2) DRV has received all necessary governmental permits and approvals for a Digital Billboard, including the Caltrans Permits and the City Permits.
- (f) "Digital Billboard" means a single or two-sided outdoor-advertising sign that DRV will install and operate on the Premises in accordance with the criteria set forth in Exhibit B to this Lease. A Digital Billboard consists of a Message Center and a Sign Structure.
- (g) "Effective Date" means the date as of which both the following events have occurred: (1) both the City and DRV have signed this Lease, as indicated by the dates in the signature blocks below; and (2) an ordinance adopted by the Sacramento City Council that authorizes the lease of the Digital Billboards by the City has taken effect.
- (h) "Hazardous Substances" means any material or substance identified in Exhibit C to this Lease.
- (i) "Include" and its variants are not restrictive. For example, "includes" means "includes but not limited to," and "including" means "including but not limited to."
- (j) "Lease Year" means one of the consecutive 12-month periods during the Term. The first Lease Year begins on the Effective Date.
- (k) "Message Center" means the portion of a Digital Billboard that consists of back-to-back digital (LED) display areas used for general commercial advertising, as is more particularly described in Exhibit B.
- (l) "Operational" means a Digital Billboard is capable, legally and functionally, of displaying advertising on the Message Center.

- (m) "Premises" means real property described and depicted in Exhibit A.
- (n) "Sign Structure" means the portion of a Digital Billboard other than the Message Center, and it includes all ancillary equipment and utilities installed on the Premises. The Sign Structure is more particularly described in Exhibit B.
- (o) "Term" shall be as defined in 3(a) below.

2. Lease of Premises.

- (a) Fee title to the Premises is held by DRV and, as contemplated by the Comprehensive Project Agreement, DRV hereby leases the Premises to the City, and the City hereby leases the Premises from DRV, on the terms and conditions set forth in this Section 2(a) (such leasehold is referred to as the "Master Leasing"). The term of the Master Leasing is conterminous with the expiration or earlier termination of the Term of this Lease. Use of the Premises by the City pursuant to the Master Leasing is limited to the City's leasing back of the Premises to DRV for the purposes and subject to the terms and conditions of this Lease and any rights of the City to access or otherwise relating to the Premises shall be limited to the rights conferred to the City in this Lease and only for the delineated purposes provided in this Lease. DRV shall receive no rent or other consideration from the City as a result of the Master Leasing. Notwithstanding any other provision of this Lease to the contrary, (i) as a result of the Master Leasing, this Lease shall be deemed a sublease which is junior and subordinate to the Master Leasing, and (ii) if for any reason the Master Leasing is determined to be all or partially null and void, DRV and the City agree to enter into a separate lease documentation consistent with the Master Leasing for the purpose of maintaining the subleasing of the Premises to DRV for the remainder of the Term as provided in and in accordance with the terms and conditions of this Lease.
- (b) Subject to Section 2(a) above, the City hereby leases the Premises to DRV, and DRV hereby leases the Premises from the City, on the terms and conditions set forth in this Lease.

3. Term of Lease.

- (a) *Term.* The "**Term**" of this Lease shall begin on the Effective Date and shall last for 34 years.
- (b) *Expiration of Lease and Holding Over.* This Lease expires automatically at the end of the Term. Any holding over after expiration will not constitute a renewal of this Lease but will be on a month-to-month tenancy on the same terms and conditions that applied at expiration.

4. **Consideration.** Pursuant to the Comprehensive Project Agreement, DRV is contributing significant resources to the Central Shops Plaza and Structural Renovation. These contributions satisfy the eligibility requirements under City Code section 15.148.965 and such contribution shall replace in full any rents or other consideration the City would otherwise be entitled to for the rights and benefits DRV enjoys under this Lease, including the use and occupancy of the Premises during the Term.

5. **Use of Premises.**

- (a) *Alternate Premises.* Subject to Section 6(a) below, should a Digital Billboard on the Premises be denied a permit by CalTrans or City pursuant to Section 6(b) or (c) below following application by DRV, or should DRV choose an alternate site, or be required to relocate any Digital Billboard pursuant to Section 5(c)(2) below, City staff shall attempt to locate alternative replacement City-owned premises acceptable to DRV in its reasonable discretion. The Sacramento City Council shall maintain sole discretion to approve or deny the alternative City-owned premises. If approved by the City Council, Exhibit A shall be updated to include the alternative City-owned premises. Further, DRV may from time to time request a relocation of any of the sites (prior to development thereof) listed in Exhibit A to other City-owned property, provided that any such voluntary relocation shall be subject to the City's approval.

Upon any such relocation, addition of a new site or selection of a new site, the parties shall update Exhibit A and Exhibit E (as applicable) by an amendment to this Lease if approved by the Sacramento City Council; provided that failure to do so shall not invalidate DRV's right to up to five Digital Billboards hereunder. Notwithstanding anything in this Lease to the contrary, DRV may only request additional sites within five years of the Effective Date.

- (b) *Condition of Premises.* The City makes no representations or warranties of any kind, express or implied, written or oral, about any of the following: the physical condition of the Premises; the suitability of the Premises for DRV's anticipated use; any limitations on DRV's use of the Premises, including limitations arising from zoning laws, environmental laws, or other laws, regulations, or governmental requirements; the costs of conducting DRV's business on the Premises; or the condition of the soils or ground waters of the Premises. By taking possession of the Premises, **DRV accepts the Premises "as is"** and acknowledges that the Premises are satisfactory for DRV's purposes. DRV has ascertained the condition of the Premises through its own independent investigation and has relied solely on that independent investigation when entering into this Lease.

- (c) *Permitted Uses.* Except as otherwise provided in Section 6(k), DRV, including DRV's appointed third party signage management company, has the exclusive right to display outdoor advertising on the Premises. The City shall not authorize any other off-site outdoor advertising on the Premises. In addition, the City shall not authorize any off-site outdoor advertising on any other City-owned or City-controlled property if the outdoor

advertising would be within 1,000 feet of a Digital Billboard. DRV's exclusive right to conduct outdoor advertising on the Premises includes the following:

- (1) Installing, operating, maintaining, repairing, improving, and (with the City's consent) repositioning a Digital Billboard during the Term, and removing a Digital Billboard on or from the Premises when this Lease terminates.
- (2) All rights of ingress and egress over the Premises that DRV needs to access a Digital Billboard.
- (3) Licensing the use of a Digital Billboard, or any portion of it, for any lawful purpose related to outdoor advertising, except that DRV may not install non-digital signs on a Digital Billboard without the City's prior consent, which the City may withhold or condition in its sole discretion.

(d) Prohibited Uses.

- (1) **Hazardous Substances.** DRV shall not use, handle, store, transport, generate, release, or dispose of any Hazardous Substances on, under, or about the Premises, except as follows: DRV may use Hazardous Substances that DRV needs to install, operate, maintain, repair, improve, reposition, or remove a Digital Billboard in accordance with this Lease if the City has consented in writing before the Hazardous Substances are brought on the Premises. Within 10 days after receiving the City's written request, DRV shall disclose in writing all Hazardous Substances then being used on the Premises, the purpose and duration of the use, and the manner of storage and disposal.
- (2) **Unlawful Activities.** DRV shall not use or permit the Premises to be used in any way that violates this Lease or any valid and applicable statute, ordinance, regulation, rule, or order of any federal, state, or local governmental entity (including the City). DRV shall not maintain or commit, or permit the maintenance or commission of, any public or private nuisance as defined by any law applicable to the Premises on or after the Effective Date. DRV hereby waives any rights to compensation it may have if a court finds that a Digital Billboard constitutes a public or private nuisance under any valid and applicable federal, state, or local law and for that reason orders DRV to remove or modify a Digital Billboard or to limit the operation of the Message Center. This waiver will not apply if the court's finding of nuisance is in an action brought by the City under a City ordinance. If DRV is required to remove a Digital Billboard as a result of a court's decision that any particular Digital Billboard is unlawful or a nuisance, DRV shall be entitled to relocate such Digital Billboard as provided in Section 5(a) hereof.
- (3) **Encumbrances.** DRV shall not encumber the Premises or any part of the Premises, for any purpose, without the City's prior written consent, which the City

may withhold for any reason. DRV shall keep the Premises free of all liens and other encumbrances other than those, if any, to which the City consents.

(e) Unobstructed Use.

- (1) The City shall not allow either of the following (each, an “**Obstruction**”):
 - (A) On the Premises: any structure, tree, or vegetation that obstructs the view of the Message Center from the freeway or highway adjacent to the Premises.
 - (B) On any City-owned or City-controlled real property in the immediate vicinity of the Premises: any structure, tree, or vegetation that is within 1,000 feet of a Digital Billboard and obstructs the view of the Message Center from the freeway or highway adjacent to the Premises.
- (2) If DRV notifies the City in writing that an Obstruction exists, and if the City authorized or actively caused the Obstruction, then the City shall remove or remedy the Obstruction at its own cost within 15 days after receiving the notice. If the City fails to remove the Obstruction within 15 days after receiving the notice, then DRV may remove the Obstruction at the City’s expense after coordinating with the appropriate department of the City.
- (3) If DRV notifies the City in writing that an Obstruction exists, and if the City did not authorize or actively cause the Obstruction, then the City may remove or remedy the Obstruction at its own cost within 15 days after receiving the notice. If the City does not remove or remedy the Obstruction within the 15 days, then, at no cost to the City, and after coordinating with the appropriate department of the City, DRV may remove the Obstruction described in the notice.
- (4) DRV’s exercise of its rights under this Section 5(d) is in addition to any other remedies it may have under this Lease.

6. Installation and Operation of Digital Billboard. City acknowledges that DRV has the right to develop up to five Digital Billboards, consisting of one Digital Billboard on each of the Premises, subject to all local, state, and federal requirements. DRV may develop these signs at any time during the Term of this Lease. DRV shall install and operate each Digital Billboard on the Premises in accordance with this Section 6 and consistent with Section 5, all at no cost to the City.

- (a) Plans, Specifications and Location.* At no cost to the City, DRV shall prepare complete plans and specifications for each Digital Billboard, working closely with the City to develop plans and specifications that are mutually acceptable (the “**Plans**”). DRV shall also consult with the City to determine the precise portion of the Premises that will be

used for each Digital Billboard. DRV shall submit the Plans to the City for final approval, which the City shall not unreasonably withhold. DRV may phase the timing of its applications and submission of Plans for any or all of up to five sites at its discretion, provided, however, that DRV may only request additional sites within five years of the Effective Date.

- (b) *Caltrans Permits.* As soon as practicable after the Effective Date, DRV shall apply to Caltrans for all Caltrans Permits, and the City shall cooperate with DRV in that effort, all at no cost to the City. All Caltrans Permits are to be obtained and secured for DRV's sole benefit and are to be issued in DRV's name or, if that is not possible, in the City's name on DRV's behalf and for DRV's sole benefit. DRV shall perform all obligations under the Caltrans Permits at no cost to the City. To the extent CalTrans denies or prohibits a Digital Billboard location identified in Exhibit A, City shall work collaboratively with DRV to process and approve alternative subsequent location(s), subject to City retaining its full discretion under subsection 6(c) of this Lease, and as otherwise required under the law.
- (c) *City Permits.* The City shall diligently process DRV's applications for all City Permits and any subsequent applications to permit, develop, or erect any of up to five digital billboards following approval of this Lease and certification of the EIR, including but not limited to, any rezones, leases, ordinance changes, building permits, or other such entitlements, subject to the terms of this Lease. This Lease does not commit the City in advance to approve the City Permits or subsequent approvals; and this Lease does not constrain the City's discretion, acting as a government, with respect to the City Permits or subsequent approvals specifically or to a Digital Billboard generally.
- (d) *Installation.* Once DRV begins installing a Digital Billboard, it shall diligently pursue installation to completion without unnecessary interruption. DRV will be excused, however, for any delays in beginning or completing installation that are caused by a Force Majeure Event, as defined in Section 12(e)(1). DRV shall use reasonable diligence to avoid such delays and to resume work as promptly as possible after such a delay.
- (e) *Ownership.* DRV will be the owner of each Digital Billboard and all permits and authorizations that relate to it, including the City Permits and the Caltrans Permits.
- (f) *Security Fences.* Before beginning installation of a Digital Billboard, DRV shall enclose with a temporary security fence the portion of the Premises DRV needs to install, operate, maintain, and repair the Digital Billboard. DRV shall maintain the temporary security fence until DRV replaces it with a permanent security fence that circumscribes an area coextensive with the area the temporary fence circumscribed. DRV shall install the permanent security fence around the Digital Billboard at the beginning of its operation and maintain that fence until the end of the Term. DRV shall install and maintain the temporary and permanent fences at no cost to the City and shall consult with the City on each fence's location and design.

(g) *Maintenance.* At no cost to the City, DRV shall maintain the Premises and shall maintain, repair, and improve each Digital Billboard in accordance with the highest standards of the outdoor-advertising industry. DRV's maintenance obligation under this Section 6(g) includes the obligation to remove promptly any graffiti from the Premises and the Digital Billboard. DRV's obligation to improve the Digital Billboard under this Section 6(g) includes the obligation to replace the entire Message Center every ten years. The City is not obligated to maintain the Premises or to maintain or repair the Digital Billboard. If, however, DRV does not maintain the Premises, then the City may notify DRV in accordance with Section 12(c) that the City will perform the maintenance described in the notice if DRV does not begin to do so within 15 Business Days. If DRV does not begin to perform the needed maintenance within 15 Business Days after the notice is given, then the City may perform the maintenance described in the notice, and DRV shall reimburse the City's costs.

(h) *Insured Damage or Destruction.* This Lease will continue in full effect if a Digital Billboard is damaged or destroyed in whole or part by any cause covered by the fire-and-casualty insurance DRV is required to maintain under Section 11(a)(3), subject to the following:

- (1) DRV shall repair or replace the Digital Billboard at no cost to the City using the insurance proceeds DRV receives or is entitled to receive under the fire-and-casualty policy. DRV shall promptly apply for, and diligently pursue the issuance of, any permits or approvals it needs to repair or replace the Digital Billboard. Within 30 days after obtaining the necessary permits and approvals, DRV shall begin work to repair or replace the Digital Billboard. DRV shall complete the work within 180 days after the work begins and shall pay any costs that exceed the available insurance proceeds.
- (2) DRV may elect not to repair or replace the Digital Billboard if—
 - (A) the cost to repair or replace it exceeds 60% of its fair-market value immediately before it is damaged or destroyed; and
 - (B) the damage or destruction occurs during the last three years of the Term.
- (3) If DRV elects, under Section 6(h)(2), not to repair or replace the Digital Billboard, then DRV shall—
 - (A) notify the City in writing of its election;
 - (B) use the insurance proceeds DRV receives for the damage or destruction to remove the Digital Billboard and restore the Premises in accordance with Section 6(l); and

- (C) pay to the City half of the insurance proceeds that remain after DRV has performed under Section 6(h)(3)(B), and this Lease will terminate with regard to the Premises for such Digital Billboard when those proceeds are so paid.
- (i) *Uninsured Damage.* If a Digital Billboard is damaged by any cause not covered by the fire-and-casualty insurance DRV is required to maintain under Section 11(a)(3), then this Lease will continue in full effect only if:
 - (1) DRV shall promptly apply for, and diligently pursue the issuance of, any permits or approvals it needs to repair the damage to a Digital Billboard.
 - (2) As soon as reasonably practicable after obtaining the necessary permits and approvals, DRV shall repair the damage at no cost to the City.
- (j) *Utilities.* At no cost to the City, DRV shall provide and pay for all utility connections, utility equipment, and utility service required to install, operate, maintain, repair, improve, or reposition each Digital Billboard throughout the Term. DRV shall coordinate with the City and the Sacramento Municipal Utility District (“**SMUD**”) for utility tie-ins and electrical power sources that DRV may need to operate a Digital Billboard.
- (k) *Advertising Rights.* During the Term, DRV will have the exclusive right to enter into agreements for advertising on each Digital Billboard, subject to the following:
 - (1) *Operation of the Message Center.* In operating each Message Center, DRV shall conform to all valid and applicable laws and regulations, including laws and regulations pertaining to outdoor advertising. DRV shall not display any message that in the judgment of the City Manager or the City Manager’s designee—
 - (A) is false, misleading, or deceptive;
 - (B) promotes the sale or use of tobacco products, or medical marijuana, whether directly or indirectly; signs promoting the sale of alcoholic beverages shall be permitted to the extent permitted by law;
 - (C) depicts violence or anti-social behavior or relates to illegal activity;
 - (D) contains “obscene matter,” as that term is defined in California Penal Code section 311 on the Effective Date, or promotes adult entertainment;
 - (E) promotes or opposes a candidate for public office or promotes or opposes a ballot measure;

- (F) holds a person or group of persons up to public ridicule, derision, or embarrassment, or defames a person or group of persons; or
 - (G) contains language that is obscene, vulgar, profane, or scatological, or that presents a clear-and-present danger of causing riot, disorder, or other imminent threat to public safety, peace, or order.
- (2) *Amber Alerts and Public-Service Messages.* DRV shall make each Message Center available to Caltrans for the purpose of displaying “Amber Alert” messages in accordance with the Amber Alert Guidelines set forth in Exhibit D to this Lease. In addition, DRV shall make the Message Center available to Caltrans, to the City, and to other government agencies without cost, on a time-available basis determined by DRV, for the purpose of displaying public-service messages (e.g., reports of commute times, drunk-driving-awareness messages, reports of serious accidents, emergency-disaster communications).
- (3) *City Messages.* At the request of the City Manager or the City Manager’s designee, DRV shall make the Message Center available to the City, on a time-available basis determined by DRV. Priority for City messaging shall be focused first on the City Council districts in which the signs are located.
- (l) *Removal of Digital Billboard.* When the Term ends, whether it expires as scheduled or is terminated early, DRV shall promptly apply for, and diligently pursue the issuance of, at no cost to the City, any permits or approvals it needs to remove the Digital Billboards. Within 120 days after obtaining the necessary permits and approvals, DRV shall remove the Digital Billboards from the Premises and restore the Premises to their pre-lease condition, all at no cost to the City, except that DRV is not obligated to remove the below-ground elements of the Sign Structures.
- (m) *Compliance with Laws; Waiver of Compensation.* During the Term and while removing a Digital Billboard after the Term in accordance with Section 6(l), DRV shall do the following at no cost to the City: comply with all valid and applicable statutes, ordinances, regulations, rules, and orders that concern the Premises or the Digital Billboards and are enacted or issued by any federal, state, or local governmental entity with jurisdiction over the Premises or the Digital Billboard (including the City) whether enacted or issued before, on, or after the Effective Date.
- (n) *Compliance with Mitigation-Monitoring Program.* During the Term and while removing each Digital Billboard after the Term in accordance with Section 6(l), DRV shall comply with the mitigation monitoring program described in Exhibit E to this Lease. DRV’s compliance with the Mitigation Monitoring Program is a material term of this Lease. To the extent (pursuant to the rights set forth in this Lease) alternative sites are utilized by DRV which require subsequent environmental review, the City shall retain its full discretion to undertake such review under the law, and following any such approval any

subsequently adopted mitigation measures shall be complied with by DRV during the Term.

7. **Early Termination.**

- (a) *City's Termination Rights.* Without prejudice to its other remedies at law or in equity, the City may terminate this Lease, at any time and in its sole discretion, effective 30 Business Days after the City gives DRV written notice of termination, if DRV breaches its obligation to perform in accordance with any material provision of this Lease and (A) does not cure the breach within 30 Business Days after the City serves it with a written notice of breach or, if the breach cannot reasonably be cured within 30 Business Days; or (B) does not begin work on a cure within 30 Business Days after the City serves it with a written notice of breach and diligently pursue the cure to completion within 90 days after work begins. The express designation in this Lease of a provision as "material" does not imply that other provisions are not material. Notwithstanding the foregoing, a termination of DRV's rights pursuant to a default pertaining to a particular Premises shall only terminate DRV's rights with respect to such Premises and shall reduce DRV's total number of permitted Digital Billboards by one. Additionally, the City may terminate this Lease by written notice of termination if DRV does not obtain a certificate of occupancy for the "**Music Venue Project**" (as that term is defined in the Master Funding Agreement for Railyards EIFD) before January 1, 2036.
- (b) *DRV's Termination Rights.* Without prejudice to its other remedies at law or in equity, including the right to seek just compensation under the laws of eminent domain as described in Section 9, DRV may terminate this Lease with respect to any Digital Billboard and its related Premises, at any time and in its sole discretion, effective 30 days after DRV gives the City written notice of termination. Notwithstanding the foregoing, a termination of DRV's rights pursuant to a default pertaining to a particular Premises shall only terminate DRV's rights with respect to such Premises and shall reduce DRV's total number of permitted Digital Billboards by one.
- (c) *City's and DRV's Additional Termination Rights.* Without prejudice to their other remedies at law or in equity, either party may terminate this Lease if the other party (or, for DRV, its parent company)—
- (1) has an order for relief entered with respect to it, commences a voluntary case, or has an involuntary case filed against it under any applicable bankruptcy, insolvency, or other similar law then in effect, and the order or case is not stayed, withdrawn, or settled within 60 days after it is entered, commenced, or filed (11 U.S.C. § 365(e)(2)(A), as amended, or any successor statute); or
- (2) files for reorganization, becomes insolvent, or has a receiver or other officer with similar powers appointed for its affairs in any court with jurisdiction, whether

or not with its consent (unless dismissed, bonded, or discharged within 60 days after appointment).

8. **Taxes.** DRV is responsible for and shall pay or otherwise discharge, without abatement or deduction, all taxes levied on, or related to, DRV's outdoor-advertising activities on the Premises. This obligation includes payment of any—

- (a) sales or similar tax on DRV's sale of advertising space on the Digital Billboards;
- (b) possessory-interest tax related to this Lease or to DRV's possession or use of the Premises; and
- (c) real-property tax allocated to the Digital Billboards and personal-property tax levied on DRV's personal property on the Premises.
- (d) Notwithstanding anything to the contrary in this Lease, the transactions contemplated by this Lease shall be treated, for income tax purposes only, as provided in section 8 of the Comprehensive Agreement, which is one of the Project Agreements.

9. **Eminent Domain**

(a) *Definitions.* The following definitions apply to this Section 9:

- (1) "Condemning Entity" means any entity that by law may exercise the power of eminent domain to acquire possession of, and title to, any of the following: a Digital Billboard, the entire Premises, or an Essential Part of the Premises.
- (2) "Essential Part of the Premises" means any portion of the Premises that is reasonably necessary for installing, operating, maintaining, repairing, or improving a Digital Billboard in accordance with this Lease.

(b) *Termination Events.* This Lease will terminate with respect to a Digital Billboard if a Condemning Entity acquires a Digital Billboard, the entire Premises related to such Digital Billboard, or an Essential Part of such Premises—

- (1) by using the power of eminent domain; or
- (2) through negotiations under the threat of using the power of eminent domain.

(c) *Termination Date; Rent Refund; Caltrans Permits.* Termination under this Section 9 will occur on the date the Condemning Entity obtains possession of, or title to, a Digital Billboard, the entire Premises relating to that Digital Billboard, or the Essential Part of the Premises, whichever occurs first. Within 15 Business Days after the termination date, the City shall relinquish any interest it may have in the applicable Caltrans Permits and

execute any documents needed to confirm that DRV is the sole owner of the applicable Caltrans Permits.

- (d) *Compensation.* If termination occurs under this Section 9, then DRV and the City may each independently seek to recover from the Condemning Entity all compensation and other remedies provided by law for the interests taken from them. But the City may not seek or recover compensation for DRV's lost interests, and DRV may not seek or recover compensation for the City's lost interests. Without limiting the preceding, DRV may seek to recover some or all of the following from the Condemning Entity:

- (1) compensation for its lost advertising income, for the value of the Digital Billboard, for lost goodwill, and for its interest in this Lease; and
- (2) financial assistance for relocating the Digital Billboard.

10. **Indemnification.**

- (a) *Definitions.* The following definitions apply to this Section 10:

- (1) "Person" is to be interpreted broadly. It includes not just third persons but also DRV and DRV's directors, officers, employees, contractors, and agents; and the City and the City's elected officials, officers, employees, contractors, and agents.
- (2) "Liabilities" means all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final resolution on appeal) that arise directly or indirectly from DRV's possession or use of the Premises.
- (3) "Occurrence" means (A) the death of, or injury to, any Person; and (B) damage to, or destruction of, any real property, personal property (including intellectual property), or the environment (broadly interpreted to include the air, soil, soil vapor, surface water, groundwater, flora, and fauna on or about the Premises).
- (4) "Secured Area" means the portion of the Premises enclosed by the permanent security fence that DRV erects around a Digital Billboard in accordance with Section 6(f).

- (b) *General Indemnity.* DRV shall indemnify, defend (with attorneys reasonably acceptable to the City), protect, and hold the City and the City's property (including the Premises) harmless from and against all Liabilities that arise directly or indirectly from DRV's possession or use of the Premises. DRV is obligated under this Section 10(b) even if the City or the City's elected officials, officers, employees, contractors, or agents reviewed, accepted, or approved the work, materials, or activities from which the

Liabilities arise. But DRV is not obligated under this Section 10(b) to the extent the Liabilities are caused by the active negligence or willful misconduct of the City or the City's elected officials, officers, employees, contractors, or agents. DRV's obligation under this Section 10(b) includes Liabilities arising from any of the following:

- (1) Any Occurrence on the Premises and outside a Secured Area, but only to the extent caused by DRV's acts or omissions.
 - (2) Any Occurrence inside a Secured Area.
 - (3) Any Occurrence that is in any way connected with any of DRV's personal property on the Premises.
 - (4) Any Occurrence caused or allegedly caused by (A) any condition of the Premises created by DRV or by any Person on the Premises with DRV's permission; or (B) some act or omission on the Premises by DRV or by any Person on the Premises with DRV's permission.
 - (5) Any Occurrence caused by, or related in any way to, work or activities performed on the Premises or materials furnished to the Premises at the request of DRV or any person or entity acting for DRV or with DRV's permission.
 - (6) Any Occurrence that is caused by, or related in any way to, a verbal or non-verbal display on the Message Center.
 - (7) DRV's failure to perform any provision of this Lease, to comply with any requirement of law applicable to DRV, or to fulfill any requirement imposed by any governmental entity (including the City when acting as a government) on DRV or on DRV's use of the Premises.
- (c) *Hazardous Substances.* DRV shall indemnify, defend (with attorneys reasonably acceptable to the City), protect, and hold harmless the City; the City's elected officials, officers, employees, and agents; and the City's property (including the Premises) from and against all Liabilities that arise directly or indirectly from either of the following:
- (1) The possession, use, generation, transportation, release, threatened release, handling, storage, or disposal by DRV or DRV's contractors of any Hazardous Substance on or under the Premises during the Term or during DRV's removal of a Digital Billboard in accordance with Section 6(l).
 - (2) The possession, use, generation, transportation, release, threatened release, handling, storage, or disposal by anyone other than the City or the City's elected officials, officers, employees, contractors, or agents of any Hazardous Substance on or under the Secured Area during the Term or during DRV's removal of a Digital

Billboard in accordance with Section 6(l). DRV is not obligated under this Section 10(c) for any Hazardous Substance that existed on or under the Premises on or before the Effective Date unless DRV's intentional, negligent, or willful misconduct causes or exacerbates a release of the Hazardous Substance.

- (d) *Legal Challenges.* DRV shall indemnify, defend (with attorneys reasonably acceptable to the City), protect, and hold harmless the City and the City's elected officials, officers, and employees in any litigation (including litigation based on the California Environmental Quality Act) brought to challenge the validity of this Lease, the validity of the City Permits or the Caltrans Permits, or the validity of the City ordinances that authorize the installation and operation of the Digital Billboards on the Premises. DRV's obligation to indemnify under this Section 10(d) includes liability for attorneys' fees awarded to a party who successfully challenges the validity of this Lease, of the City Permits or the Caltrans Permits, or of any authorizing ordinance.
- (e) *Survival.* DRV's obligations under this Section 10 will survive this Lease.

11. Insurance.

- (a) *Types of Policies.* During the Term and during DRV's removal of each Digital Billboard in accordance with Section 6(l), at no cost to the City, DRV shall procure and maintain the following insurance policies covering DRV's possession and use of the Premises:
 - (1) A policy of comprehensive general-liability insurance providing coverage at least as broad as that provided by ISO Form CG 00 01. This policy must—
 - (A) be issued on an occurrence basis;
 - (B) include coverage for premises, operations, products and completed operations, advertising injury, and contractual liability;
 - (C) have a combined single limit of at least \$1,000,000 for each occurrence;
 - (D) include a fire legal-liability limit of \$50,000 for each occurrence; and
 - (E) name the City and the City's elected officials, officers, employees, and agents as additional insureds with regard to general liability arising out of activities performed by DRV or on DRV's behalf, including coverage for products-and-completed operations and for property DRV owns, leases, or uses (including the Premises and the Digital Billboards).
 - (2) A policy of automobile-liability insurance providing coverage at least as broad as that provided by ISO Form CA 00 01. This policy must (A) have a combined single

limit of at least \$1,000,000 for each occurrence; and (B) cover owned, non-owned, and hired vehicles.

- (3) A policy of fire-and-casualty insurance that insures each Digital Billboard for its full replacement value against damage or destruction by fire or by any of the perils commonly covered under the standard extended-coverage endorsement to fire-insurance policies issued on real property in Sacramento County. In addition, during installation of a Digital Billboard, the policy must include coverage for course of construction, vandalism, and malicious mischief and must insure the Digital Billboard and all materials delivered to the Premises for their full insurable value. DRV shall apply the insurance proceeds paid under this policy to the cost of repairing and restoring the Digital Billboard as required by, and except as otherwise provided in, Section 6(h).
- (4) A policy of workers-compensation insurance with limits at least equal to those required by California law and including employer-liability insurance with a limit of at least \$1,000,000. This policy must include a waiver of subrogation against the City. As an alternative to this policy, and subject to approval by the City's Risk Management Department, DRV may provide the City with a copy of DRV's Certificate of Consent to Self Insure from the California Department of Industrial Relations and a certificate showing DRV's excess-insurance limits and self-insured retentions.
- (b) *Insurer Qualifications.* Each policy must be issued by an insurer the California Department of Insurance has authorized to transact business in California in the relevant line of insurance, and the insurer must have a rating of at least "A" by A.M. Best Company or a rating the City's Risk Management Department determines to be substantially equivalent.
- (c) *Certificates of Insurance.* Within 10 days after the Effective Date, and afterward upon request, DRV shall provide the City with certificates of insurance, signed by authorized representatives of the insurers, confirming that DRV has procured and is maintaining the insurance policies required by this Section 11. Upon request at any time, DRV shall provide the City with a copy of each policy, including all endorsements.
- (d) *Notice.* Each of the policies must obligate the insurer to give the City at least 30 days' advance written notice before the policy is cancelled or materially changed.
- (e) *Other Requirements.* The general-liability and automobile-liability policies must each—
 - (1) provide that DRV's insurance coverage is primary insurance with respect to the City and the City's elected officials, officers, employees, and agents;

- (2) provide that DRV's insurance applies separately to each insured against whom a claim is made or a suit brought, except with respect to the applicable policy limits; and
 - (3) provide that the City's insurance and self-insurance are in excess of DRV's insurance and will not contribute with it.
- (f) *Quinquennial Review.* The City may revise these insurance requirements every five years if the City reasonably determines that revision is needed to conform the policy terms, conditions, and limits with then-current insurance-industry standards for structures and real property comparable to the Digital Billboard and the Premises. A revision will take effect 30 days after the City gives DRV notice in accordance with Section 12(c).
- (g) *No Limit on Indemnification.* Nothing in this Section 11 limits DRV's obligations under Section 10.

12. **Miscellaneous.**

- (a) *Assignments and Subleases.* A party may not assign or otherwise transfer this Lease or any interest in it, and this Lease is not assignable by operation of law, without the other party's prior written consent, which the other party shall not withhold, delay, or condition unreasonably. An assignment or transfer of this Lease does not occur, for purposes of this Section 12(a), if DRV merges with another company, reorganizes its stock, or undergoes a similar corporate restructuring, or if DRV sells any of its assets or stock. DRV may not sublease the Premises or any part of the Premises, or the Digital Billboards or any part of the Digital Billboards, without the City's prior written consent, which the City may withhold or condition in its sole discretion. An assignment, transfer, or sublease made contrary to this Section 12(a) is void. Notwithstanding the foregoing, DRV may assign its rights and obligations hereunder to any affiliate, and may pledge, mortgage, grant a security interest in, encumber, or collaterally assign its interest in this Lease or the equity interests in DRV to secure indebtedness for borrowed money of DRV. Further, (i) all affiliates of DRV and (ii) the holder of any leasehold mortgage or any pledge of DRV's equity are each intended direct third party beneficiaries of this Lease with the right of direct enforcement of the provisions set forth herein.
- (b) *Successors and Assigns.* This Lease binds and inures to the benefit of the successors and assigns of the parties. This Section 12(b) does not constitute the City's consent to any assignment of this Lease or any interest in the Lease, or to any sublease of the Premises or any part of the Premises, or to any sublease of a Digital Billboard or any part of the Digital Billboards.
- (c) *Notices.* Any notice or other communication under this Lease must be in writing and will be considered properly given and effective only when mailed or delivered in the

manner provided by this Section 12(c) to the persons identified below. A mailed notice or other communication will be effective or will be considered to have been given on the third day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this Section 12(c).

If to the City:

City of Sacramento
Community Development Department
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811
Attention:

If to DRV:

With copies to:

(d) *The City's Right to Enter and Inspect the Premises.* The City and the City's elected officials, officers, employees, and agents may enter upon and inspect the Premises at any time to determine DRV's compliance with this Lease.

(e) *Force Majeure.*

(1) **"Force Majeure Event"** means a cause of delay that is not the fault of the party who is required to perform under this Lease and is beyond that party's reasonable control, including the elements (including floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism (including the results of such acts), war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

(2) Except as otherwise expressly provided in this Lease, if the performance of any act required by this Lease to be performed by either the City or DRV is prevented or delayed because of a Force Majeure Event, then the time for performance will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.

(3) This Section 12(e) does not excuse either party's obligation to perform an act when performance is rendered difficult or impossible solely because of that party's financial condition.

- (f) *Waiver of Breach.* A party's failure to insist on strict performance of this Lease or to exercise any right or remedy upon the other party's breach of this Lease will not constitute a waiver of the performance, right, or remedy. A party's waiver of the other party's breach of any provision in this Lease will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in writing and signed by the waiving party.
- (g) *Relationship of the Parties.* This Lease does not create any relationship or association between the City and DRV other than that of landlord and tenant. For example, and without limiting the previous sentence, this Lease does not create between the City and DRV the relationship of principal and agent, nor does it create a partnership or joint venture.
- (h) *Attorney's Fees.* The party prevailing in any litigation concerning this Lease, the Premises, or any improvements to the Premises (including the Digital Billboards) will be entitled to an award by the court of reasonable attorneys' fees and litigation costs through final resolution on appeal in addition to any other relief that may be granted in the litigation. If the City is the prevailing party, then this Section 12(h) will apply whether the City is represented in the litigation by the Office of the City Attorney or by outside counsel.
- (i) *Severability.* If a court with jurisdiction holds any nonmaterial provision of this Lease to be invalid, void, or unenforceable, then the remaining provisions will remain in full force.
- (j) *Counterparts.* The parties may execute this Lease in counterparts, each of which will be considered an original, but all of which will constitute the same lease.
- (k) *Memorandum of Lease.* Either the City or DRV may record with the Sacramento County Clerk/Recorder, using the form set forth as Exhibit F, a memorandum summarizing this Lease.
- (l) *Further Assurances.* Each party shall execute all additional documents or instruments and take all necessary action that either party reasonably considers necessary to carry out the proper purposes of this Lease.
- (m) *Time of Essence.* Time is of the essence of this Lease.
- (n) *Interpretation.* This Lease is to be interpreted and applied in accordance with California law without regard to conflict-of-laws principles, except that the rule of interpretation in California Civil Code section 1654 will not apply. Schedules 1 and 2 and Exhibits A, B, C, D, E, and F are part of this Lease.

- (o) *Integration and Modification.* This Lease, together with the related provisions of the Project Agreements, set forth the parties' entire understanding regarding the matters addressed. It supersedes all prior or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)

CITY OF SACRAMENTO

**DOWNTOWN RAILYARD VENTURE LLC, a
Delaware limited liability company**

By: _____

Name: _____

Its: _____

Date: _____

Approved as to Form
Sacramento City Attorney

By: _____
City Attorney

By: _____

Name: _____

Its: _____

Date: _____

Approved as to Form

By: _____

Lease for Digital Billboard

Exhibit A

Property Description

Lease for Digital Billboard

Exhibit B

Digital Billboard Description

Exhibit C

Hazardous Substances

As used in this Exhibit C, “Environmental Laws” means any statute, ordinance, regulation, rule, order, decree, or other law or requirement that is enacted, promulgated, or issued by any federal, state, or local government entity (whether before, on, or after the Effective Date) and—

- regulates, relates to, or imposes liability or standards of conduct concerning any Hazardous Substance (defined below);
- regulates land use or regulates or protects the environment, including air, soil, soil vapor, surface water, groundwater, flora, or fauna; or
- pertains to occupational health or industrial hygiene or to occupational or environmental conditions on, under, or about the Premises.

Without limiting the generality of the foregoing, “Environmental Laws” includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (42 U.S.C. § 9601 et seq.); the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. § 6901 et seq.); the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) (33 U.S.C. § 1251 et seq.); the Toxic Substances Control Act (TSCA) (15 U.S.C. § 2601 et seq.); the Hazardous Materials Transportation Act (HMTA) (49 U.S.C. § 1801 et seq.); the Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.); the Superfund Amendments and Reauthorization Act (SARA) (42 U.S.C. § 6901 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.); the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 et seq.); the Occupational Safety and Health Act (OSHA) (29 U.S.C. §§ 655 and 657); the California Underground Storage of Hazardous Substance Act (Cal. Health & Saf. Code, § 25280 et seq.); the California Hazardous Waste Control Act (Cal. Health & Saf. Code, § 25100 et seq.); the California Safe Drinking Water and Toxic Enforcement Act (Cal. Health & Saf. Code, § 24249.5 et seq.); and the Porter-Cologne Water Quality Act (Cal. Water Code, § 13000 et seq.), together with any amendments of these statutes and regulations promulgated under them (whether enacted or promulgated before, on, or after the Effective Date).

For purposes of this Lease, “Hazardous Substance” means—

- (1) any substance defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic waste,” “solid waste,” “pollutant,” or “contaminant” under Environmental Laws (defined above);
- (2) any substance listed as hazardous substances in 49 C.F.R. § 172.101 or its successor by the U.S. Department of Transportation or in 40 C.F.R. Part 302 or its successor by the U.S. Environmental Protection Agency;

Lease for Digital Billboard

- (3) any other substance, material, or waste that is or becomes regulated or classified as hazardous or toxic under Environmental Laws (defined above);
- (4) any material, waste, or substance that is (a) a petroleum or refined petroleum product, (b) asbestos or asbestos-containing materials, (c) polychlorinated biphenyl, (d) designated as a hazardous substance under 33 U.S.C. § 1321 or its successor or listed under 33 U.S.C. § 1317 or its successor, (e) a flammable explosive, (f) a radioactive material, or (g) a lead-based paint;
- (5) any substance listed by the State of California under subdivision (a) of California Health and Safety Code section 25249.8, as amended, or under any successor to that statute, as a chemical known by the state to cause cancer or reproductive toxicity;
- (6) any material that, because of its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, threatens to damage health, safety, or the environment or is required by any law or public agency to be remediated;
- (7) any material that, if present, would require remediation under the guidelines set forth in California's Leaking Underground Fuel Tank Field Manual, regardless of whether the presence of the material resulted from a leaking underground fuel tank;
- (8) any pesticide regulated under the federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.) or its successor;
- (9) any material regulated under the federal Occupational Safety and Health Act (29 U.S.C. § 651 et seq.) or California's Occupational Safety and Health Act (Health & Saf. Code, § 63000 et seq.), or their successors;
- (10) any material regulated under the federal Clean Air Act (42 U.S.C. 7401 et seq.) or under division 26 of the California Health and Safety Code, or their successors;
- (11) any material that qualifies as an "extremely hazardous waste," "hazardous waste," or "restricted hazardous waste" under section 25115, 25117, or 25122.7 of the California Health and Safety Code, or as "medical waste" under section 25281, 25316, 25501, 25501.1, 25023.2, or 39655 of the California Health and Safety Code, or their successors; and
- (12) any material listed or defined as a "hazardous waste," "extremely hazardous waste," or an "acutely hazardous waste" under chapter 11 of title 22 of the California Code of Regulations or any successor to that chapter.

Exhibit D

Guidelines for Issuing AMBER Alerts

Every successful AMBER plan contains clearly defined activation criteria. The following guidance is designed to achieve a uniform, interoperable network of plans across the country, and to minimize potentially deadly delays because of confusion among varying jurisdictions. The following are criteria **recommendations**:

Law Enforcement Confirms an Abduction

AMBER plans require law enforcement to confirm an abduction prior to issuing an alert. This is essential when determining the level of risk to the child. Clearly, stranger abductions are the most dangerous for children and thus are primary to the mission of an AMBER Alert. To allow activations in the absence of significant information that an abduction has occurred could lead to abuse of the system and ultimately weaken its effectiveness. At the same time, each case must be appraised on its own merits and a judgment call made quickly. Law enforcement must understand that a “best judgment” approach, based on the evidence, is appropriate and necessary.

Risk of Serious Bodily Injury or Death

Plans require a child be at risk for serious bodily harm or death before an alert can be issued. This element is clearly related to law enforcement’s recognition that stranger abductions represent the greatest danger to children. The need for timely, accurate information based on strict and clearly understood criteria is critical, again keeping in mind the “best judgment” approach.

Sufficient Descriptive Information

For an AMBER Alert to be effective in recovering a missing child, the law enforcement agency must have enough information to believe that an immediate broadcast to the public will enhance the efforts of law enforcement to locate the child and apprehend the suspect. This element requires as much descriptive information as possible about the abducted child and the abduction, as well as descriptive information about the suspect and the suspect’s vehicle. Issuing alerts in the absence of significant information that an abduction has occurred could lead to abuse of the system and ultimately weaken its effectiveness.

Age of Child

Every state adopt the “17 years of age or younger” standard; or, at a minimum, agree to honor the request of any other state to issue an AMBER Alert, even if the case does not meet the responding state’s age criterion, as long as it meets the age criterion of the requesting state. Most AMBER plans call for activation of the alert for children under a certain age. The problem is that age can vary---some plans specify 10, some 12, some 14, 15, and 16. Differences in age requirements create confusion when an activation requires multiple alerts across states and jurisdictions. Overuse of the AMBER Alert system will undermine its effectiveness as a tool for recovering abducted children.

NCIC Data Entry

Immediately enter AMBER Alert data into the National Crime Information Center (NCIC) system. Text information describing the circumstances surrounding the abduction of the child should be entered, and the case flagged as a Child Abduction. Many plans do not mandate entry of the data into NCIC, but this omission undermines the entire mission of the AMBER Alert initiative. The notation on the entry should be sufficient to explain the circumstances of the disappearance of the child. Entry of the alert data into NCIC expands the search for an abducted child from the local, state, or regional level to the national. This is a critical element of any effective AMBER Alert plan.

Summary of Department of Justice Recommended Criteria

- There is reasonable belief by law enforcement that an abduction has occurred.
- The law enforcement agency believes that the child is in imminent danger of serious bodily injury or death.
- There is enough descriptive information about the victim and the abduction for law enforcement to issue an AMBER Alert to assist in the recovery of the child.
- The abduction is of a child aged 17 years or younger.
- The child's name and other critical data elements, including the Child Abduction flag, have been entered into the National Crime Information Center (NCIC) system.

Lease for Digital Billboard
Exhibit E – Mitigation Monitoring Program

Lease for Digital Billboard

Exhibit F

Form: Memorandum of Lease

Memorandum of Lease

This Memorandum of Lease, dated _____, 20__, for purposes of identification, is between the CITY OF SACRAMENTO (the "City"), a California municipal corporation; and DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company.

Background

The City and DRV have entered into a *Master Lease for Digital Billboard* dated _____, 20__ (the "Lease"), by which the City leased to DRV the real property described and depicted in Exhibit A to this Memorandum of Lease (the "Premises").

The City and DRV entered into this Memorandum of Lease to give constructive notice to all third parties of DRV's rights and obligations under the Lease.

With these background facts in mind, the City and DRV agree as follows:

1. **Initial Term.** The City leases the Premises to DRV for a "Term" that shall begin on the Effective Date and expire thirty five (35) years thereafter.
2. **Other Provisions.** DRV's lease of the Premises from the City is subject to the terms and conditions of the Lease, which are incorporated by reference into this Memorandum of Lease.
3. **Addresses.** The addresses of the City and DRV are as follows:
Community Development Department
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811
Attention:
Joy Patterson
City Zoning Administrator

4. **Assignment and Sublease.** A party to the Lease may not assign its rights and obligations under the Lease without the other party's prior written consent except as set forth in Section 12(a) of the Lease. DRV may not sublease the Premises or any part of the Premises except as set forth in the Lease.
5. **Information Only.** This Memorandum of Lease is for informational purposes only. It does not modify or otherwise affect the Lease in any way.

City of Sacramento

By: _____
Dated: _____, 20__

Approved as to Form
Sacramento City Attorney

By: _____

Master Lease for Digital Billboards City of Sacramento and Indomitable Ventures, LLC

This lease ("**Lease**"), dated as of _____, 2025, for purposes of identification, is between the **City of Sacramento** (the "**City**"), a California municipal corporation, and **Indomitable Ventures, LLC**, a Delaware limited liability company ("**Indomitable**"). The City and Indomitable are sometimes each referred to as a "**Party**" and collectively as the "**Parties**."

Background

On November 12, 2024, the City, Indomitable, and Downtown Railyard Venture, LLC approved non-binding Preliminary Term Sheets (the "**Term Sheets**"), setting forth their respective desires and intentions regarding (i) the development of a proposed multi-purpose stadium (the "**Stadium**") on land located east of 8th Street in the Downtown Sacramento Railyards that will serve as the Sacramento Republic FC's home and be used to host its home games, and will also host family shows, concerts, community-oriented events, and other sporting and entertainment events; (ii) the ownership, financing, design, development, construction, occupancy, use, maintenance, and operation of the Stadium (the "**Stadium Project**"); (iii) the sale of certain land to the City convenient for buildout of the Sacramento Valley Station Area Plan; (iv) the "**Central Shops Plaza and Structural Renovation**"; and (v) certain other matters.

On June __, 2025, the Parties (and Downtown Railyard Venture, LLC) entered into the Comprehensive Project Agreement, together with other Project Agreements (as described in the Comprehensive Project Agreement), which collectively memorialize certain of the rights and obligations regarding (i) the Stadium Project, (ii) the development of the land nearby the Stadium, (iii) the Central Shops Plaza and Structural Renovation, and (iv) certain other matters.

As contemplated by the Comprehensive Project Agreement, the Parties desire to enter into this Lease to memorialize certain of their rights and obligations regarding new digital billboards. City desires to permit Indomitable to develop up to seven new billboards in consideration for Indomitable's contributions to development of the Stadium Project consistent with the eligibility requirements set forth in section 15.148.965 of the Sacramento City Code. Indomitable desires to lease up to seven parcels from the City for the purpose of installing, operating, and maintaining digital billboards. Accordingly, the City and Indomitable desire to enter into this master lease for the parcels identified in Exhibit A to this lease. This lease concerns the digital billboards that Indomitable will install, operate, and maintain on the parcels identified in Exhibit A.

With these background facts in mind, the City and Indomitable agree as follows:

1. Definitions. This section defines the terms "Business Day," "Caltrans," "Caltrans Permits," "City Permits," "Commencement Date," "Digital Billboard," "Effective Date," "Hazardous

Substances,” “Include,” “Lease Year,” “Message Center,” “Operational,” “Premises,” “Sign Structure,” and “Term.” Other terms are defined elsewhere in this lease.

- (a) “Business Day” means any day the City’s main offices located at 915 I Street, Sacramento, California, are open to the public.
- (b) “Caltrans” means the California Department of Transportation.
- (c) “Caltrans Permits” means all permits and approvals that Indomitable must obtain from Caltrans to install, operate, and maintain a Digital Billboard in accordance with this lease.
- (d) “City Permits” means all building permits, zoning amendments, relocation agreements, and other permits, entitlements, and agreements that the City, acting in its governmental capacity, must issue or approve for Indomitable to install, operate, and maintain a Digital Billboard in accordance with this lease.
- (e) “Commencement Date” means the date as of which both of the following have occurred: (1) the City has finally approved the Plans (defined in Section 6(a)), and (2) Indomitable has received all necessary governmental permits and approvals for a Digital Billboard, including the Caltrans Permits and the City Permits.
- (f) “Digital Billboard” means a single or two-sided outdoor-advertising sign that Indomitable will install and operate on the Premises in accordance with the criteria set forth in Exhibit B to this lease. A Digital Billboard consists of a Message Center and a Sign Structure.
- (g) “Effective Date” means the date as of which both the following events have occurred: (1) both the City and Indomitable have signed this lease, as indicated by the dates in the signature blocks below; and (2) an ordinance adopted by the Sacramento City Council that authorizes the lease of the Digital Billboards by the City has taken effect.
- (h) “Hazardous Substances” means any material or substance identified in Exhibit C to this lease.
- (i) “Include” and its variants are not restrictive. For example, “includes” means “includes but not limited to,” and “including” means “including but not limited to.”
- (j) “Lease Year” means one of the consecutive 12-month periods during the Term. The first Lease Year begins on the Effective Date.
- (k) “Message Center” means the portion of a Digital Billboard that consists of back-to-back digital (LED) display areas used for general commercial advertising, with each of

the two areas measuring 14 feet high and 48 feet wide. The Message Center is more particularly described in Exhibit B.

- (l) "Operational" means a Digital Billboard is capable, legally and functionally, of displaying advertising on the Message Center.
- (m) "Premises" means the City-owned real property described and depicted in Exhibit A.
- (n) "Sign Structure" means the portion of a Digital Billboard other than the Message Center, and it includes all ancillary equipment and utilities installed on the Premises. The Sign Structure is more particularly described in Exhibit B.
- (o) "Term" shall be as defined in 3(a) below.

2. **Lease of Premises.** The City hereby leases the Premises to Indomitable, and Indomitable hereby leases the Premises from the City, on the terms and conditions set forth in this Lease.

3. Term of Lease.

- (a) *Term.* The "**Term**" of this Lease shall begin on the Effective Date and shall last for 35 years.
- (b) *Expiration of Lease and Holding Over.* This Lease expires automatically at the end of the Term. Any holding over after expiration will not constitute a renewal of this Lease but will be on a month-to-month tenancy on the same terms and conditions that applied at expiration.

4. **Consideration.** Pursuant to the Comprehensive Project Agreement, Indomitable is contributing significant resources to the Stadium Project. These contributions satisfy the eligibility requirements under City Code section 15.148.965 and such contribution shall replace in full any rents or other consideration the City would otherwise be entitled to for the rights and benefits Indomitable enjoys under this Lease, including the use and occupancy of the Premises during the Term.

5. Use of Premises.

- (a) *Alternate Premises.* Subject to Section 6(a) below, should a Digital Billboard on the Premises be denied a permit by CalTrans or City pursuant to Section 6(b) or (c) below following application by Indomitable, or should Indomitable choose an alternate site, or be required to relocate any Digital Billboard pursuant to Section 5(c)(2) below, City staff shall attempt to locate alternative replacement City-owned premises acceptable to Indomitable in its reasonable discretion. The Sacramento City Council shall maintain sole discretion to approve or deny the alternative City-owned premises. If approved by the

City Council, Exhibit A shall be updated to include the alternative City-owned premises. Further, Indomitable may from time to time request a relocation of any of the sites (prior to development thereof) listed in Exhibit A to other City-owned property, provided that any such voluntary relocation shall be subject to the City's approval.

Upon any such relocation, addition of a new site or selection of a new site, the parties shall update Exhibit A and Exhibit E (as applicable) by an amendment to this Lease if approved by the Sacramento City Council; provided that failure to do so shall not invalidate Indomitable's right to up to seven Digital Billboards hereunder. Notwithstanding anything in this lease to the contrary, Indomitable may only request additional sites within five years of the Effective Date.

- (b) *Condition of Premises.* The City makes no representations or warranties of any kind, express or implied, written or oral, about any of the following: the physical condition of the Premises; the suitability of the Premises for Indomitable's anticipated use; any limitations on Indomitable's use of the Premises, including limitations arising from zoning laws, environmental laws, or other laws, regulations, or governmental requirements; the costs of conducting Indomitable's business on the Premises; or the condition of the soils or ground waters of the Premises. By taking possession of the Premises, **Indomitable accepts the Premises "as is"** and acknowledges that the Premises are satisfactory for Indomitable's purposes. Indomitable has ascertained the condition of the Premises through its own independent investigation and has relied solely on that independent investigation when entering into this Lease.
- (c) *Permitted Uses.* Except as otherwise provided in Section 6(k), Indomitable has the exclusive right to display outdoor advertising on the Premises. The City shall not authorize any other off-site outdoor advertising on the Premises. In addition, the City shall not authorize any off-site outdoor advertising on any other City-owned or City-controlled property if the outdoor advertising would be within 1,000 feet of a Digital Billboard. Indomitable's exclusive right to conduct outdoor advertising on the Premises includes the following:
- (1) Installing, operating, maintaining, repairing, improving, and (with the City's consent) repositioning a Digital Billboard during the Term, and removing a Digital Billboard on or from the Premises when this lease terminates.
 - (2) All rights of ingress and egress over the Premises that Indomitable needs to access a Digital Billboard.
 - (3) Licensing the use of a Digital Billboard, or any portion of it, for any lawful purpose related to outdoor advertising, except that Indomitable may not install non-digital signs on a Digital Billboard without the City's prior consent, which the City may withhold or condition in its sole discretion.

(d) *Prohibited Uses.*

- (1) Hazardous Substances. Indomitable shall not use, handle, store, transport, generate, release, or dispose of any Hazardous Substances on, under, or about the Premises, except as follows: Indomitable may use Hazardous Substances that Indomitable needs to install, operate, maintain, repair, improve, reposition, or remove a Digital Billboard in accordance with this lease if the City has consented in writing before the Hazardous Substances are brought on the Premises. Within 10 days after receiving the City's written request, Indomitable shall disclose in writing all Hazardous Substances then being used on the Premises, the purpose and duration of the use, and the manner of storage and disposal.
- (2) Unlawful Activities. Indomitable shall not use or permit the Premises to be used in any way that violates this lease or any valid and applicable statute, ordinance, regulation, rule, or order of any federal, state, or local governmental entity (including the City). Indomitable shall not maintain or commit, or permit the maintenance or commission of, any public or private nuisance as defined by any law applicable to the Premises on or after the Effective Date. Indomitable hereby waives any rights to compensation it may have if a court finds that a Digital Billboard constitutes a public or private nuisance under any valid and applicable federal, state, or local law and for that reason orders Indomitable to remove or modify a Digital Billboard or to limit the operation of the Message Center. This waiver will not apply if the court's finding of nuisance is in an action brought by the City under a City ordinance. If Indomitable is required to remove a Digital Billboard as a result of a court's decision that any particular Digital Billboard is unlawful or a nuisance, Indomitable shall be entitled to relocate such Digital Billboard as provided in Section 5(a) hereof.
- (3) Encumbrances. Indomitable shall not encumber the Premises or any part of the Premises, for any purpose, without the City's prior written consent, which the City may withhold for any reason. Indomitable shall keep the Premises free of all liens and other encumbrances other than those, if any, to which the City consents.

(e) *Unobstructed Use.*

- (1) The City shall not allow either of the following (each, an "**Obstruction**"):
 - (A) On the Premises: any structure, tree, or vegetation that obstructs the view of the Message Center from the freeway or highway adjacent to the Premises.
 - (B) On any City-owned or City-controlled real property in the immediate vicinity of the Premises: any structure, tree, or vegetation that is within 1,000

feet of a Digital Billboard and obstructs the view of the Message Center from the freeway or highway adjacent to the Premises.

- (2) If Indomitable notifies the City in writing that an Obstruction exists, and if the City authorized or actively caused the Obstruction, then the City shall remove or remedy the Obstruction at its own cost within 15 days after receiving the notice. If the City fails to remove the Obstruction within 15 days after receiving the notice, then Indomitable may remove the Obstruction at the City's expense after coordinating with the appropriate department of the City.
- (3) If Indomitable notifies the City in writing that an Obstruction exists, and if the City did not authorize or actively cause the Obstruction, then the City may remove or remedy the Obstruction at its own cost within 15 days after receiving the notice. If the City does not remove or remedy the Obstruction within the 15 days, then, at no cost to the City, and after coordinating with the appropriate department of the City, Indomitable may remove the Obstruction described in the notice.
- (4) Indomitable's exercise of its rights under this Section 5(d) is in addition to any other remedies it may have under this Lease.

6. Installation and Operation of Digital Billboard. City acknowledges that Indomitable has the right to develop up to seven Digital Billboards, consisting of one Digital Billboard on each of the Premises, subject to all local, state, and federal requirements. Indomitable may develop these signs at any time during the Term of this Lease. Indomitable shall install and operate each Digital Billboard on the Premises in accordance with this Section 6 and consistent with Section 5, all at no cost to the City.

- (a) *Plans, Specifications and Location.* At no cost to the City, Indomitable shall prepare complete plans and specifications for each Digital Billboard, working closely with the City to develop plans and specifications that are mutually acceptable (the "**Plans**"). Indomitable shall also consult with the City to determine the precise portion of the Premises that will be used for each Digital Billboard. Indomitable shall submit the Plans to the City for final approval, which the City shall not unreasonably withhold. Indomitable may phase the timing of its applications and submission of Plans for any or all of up to seven sites at its discretion, provided, however, that Indomitable may only request additional sites within five years of the Effective Date.
- (b) *Caltrans Permits.* As soon as practicable after the Effective Date, Indomitable shall apply to Caltrans for all Caltrans Permits, and the City shall cooperate with Indomitable in that effort, all at no cost to the City. All Caltrans Permits are to be obtained and secured for Indomitable's sole benefit and are to be issued in Indomitable's name or, if that is not possible, in the City's name on Indomitable's behalf and for Indomitable's sole benefit. Indomitable shall perform all obligations under the Caltrans Permits at no cost to the City. To the extent CalTrans denies or prohibits a Digital Billboard location identified in Exhibit

A, City shall work collaboratively with Indomitable to process and approve alternative subsequent location(s), subject to City retaining its full discretion under subsection 6(c) of this Lease, and as otherwise required under the law.

- (c) *City Permits.* The City shall diligently process Indomitable's applications for all City Permits and any subsequent applications to permit, develop, or erect any of up to seven digital billboards following approval of this Lease and certification of the EIR, including but not limited to, any rezones, leases, ordinance changes, building permits, or other such entitlements, subject to the terms of this Lease. This Lease does not commit the City in advance to approve the City Permits or subsequent approvals; and this Lease does not constrain the City's discretion, acting as a government, with respect to the City Permits or subsequent approvals specifically or to a Digital Billboard generally.
- (d) *Installation.* Once Indomitable begins installing a Digital Billboard, it shall diligently pursue installation to completion without unnecessary interruption. Indomitable will be excused, however, for any delays in beginning or completing installation that are caused by a Force Majeure Event, as defined in Section 12(e)(1). Indomitable shall use reasonable diligence to avoid such delays and to resume work as promptly as possible after such a delay.
- (e) *Ownership.* Indomitable will be the owner of each Digital Billboard and all permits and authorizations that relate to it, including the City Permits and the Caltrans Permits.
- (f) *Security Fences.* Before beginning installation of a Digital Billboard, Indomitable shall enclose with a temporary security fence the portion of the Premises Indomitable needs to install, operate, maintain, and repair the Digital Billboard. Indomitable shall maintain the temporary security fence until Indomitable replaces it with a permanent security fence that circumscribes an area coextensive with the area the temporary fence circumscribed. Indomitable shall install the permanent security fence around the Digital Billboard at the beginning of its operation and maintain that fence until the end of the Term. Indomitable shall install and maintain the temporary and permanent fences at no cost to the City and shall consult with the City on each fence's location and design.
- (g) *Maintenance.* At no cost to the City, Indomitable shall maintain the Premises and shall maintain, repair, and improve each Digital Billboard in accordance with the highest standards of the outdoor-advertising industry. Indomitable's maintenance obligation under this Section 6(g) includes the obligation to remove promptly any graffiti from the Premises and the Digital Billboard. Indomitable's obligation to improve the Digital Billboard under this Section 6(g) includes the obligation to replace the entire Message Center every ten years. The City is not obligated to maintain the Premises or to maintain or repair the Digital Billboard. If, however, Indomitable does not maintain the Premises, then the City may notify Indomitable in accordance with Section 12(c) that the City will perform the maintenance described in the notice if Indomitable does not begin to do so within 15 Business Days. If Indomitable does not begin to perform the needed

maintenance within 15 Business Days after the notice is given, then the City may perform the maintenance described in the notice, and Indomitable shall reimburse the City's costs.

- (h) *Insured Damage or Destruction.* This Lease will continue in full effect if a Digital Billboard is damaged or destroyed in whole or part by any cause covered by the fire-and-casualty insurance Indomitable is required to maintain under Section 11(a)(3), subject to the following:
- (1) Indomitable shall repair or replace the Digital Billboard at no cost to the City using the insurance proceeds Indomitable receives or is entitled to receive under the fire-and-casualty policy. Indomitable shall promptly apply for, and diligently pursue the issuance of, any permits or approvals it needs to repair or replace the Digital Billboard. Within 30 days after obtaining the necessary permits and approvals, Indomitable shall begin work to repair or replace the Digital Billboard. Indomitable shall complete the work within 180 days after the work begins and shall pay any costs that exceed the available insurance proceeds.
 - (2) Indomitable may elect not to repair or replace the Digital Billboard if—
 - (A) the cost to repair or replace it exceeds 60% of its fair-market value immediately before it is damaged or destroyed; and
 - (B) the damage or destruction occurs during the last three years of the Term.
 - (3) If Indomitable elects, under Section 6(h)(2), not to repair or replace the Digital Billboard, then Indomitable shall—
 - (A) notify the City in writing of its election;
 - (B) use the insurance proceeds Indomitable receives for the damage or destruction to remove the Digital Billboard and restore the Premises in accordance with Section 6(l); and
 - (C) pay to the City half of the insurance proceeds that remain after Indomitable has performed under Section 6(h)(3)(B), and this Lease will terminate with regard to the Premises for such Digital Billboard when those proceeds are so paid.
- (i) *Uninsured Damage.* If a Digital Billboard is damaged by any cause not covered by the fire-and-casualty insurance Indomitable is required to maintain under Section 11(a)(3), then this Lease will continue in full effect only if:

- (1) Indomitable shall promptly apply for, and diligently pursue the issuance of, any permits or approvals it needs to repair the damage to a Digital Billboard.
 - (2) As soon as reasonably practicable after obtaining the necessary permits and approvals, Indomitable shall repair the damage at no cost to the City.
- (j) *Utilities.* At no cost to the City, Indomitable shall provide and pay for all utility connections, utility equipment, and utility service required to install, operate, maintain, repair, improve, or reposition each Digital Billboard throughout the Term. Indomitable shall coordinate with the City and the Sacramento Municipal Utility District (“**SMUD**”) for utility tie-ins and electrical power sources that Indomitable may need to operate a Digital Billboard.
- (k) *Advertising Rights.* During the Term, Indomitable will have the exclusive right to enter into agreements for advertising on each Digital Billboard, subject to the following:
- (1) *Operation of the Message Center.* In operating each Message Center, Indomitable shall conform to all valid and applicable laws and regulations, including laws and regulations pertaining to outdoor advertising. Indomitable shall not display any message that in the judgment of the City Manager or the City Manager’s designee—
 - (A) is false, misleading, or deceptive;
 - (B) promotes the sale or use of tobacco products, or medical marijuana, whether directly or indirectly; signs promoting the sale of alcoholic beverages shall be permitted to the extent permitted by law;
 - (C) depicts violence or anti-social behavior or relates to illegal activity;
 - (D) contains “obscene matter,” as that term is defined in California Penal Code section 311 on the Effective Date, or promotes adult entertainment;
 - (E) promotes or opposes a candidate for public office or promotes or opposes a ballot measure;
 - (F) holds a person or group of persons up to public ridicule, derision, or embarrassment, or defames a person or group of persons; or
 - (G) contains language that is obscene, vulgar, profane, or scatological, or that presents a clear-and-present danger of causing riot, disorder, or other imminent threat to public safety, peace, or order.

- (2) *Amber Alerts and Public-Service Messages.* Indomitable shall make each Message Center available to Caltrans for the purpose of displaying “Amber Alert” messages in accordance with the Amber Alert Guidelines set forth in Exhibit D to this Lease. In addition, Indomitable shall make the Message Center available to Caltrans, to the City, and to other government agencies without cost, on a time-available basis determined by Indomitable, for the purpose of displaying public-service messages (e.g., reports of commute times, drunk-driving-awareness messages, reports of serious accidents, emergency-disaster communications).
- (3) *City Messages.* At the request of the City Manager or the City Manager’s designee, Indomitable shall make the Message Center available to the City, on a time-available basis determined by Indomitable. Priority for City messaging shall be focused first on the City Council districts in which the signs are located.
- (l) *Removal of Digital Billboard.* When the Term ends, whether it expires as scheduled or is terminated early, Indomitable shall promptly apply for, and diligently pursue the issuance of, at no cost to the City, any permits or approvals it needs to remove the Digital Billboards. Within 120 days after obtaining the necessary permits and approvals, Indomitable shall remove the Digital Billboards from the Premises and restore the Premises to their pre-lease condition, all at no cost to the City, except that Indomitable is not obligated to remove the below-ground elements of the Sign Structures.
- (m) *Compliance with Laws; Waiver of Compensation.* During the Term and while removing a Digital Billboard after the Term in accordance with Section 6(l), Indomitable shall do the following at no cost to the City: comply with all valid and applicable statutes, ordinances, regulations, rules, and orders that concern the Premises or the Digital Billboards and are enacted or issued by any federal, state, or local governmental entity with jurisdiction over the Premises or the Digital Billboard (including the City) whether enacted or issued before, on, or after the Effective Date.
- (n) *Compliance with Mitigation-Monitoring Program.* During the Term and while removing each Digital Billboard after the Term in accordance with Section 6(l), Indomitable shall comply with any mitigation monitoring program described in Exhibit E to this Lease. Indomitable’s compliance with the Mitigation Monitoring Program is a material term of this Lease. To the extent (pursuant to the rights set forth in this Lease) alternative sites are utilized which require subsequent environmental review, the City shall retain its full discretion to undertake such review under the law, and following any such approval any subsequently adopted mitigation measures shall be attached to Exhibit E.

7. Early Termination.

- (a) *City’s Termination Rights.* Without prejudice to its other remedies at law or in equity, the City may terminate this Lease, at any time and in its sole discretion, effective

30 Business Days after the City gives Indomitable written notice of termination, if Indomitable breaches its obligation to perform in accordance with any material provision of this Lease and (A) does not cure the breach within 30 Business Days after the City serves it with a written notice of breach or, if the breach cannot reasonably be cured within 30 Business Days; or (B) does not begin work on a cure within 30 Business Days after the City serves it with a written notice of breach and diligently pursue the cure to completion within 90 days after work begins. The express designation in this Lease of a provision as “material” does not imply that other provisions are not material. Notwithstanding the foregoing, a termination of Indomitable’s rights pursuant to a default pertaining to a particular Premises shall only terminate Indomitable’s rights with respect to such Premises and shall reduce Indomitable’s total number of permitted Digital Billboards by one. Additionally, the City may terminate this Lease BY written notice of termination if Indomitable does not obtain a certificate of occupancy for the Stadium by December 31, 2035.

- (b) *Indomitable’s Termination Rights.* Without prejudice to its other remedies at law or in equity, including the right to seek just compensation under the laws of eminent domain as described in Section 9, Indomitable may terminate this Lease with respect to any Digital Billboard and its related Premises, at any time and in its sole discretion, effective 30 days after Indomitable gives the City written notice of termination. Notwithstanding the foregoing, a termination of Indomitable’s rights pursuant to a default pertaining to a particular Premises shall only terminate Indomitable’s rights with respect to such Premises and shall reduce Indomitable’s total number of permitted Digital Billboards by one.
 - (c) *City’s and Indomitable’s Additional Termination Rights.* Without prejudice to their other remedies at law or in equity, either party may terminate this Lease if the other party (or, for Indomitable, its parent company)—
 - (1) has an order for relief entered with respect to it, commences a voluntary case, or has an involuntary case filed against it under any applicable bankruptcy, insolvency, or other similar law then in effect, and the order or case is not stayed, withdrawn, or settled within 60 days after it is entered, commenced, or filed (11 U.S.C. § 365(e)(2)(A), as amended, or any successor statute); or
 - (2) files for reorganization, becomes insolvent, or has a receiver or other officer with similar powers appointed for its affairs in any court with jurisdiction, whether or not with its consent (unless dismissed, bonded, or discharged within 60 days after appointment).
8. **Taxes.** Indomitable is responsible for and shall pay or otherwise discharge, without abatement or deduction, all taxes levied on, or related to, Indomitable’s outdoor-advertising activities on the Premises. This obligation includes payment of any—

- (a) sales or similar tax on Indomitable's sale of advertising space on the Digital Billboards;
- (b) possessory-interest tax related to this Lease or to Indomitable's possession or use of the Premises; and
- (c) real-property tax allocated to the Digital Billboards and personal-property tax levied on Indomitable's personal property on the Premises.
- (d) Notwithstanding anything to the contrary in this Lease, the transactions contemplated by this Lease shall be treated, for income tax purposes only, as provided in section 8 of the Comprehensive Agreement, which is one of the Project Agreements.

9. Eminent Domain

- (a) *Definitions.* The following definitions apply to this Section 9:
 - (1) "Condemning Entity" means any entity that by law may exercise the power of eminent domain to acquire possession of, and title to, any of the following: a Digital Billboard, the entire Premises, or an Essential Part of the Premises.
 - (2) "Essential Part of the Premises" means any portion of the Premises that is reasonably necessary for installing, operating, maintaining, repairing, or improving a Digital Billboard in accordance with this Lease.
- (b) *Termination Events.* This Lease will terminate with respect to a Digital Billboard if a Condemning Entity acquires a Digital Billboard, the entire Premises related to such Digital Billboard, or an Essential Part of such Premises—
 - (1) by using the power of eminent domain; or
 - (2) through negotiations under the threat of using the power of eminent domain.
- (c) *Termination Date; Rent Refund; Caltrans Permits.* Termination under this Section 9 will occur on the date the Condemning Entity obtains possession of, or title to, a Digital Billboard, the entire Premises relating to that Digital Billboard, or the Essential Part of the Premises, whichever occurs first. Within 15 Business Days after the termination date, the City shall relinquish any interest it may have in the applicable Caltrans Permits and execute any documents needed to confirm that Indomitable is the sole owner of the applicable Caltrans Permits.
- (d) *Compensation.* If termination occurs under this Section 9, then Indomitable and the City may each independently seek to recover from the Condemning Entity all compensation and other remedies provided by law for the interests taken from them. But the City may not seek or recover compensation for Indomitable's lost interests, and

Indomitable may not seek or recover compensation for the City's lost interests. Without limiting the preceding, Indomitable may seek to recover some or all of the following from the Condemning Entity:

- (1) compensation for its lost advertising income, for the value of the Digital Billboard, for lost goodwill, and for its interest in this Lease; and
- (2) financial assistance for relocating the Digital Billboard.

10. Indemnification.

(a) *Definitions.* The following definitions apply to this Section 10:

- (1) "Person" is to be interpreted broadly. It includes not just third persons but also Indomitable and Indomitable's directors, officers, employees, contractors, and agents; and the City and the City's elected officials, officers, employees, contractors, and agents.
- (2) "Liabilities" means all liabilities, claims, demands, damages, and costs (including reasonable attorneys' fees and litigation costs through final resolution on appeal) that arise directly or indirectly from Indomitable's possession or use of the Premises.
- (3) "Occurrence" means (A) the death of, or injury to, any Person; and (B) damage to, or destruction of, any real property, personal property (including intellectual property), or the environment (broadly interpreted to include the air, soil, soil vapor, surface water, groundwater, flora, and fauna on or about the Premises).
- (4) "Secured Area" means the portion of the Premises enclosed by the permanent security fence that Indomitable erects around a Digital Billboard in accordance with Section 6(f).

(b) *General Indemnity.* Indomitable shall indemnify, defend (with attorneys reasonably acceptable to the City), protect, and hold the City and the City's property (including the Premises) harmless from and against all Liabilities that arise directly or indirectly from Indomitable's possession or use of the Premises. Indomitable is obligated under this Section 10(b) even if the City or the City's elected officials, officers, employees, contractors, or agents reviewed, accepted, or approved the work, materials, or activities from which the Liabilities arise. But Indomitable is not obligated under this Section 10(b) to the extent the Liabilities are caused by the active negligence or willful misconduct of the City or the City's elected officials, officers, employees, contractors, or agents. Indomitable's obligation under this Section 10(b) includes Liabilities arising from any of the following:

- (1) Any Occurrence on the Premises and outside a Secured Area, but only to the extent caused by Indomitable's acts or omissions.
 - (2) Any Occurrence inside a Secured Area.
 - (3) Any Occurrence that is in any way connected with any of Indomitable's personal property on the Premises.
 - (4) Any Occurrence caused or allegedly caused by (A) any condition of the Premises created by Indomitable or by any Person on the Premises with Indomitable's permission; or (B) some act or omission on the Premises by Indomitable or by any Person on the Premises with Indomitable's permission.
 - (5) Any Occurrence caused by, or related in any way to, work or activities performed on the Premises or materials furnished to the Premises at the request of Indomitable or any person or entity acting for Indomitable or with Indomitable's permission.
 - (6) Any Occurrence that is caused by, or related in any way to, a verbal or non-verbal display on the Message Center.
 - (7) Indomitable's failure to perform any provision of this Lease, to comply with any requirement of law applicable to Indomitable, or to fulfill any requirement imposed by any governmental entity (including the City when acting as a government) on Indomitable or on Indomitable's use of the Premises.
- (c) *Hazardous Substances.* Indomitable shall indemnify, defend (with attorneys reasonably acceptable to the City), protect, and hold harmless the City; the City's elected officials, officers, employees, and agents; and the City's property (including the Premises) from and against all Liabilities that arise directly or indirectly from either of the following:
- (1) The possession, use, generation, transportation, release, threatened release, handling, storage, or disposal by Indomitable or Indomitable's contractors of any Hazardous Substance on or under the Premises during the Term or during Indomitable's removal of a Digital Billboard in accordance with Section 6(l).
 - (2) The possession, use, generation, transportation, release, threatened release, handling, storage, or disposal by anyone other than the City or the City's elected officials, officers, employees, contractors, or agents of any Hazardous Substance on or under the Secured Area during the Term or during Indomitable's removal of a Digital Billboard in accordance with Section 6(l). Indomitable is not obligated under this Section 10(c) for any Hazardous Substance that existed on or under the Premises on or before the Effective Date unless Indomitable's intentional,

negligent, or willful misconduct causes or exacerbates a release of the Hazardous Substance.

- (d) *Legal Challenges.* Indomitable shall indemnify, defend (with attorneys reasonably acceptable to the City), protect, and hold harmless the City and the City's elected officials, officers, and employees in any litigation (including litigation based on the California Environmental Quality Act) brought to challenge the validity of this Lease, the validity of the City Permits or the Caltrans Permits, or the validity of the City ordinances that authorize the installation and operation of the Digital Billboards on the Premises. Indomitable's obligation to indemnify under this Section 10(d) includes liability for attorneys' fees awarded to a party who successfully challenges the validity of this Lease, of the City Permits or the Caltrans Permits, or of any authorizing ordinance.
- (e) *Survival.* Indomitable's obligations under this Section 10 will survive this Lease.

11. Insurance.

- (a) *Types of Policies.* During the Term and during Indomitable's removal of each Digital Billboard in accordance with Section 6(l), at no cost to the City, Indomitable shall procure and maintain the following insurance policies covering Indomitable's possession and use of the Premises:
 - (1) A policy of comprehensive general-liability insurance providing coverage at least as broad as that provided by ISO Form CG 00 01. This policy must—
 - (A) be issued on an occurrence basis;
 - (B) include coverage for premises, operations, products and completed operations, advertising injury, and contractual liability;
 - (C) have a combined single limit of at least \$1,000,000 for each occurrence;
 - (D) include a fire legal-liability limit of \$50,000 for each occurrence; and
 - (E) name the City and the City's elected officials, officers, employees, and agents as additional insureds with regard to general liability arising out of activities performed by Indomitable or on Indomitable's behalf, including coverage for products-and-completed operations and for property Indomitable owns, leases, or uses (including the Premises and the Digital Billboards).
 - (2) A policy of automobile-liability insurance providing coverage at least as broad as that provided by ISO Form CA 00 01. This policy must (A) have a combined single

limit of at least \$1,000,000 for each occurrence; and (B) cover owned, non-owned, and hired vehicles.

- (3) A policy of fire-and-casualty insurance that insures each Digital Billboard for its full replacement value against damage or destruction by fire or by any of the perils commonly covered under the standard extended-coverage endorsement to fire-insurance policies issued on real property in Sacramento County. In addition, during installation of a Digital Billboard, the policy must include coverage for course of construction, vandalism, and malicious mischief and must insure the Digital Billboard and all materials delivered to the Premises for their full insurable value. Indomitable shall apply the insurance proceeds paid under this policy to the cost of repairing and restoring the Digital Billboard as required by, and except as otherwise provided in, Section 6(h).
 - (4) A policy of workers-compensation insurance with limits at least equal to those required by California law and including employer-liability insurance with a limit of at least \$1,000,000. This policy must include a waiver of subrogation against the City. As an alternative to this policy, and subject to approval by the City's Risk Management Department, Indomitable may provide the City with a copy of Indomitable's Certificate of Consent to Self Insure from the California Department of Industrial Relations and a certificate showing Indomitable's excess-insurance limits and self-insured retentions.
- (b) *Insurer Qualifications.* Each policy must be issued by an insurer the California Department of Insurance has authorized to transact business in California in the relevant line of insurance, and the insurer must have a rating of at least "A" by A.M. Best Company or a rating the City's Risk Management Department determines to be substantially equivalent.
- (c) *Certificates of Insurance.* Within 10 days after the Effective Date, and afterward upon request, Indomitable shall provide the City with certificates of insurance, signed by authorized representatives of the insurers, confirming that Indomitable has procured and is maintaining the insurance policies required by this Section 11. Upon request at any time, Indomitable shall provide the City with a copy of each policy, including all endorsements.
- (d) *Notice.* Each of the policies must obligate the insurer to give the City at least 30 days' advance written notice before the policy is cancelled or materially changed.
- (e) *Other Requirements.* The general-liability and automobile-liability policies must each—
- (1) provide that Indomitable's insurance coverage is primary insurance with respect to the City and the City's elected officials, officers, employees, and agents;

- (2) provide that Indomitable's insurance applies separately to each insured against whom a claim is made or a suit brought, except with respect to the applicable policy limits; and
 - (3) provide that the City's insurance and self-insurance are in excess of Indomitable's insurance and will not contribute with it.
- (f) *Quinquennial Review.* The City may revise these insurance requirements every five years if the City reasonably determines that revision is needed to conform the policy terms, conditions, and limits with then-current insurance-industry standards for structures and real property comparable to the Digital Billboard and the Premises. A revision will take effect 30 days after the City gives Indomitable notice in accordance with Section 12(c).
- (g) *No Limit on Indemnification.* Nothing in this Section 11 limits Indomitable's obligations under Section 10.

12. **Miscellaneous.**

- (a) *Assignments and Subleases.* A party may not assign or otherwise transfer this Lease or any interest in it, and this Lease is not assignable by operation of law, without the other party's prior written consent, which the other party shall not withhold, delay, or condition unreasonably. An assignment or transfer of this Lease does not occur, for purposes of this Section 12(a), if Indomitable merges with another company, reorganizes its stock, or undergoes a similar corporate restructuring, or if Indomitable sells any of its assets or stock. Indomitable may not sublease the Premises or any part of the Premises, or the Digital Billboards or any part of the Digital Billboards, without the City's prior written consent, which the City may withhold or condition in its sole discretion. An assignment, transfer, or sublease made contrary to this Section 12(a) is void. Notwithstanding the foregoing, Indomitable may assign its rights and obligations hereunder to any Affiliate as defined in the Project Agreements, and may pledge, mortgage, grant a security interest in, encumber, or collaterally assign its interest in this Agreement or the equity interests in Indomitable to secure indebtedness for borrowed money of Indomitable. Further, (i) all affiliates of Indomitable and (ii) the holder of any Leasehold Mortgage (as defined in the Arena Agreement) or any pledge of Indomitable's equity are each intended direct third party beneficiaries of this Agreement with the right of direct enforcement of the provisions set forth herein. The Parties agree that the provisions of Section 16 of the Arena Agreement (authorizing Leasehold Mortgages and Mezzanine Lenders and granting certain rights and protections to Leasehold Mortgagees and Mezzanine Lenders) are hereby incorporated by reference. Each Leasehold Mortgagee (as defined in the Arena Agreement) shall be entitled to all of the rights and protections set forth in the Arena Agreement with respect to this Agreement, including

specifically Section 16.7 (notice and cure rights), as if such provisions were included in this Agreement.

- (b) *Successors and Assigns.* This Lease binds and inures to the benefit of the successors and assigns of the parties. This Section 12(b) does not constitute the City's consent to any assignment of this Lease or any interest in the Lease, or to any sublease of the Premises or any part of the Premises, or to any sublease of a Digital Billboard or any part of the Digital Billboards.
- (c) *Notices.* Any notice or other communication under this Lease must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this Section 12(c) to the persons identified below. A mailed notice or other communication will be effective or will be considered to have been given on the third day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this Section 12(c).

If to the City:

City of Sacramento
Community Development Department
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811
Attention:

If to Indomitable:

Indomitable Ventures, LLC
428 J Street, Suite 700
Sacramento, California 95814
Attention: Kevin M. Nagle

With copies to:

Delfino Madden
500 Capitol Mall, Suite 1550
Sacramento, CA 95814
Attention: Jeffrey M. Koewler

- (d) *The City's Right to Enter and Inspect the Premises.* The City and the City's elected officials, officers, employees, and agents may enter upon and inspect the Premises at any time to determine Indomitable's compliance with this Lease.
- (e) *Force Majeure.*
- (1) **"Force Majeure Event"** means a cause of delay that is not the fault of the party who is required to perform under this Lease and is beyond that party's reasonable control, including the elements (including floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing,

riots, acts of terrorism (including the results of such acts), war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

- (2) Except as otherwise expressly provided in this Lease, if the performance of any act required by this Lease to be performed by either the City or Indomitable is prevented or delayed because of a Force Majeure Event, then the time for performance will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.
- (3) This Section 12(e) does not excuse either party's obligation to perform an act when performance is rendered difficult or impossible solely because of that party's financial condition.
- (f) *Waiver of Breach.* A party's failure to insist on strict performance of this Lease or to exercise any right or remedy upon the other party's breach of this Lease will not constitute a waiver of the performance, right, or remedy. A party's waiver of the other party's breach of any provision in this Lease will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in writing and signed by the waiving party.
- (g) *Relationship of the Parties.* This Lease does not create any relationship or association between the City and Indomitable other than that of landlord and tenant. For example, and without limiting the previous sentence, this Lease does not create between the City and Indomitable the relationship of principal and agent, nor does it create a partnership or joint venture.
- (h) *Attorney's Fees.* The party prevailing in any litigation concerning this Lease, the Premises, or any improvements to the Premises (including the Digital Billboards) will be entitled to an award by the court of reasonable attorneys' fees and litigation costs through final resolution on appeal in addition to any other relief that may be granted in the litigation. If the City is the prevailing party, then this Section 12(h) will apply whether the City is represented in the litigation by the Office of the City Attorney or by outside counsel.
- (i) *Severability.* If a court with jurisdiction holds any nonmaterial provision of this Lease to be invalid, void, or unenforceable, then the remaining provisions will remain in full force.
- (j) *Counterparts.* The parties may execute this Lease in counterparts, each of which will be considered an original, but all of which will constitute the same lease.

- (k) *Memorandum of Lease.* Either the City or Indomitable may record with the Sacramento County Clerk/Recorder, using the form set forth as Exhibit F, a memorandum summarizing this Lease.
- (l) *Further Assurances.* Each party shall execute all additional documents or instruments and take all necessary action that either party reasonably considers necessary to carry out the proper purposes of this Lease.
- (m) *Time of Essence.* Time is of the essence of this Lease.
- (n) *Interpretation.* This Lease is to be interpreted and applied in accordance with California law without regard to conflict-of-laws principles, except that the rule of interpretation in California Civil Code section 1654 will not apply. Schedules 1 and 2 and Exhibits A, B, C, D, E, and F are part of this Lease.
- (o) *Integration and Modification.* This Lease, together with the related provisions of the Project Agreements, set forth the parties' entire understanding regarding the matters addressed. It supersedes all prior or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)

CITY OF SACRAMENTO

**INDOMITABLE VENTURES, LLC,
a Delaware limited liability company**

By: _____

Name: _____

Its: _____

Date: _____

Approved as to Form
Sacramento City Attorney

By: _____
City Attorney

By: _____

Name: _____

Its: _____

Date: _____

Approved as to Form

By: _____
Jeffrey M. Koewler

Lease for Digital Billboard

Exhibit A

Property Description

Lease for Digital Billboard

Exhibit B

Digital Billboard Description

Exhibit C

Hazardous Substances

As used in this Exhibit C, “Environmental Laws” means any statute, ordinance, regulation, rule, order, decree, or other law or requirement that is enacted, promulgated, or issued by any federal, state, or local government entity (whether before, on, or after the Effective Date) and—

- regulates, relates to, or imposes liability or standards of conduct concerning any Hazardous Substance (defined below);
- regulates land use or regulates or protects the environment, including air, soil, soil vapor, surface water, groundwater, flora, or fauna; or
- pertains to occupational health or industrial hygiene or to occupational or environmental conditions on, under, or about the Premises.

Without limiting the generality of the foregoing, “Environmental Laws” includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) (42 U.S.C. § 9601 et seq.); the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. § 6901 et seq.); the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) (33 U.S.C. § 1251 et seq.); the Toxic Substances Control Act (TSCA) (15 U.S.C. § 2601 et seq.); the Hazardous Materials Transportation Act (HMTA) (49 U.S.C. § 1801 et seq.); the Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.); the Superfund Amendments and Reauthorization Act (SARA) (42 U.S.C. § 6901 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.); the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 et seq.); the Occupational Safety and Health Act (OSHA) (29 U.S.C. §§ 655 and 657); the California Underground Storage of Hazardous Substance Act (Cal. Health & Saf. Code, § 25280 et seq.); the California Hazardous Waste Control Act (Cal. Health & Saf. Code, § 25100 et seq.); the California Safe Drinking Water and Toxic Enforcement Act (Cal. Health & Saf. Code, § 24249.5 et seq.); and the Porter-Cologne Water Quality Act (Cal. Water Code, § 13000 et seq.), together with any amendments of these statutes and regulations promulgated under them (whether enacted or promulgated before, on, or after the Effective Date).

For purposes of this lease, “Hazardous Substance” means—

- (1) any substance defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic waste,” “solid waste,” “pollutant,” or “contaminant” under Environmental Laws (defined above);
- (2) any substance listed as hazardous substances in 49 C.F.R. § 172.101 or its successor by the U.S. Department of Transportation or in 40 C.F.R. Part 302 or its successor by the U.S. Environmental Protection Agency;

Lease for Digital Billboard

- (3) any other substance, material, or waste that is or becomes regulated or classified as hazardous or toxic under Environmental Laws (defined above);
- (4) any material, waste, or substance that is (a) a petroleum or refined petroleum product, (b) asbestos or asbestos-containing materials, (c) polychlorinated biphenyl, (d) designated as a hazardous substance under 33 U.S.C. § 1321 or its successor or listed under 33 U.S.C. § 1317 or its successor, (e) a flammable explosive, (f) a radioactive material, or (g) a lead-based paint;
- (5) any substance listed by the State of California under subdivision (a) of California Health and Safety Code section 25249.8, as amended, or under any successor to that statute, as a chemical known by the state to cause cancer or reproductive toxicity;
- (6) any material that, because of its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, threatens to damage health, safety, or the environment or is required by any law or public agency to be remediated;
- (7) any material that, if present, would require remediation under the guidelines set forth in California's Leaking Underground Fuel Tank Field Manual, regardless of whether the presence of the material resulted from a leaking underground fuel tank;
- (8) any pesticide regulated under the federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.) or its successor;
- (9) any material regulated under the federal Occupational Safety and Health Act (29 U.S.C. § 651 et seq.) or California's Occupational Safety and Health Act (Health & Saf. Code, § 63000 et seq.), or their successors;
- (10) any material regulated under the federal Clean Air Act (42 U.S.C. 7401 et seq.) or under division 26 of the California Health and Safety Code, or their successors;
- (11) any material that qualifies as an "extremely hazardous waste," "hazardous waste," or "restricted hazardous waste" under section 25115, 25117, or 25122.7 of the California Health and Safety Code, or as "medical waste" under section 25281, 25316, 25501, 25501.1, 25023.2, or 39655 of the California Health and Safety Code, or their successors; and
- (12) any material listed or defined as a "hazardous waste," "extremely hazardous waste," or an "acutely hazardous waste" under chapter 11 of title 22 of the California Code of Regulations or any successor to that chapter.

Exhibit D

Guidelines for Issuing AMBER Alerts

Every successful AMBER plan contains clearly defined activation criteria. The following guidance is designed to achieve a uniform, interoperable network of plans across the country, and to minimize potentially deadly delays because of confusion among varying jurisdictions. The following are criteria **recommendations**:

Law Enforcement Confirms an Abduction

AMBER plans require law enforcement to confirm an abduction prior to issuing an alert. This is essential when determining the level of risk to the child. Clearly, stranger abductions are the most dangerous for children and thus are primary to the mission of an AMBER Alert. To allow activations in the absence of significant information that an abduction has occurred could lead to abuse of the system and ultimately weaken its effectiveness. At the same time, each case must be appraised on its own merits and a judgment call made quickly. Law enforcement must understand that a “best judgment” approach, based on the evidence, is appropriate and necessary.

Risk of Serious Bodily Injury or Death

Plans require a child be at risk for serious bodily harm or death before an alert can be issued. This element is clearly related to law enforcement’s recognition that stranger abductions represent the greatest danger to children. The need for timely, accurate information based on strict and clearly understood criteria is critical, again keeping in mind the “best judgment” approach.

Sufficient Descriptive Information

For an AMBER Alert to be effective in recovering a missing child, the law enforcement agency must have enough information to believe that an immediate broadcast to the public will enhance the efforts of law enforcement to locate the child and apprehend the suspect. This element requires as much descriptive information as possible about the abducted child and the abduction, as well as descriptive information about the suspect and the suspect’s vehicle. Issuing alerts in the absence of significant information that an abduction has occurred could lead to abuse of the system and ultimately weaken its effectiveness.

Age of Child

Every state adopt the “17 years of age or younger” standard; or, at a minimum, agree to honor the request of any other state to issue an AMBER Alert, even if the case does not meet the responding state’s age criterion, as long as it meets the age criterion of the requesting state. Most AMBER plans call for activation of the alert for children under a certain age. The problem is that age can vary---some plans specify 10, some 12, some 14, 15, and 16. Differences in age requirements create confusion when an activation requires multiple alerts across states and jurisdictions. Overuse of the AMBER Alert system will undermine its effectiveness as a tool for recovering abducted children.

NCIC Data Entry

Immediately enter AMBER Alert data into the National Crime Information Center (NCIC) system. Text information describing the circumstances surrounding the abduction of the child should be entered, and the case flagged as a Child Abduction. Many plans do not mandate entry of the data into NCIC, but this omission undermines the entire mission of the AMBER Alert initiative. The notation on the entry should be sufficient to explain the circumstances of the disappearance of the child. Entry of the alert data into NCIC expands the search for an abducted child from the local, state, or regional level to the national. This is a critical element of any effective AMBER Alert plan.

Summary of Department of Justice Recommended Criteria

- There is reasonable belief by law enforcement that an abduction has occurred.
- The law enforcement agency believes that the child is in imminent danger of serious bodily injury or death.
- There is enough descriptive information about the victim and the abduction for law enforcement to issue an AMBER Alert to assist in the recovery of the child.
- The abduction is of a child aged 17 years or younger.
- The child's name and other critical data elements, including the Child Abduction flag, have been entered into the National Crime Information Center (NCIC) system.

Lease for Digital Billboard
Exhibit E – Mitigation Monitoring Program

Lease for Digital Billboard

Exhibit F

Form: Memorandum of Lease

Memorandum of Lease

This Memorandum of Lease, dated _____, 20__, for purposes of identification, is between the CITY OF SACRAMENTO (the "City"), a California municipal corporation; and Sacramento Downtown Arena LLC.

Background

The City and Indomitable have entered into a *Master Lease for Digital Billboard* dated _____, 2014 (the "Lease"), by which the City leased to Indomitable the real property described and depicted in Exhibit A to this Memorandum of Lease (the "Premises").

The City and Indomitable entered into this Memorandum of Lease to give constructive notice to all third parties of Indomitable's rights and obligations under the Lease.

With these background facts in mind, the City and Indomitable agree as follows:

1. **Initial Term.** The City leases the Premises to Indomitable for a "Term" that shall begin on the Effective Date and shall be coterminous with the Term (as defined in the Arena Agreement) set forth in the Arena Agreement, including all extensions thereof.
2. **Other Provisions.** Indomitable's lease of the Premises from the City is subject to the terms and conditions of the Lease, which are incorporated by reference into this Memorandum of Lease.
3. **Addresses.** The addresses of the City and Indomitable are as follows:
Community Development Department
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811
Attention:
Joy Patterson
City Zoning Administrator
4. **Assignment and Sublease.** A party to the Lease may not assign its rights and obligations under the Lease without the other party's prior written consent except as set forth in Section 12(a) of the Lease. Indomitable may not sublease the Premises or any part of the Premises except as set forth in the Lease.
5. **Information Only.** This Memorandum of Lease is for informational purposes only. It does not modify or otherwise affect the Lease in any way.

City of Sacramento

By: _____
Dated: _____, 20__

Approved as to Form
Sacramento City Attorney

By: _____

Exhibit K
to
Comprehensive Project Agreement

PRELIMINARY STADIUM PROGRAM

Soccer Capacity	Approx. 12,000
Suites	+/- 145
General Admission Seats (includes Supporter Section seating)	+/- 8,800
Premium Seats (Suites, Club seats, Loge seating)	+/- 3,000
SRO	+/- 280
Space Type	<u>Gross Square Feet</u>
Classification 1: Spectator & Stadium Bowl Facilities	+/- 125,000
Classification 2: Premium Facilities	+/- 40,000
Classification 3: Circulation (in structure, not on grade)	+/- 12,000
Classification 4: Food, Retail, & Spectator Facilities	+/- 30,000
Classification 5: Team Facilities & Training Area	+/- 20,000
Classification 6: Media Facilities	+/- 5,000
Classification 7: Event Facilities & Operations Support	+/- 4,000
Classification 8: Standing Room Only decks	
Classification 9: Mechanical, Electrical, Vertical Circulation, Storage	+/- 24,000
Estimate of Gross Building Square Footage (G.S.F.)	+/- 260,000

Exhibit L
to
Comprehensive Project Agreement

MASTER COMPLIANCE AGREEMENT

(see attached)

MASTER COMPLIANCE AGREEMENT

This Master Compliance Agreement ("**Agreement**"), dated for reference purpose as June 10, 2025, is entered into by and between the City of Sacramento ("**City**"), Indomitable Ventures, LLC, a Delaware limited liability company ("**Indomitable**"), Indomitable Parties (as hereinafter defined), and Downtown Railyard Venture, LLC, a Delaware limited liability company ("**DRV**"). The City, Indomitable, Indomitable Parties, and DRV are sometimes each referred to as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. Indomitable is the parent company of: (i) Indomitable LandCo, LLC, a Delaware limited liability company ("**LandCo**"), which is intended to own approximately 31 acres of real property ("**East of 7th Land**") within the project commonly known as the "**Railyards**", (ii) Indomitable StadiumCo, LLC, a Delaware limited liability company ("**StadiumCo**") which will lease a portion of the East of 7th Land ("**Stadium Land**") from LandCo, upon which StadiumCo will construct a multi-use stadium which complies with the requirements of the United Soccer League with a minimum seating capacity of 12,000 ("**Stadium**"); and (iii) Sac Soccer USL, LLC, a Delaware limited liability company ("**TeamCo**"), which owns the United Soccer League Championship ("**USLC**") operating rights for the USLC team currently known as the Sacramento Republic FC ("**Team**"). The East of 7th Land and the Stadium Land located therein are described on Exhibit A attached hereto. LandCo, StadiumCo, and TeamCo are collectively the "**Indomitable Parties**."

B. On November 12, 2024, the City, Indomitable, and DRV approved non-binding Preliminary Term Sheets ("**Term Sheets**"), setting forth the Parties' desires and intentions regarding (i) the development of Stadium on the Stadium Land, that will serve as the Team's home and be used to host the Team's home games, and will also host family shows, concerts, community-oriented events, and other sporting and entertainment events that StadiumCo elects to host at the Stadium; (ii) the ownership, financing, design, development, construction, occupancy, use, maintenance, and operation of the Stadium (the "**Stadium Project**"), (iii) the sale of certain land within the Railyards by DRV to the City convenient for buildout of the Sacramento Valley Station Area Plan; (iv) the sale of the East of 7th Land by DRV to Indomitable, (v) construction of certain open space improvements on portions of Lot 21a, 21b, 21c, 22 and Lot 10, and the structural renovation for seismic and life safety improvements to the historic buildings located on Lots 24, 25, 26, and 27, all as shown on the Sacramento Railyards Tentative Master Parcel Map (City Resolution No. 2016-0387), and (vi) certain other matters.

C. As contemplated by the Term Sheets, the City, Indomitable, and DRV are entering into that certain Comprehensive Project Agreement for the Sacramento Railyards Multi-Purpose Stadium & Central Shops ("**CPA**"), pursuant to which the Parties, as applicable, are also entering into the Project Agreements (as defined in the CPA), which includes this Agreement. The Project Agreements and certain other documents contemplated by the Term Sheets entered into by the Parties, as applicable, are listed on Exhibit B attached hereto (collectively, "**Master Transaction Documents**").

D. Indomitable, Indomitable Parties and DRV are limited liability companies formed under Delaware law. Each such entity has direct and indirect membership interests, as applicable, held by separate federally recognized Indian tribes (each a "**Tribe**") and, as a result of such ownership, legal concepts, such as "arm of the tribe", may provide such entities with sovereign immunity in certain circumstances. To avoid tribal sovereign immunity issues, the Parties desire to enter into this Agreement to provide a current and future waiver of any sovereign immunity that the Waiving Parties (as hereinafter defined) may have, directly or indirectly, which could, if not waived, prevent the enforcement of any of the Master Transaction Documents under the laws of the State of California as more particularly set forth herein.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement agree as follows:

AGREEMENT

1. Definitions.

a. Effective Date. The date of the closing upon which DRV transfers fee title of the East of 7th Land to Indomitable or LandCo, as applicable, shall be referred to as the “**Effective Date**”.

b. Master Transaction Documents. The term “**Master Transaction Documents**” shall include any written amendments, supplements or addendums to such documents by the applicable Parties in effect as of the Effective Date or that become effective thereafter.

c. Waiving Parties. Indomitable, Indomitable Parties and DRV are collectively referred to as the “**Waiving Parties**” and separately as a “**Waiving Party**”. For clarification purposes, (i) no Tribe is waiving their individual tribal sovereign immunity, and (ii) the waiver of tribal sovereign immunity addressed in this Agreement is limited to the entities that comprise the Waiving Parties and the Waiving Party Successors and Assigns to the extent that any such entity acquires tribal sovereign immunity due to its Tribe’s direct or indirect membership interest ownership thereof.

d. Waiving Party Successors and Assigns. Any successors and assigns of any direct or indirect interest of a Waiving Party under any or more of the Master Transaction Documents is referred to as a “**Waiving Party Successors and Assigns**”. For clarification purposes, a Waiving Party Successors and Assigns may or may not have a direct or indirect interest in a parcel(s) located within the Railyards and/or the East of 7th Land.

2. Waiver by Limited Liability Companies. To the extent that any Waiving Party possesses as of the Effective Date or subsequently acquires following the Effective Date any form of tribal sovereign immunity as “an arm of the tribe” or by way of any other legal concept, each Waiving Party, for itself and on behalf of its Waiving Party Successor and Assigns, (a) waives its tribal sovereign immunity for the limited purpose of (1) any available legal or equitable enforcement of the Master Transaction Documents in accordance with the terms and conditions thereof under the laws of the State of California, and/or (2) any claim, controversy or dispute arising under the Master Transaction Documents under the laws of the State of California, (b) shall not invoke the doctrine of exhaustion of tribal or other administrative remedies to defeat or delay such action, and (c) shall not invoke the doctrine of tribal sovereign immunity to evade such action. The waiver set forth in this Section 2 is intended to be broadly construed to include the acquiring, directly or indirectly, of any form of tribal sovereign immunity by any Waiving Party or its Waiving Party Successor and Assigns through any current or subsequently enacted federal or state law, statute, ordinance or regulation or any determination through any federal or state court action, including any current or expansion of the legal interpretation of the “arm of the tribe” or similar legally adopted theory that may apply now or in the future.

3. Transfer. Following the Effective Date, any purchaser, assignee or other holder of any, direct or indirect, right, title or interest of a Waiving Party or its Waiving Party Successor and Assigns in (i) any of the Master Transaction Documents, or (ii) all or any portion of the of the Railyards and/or the East of 7th Land which remains subject to any of the Master Transaction Documents, by the acceptance of a deed, assignment or other conveyance document shall by the acceptance of such deed, assignment or

other conveyance document, be deemed to have consented to, to be bound by, and accepted the terms and conditions of this Agreement, which includes the waiver set forth in Section 2 above.

4. Integration into Master Transaction Documents. The Parties expressly agree that the terms and conditions of this Agreement are incorporated into each and every Master Transaction Document and that, notwithstanding any provision of the Master Transaction Documents to the contrary, the provisions of this Agreement shall control any inconsistency that would adversely effect, minimize or eliminate the provisions of Section 2 and 3 above.

5. Dispute Resolution.

5.1 Process. Any dispute between the Parties arising from this Agreement shall be resolved in accordance with this Section 5.

5.2 Direct Communication. As soon as reasonably possible after a dispute is identified, each Party shall set forth its position in the dispute in written correspondence delivered to the other Parties. Within fifteen (15) days after delivery, representatives of each Party involved shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the dispute.

5.3 Non-binding Mediation.

(A) Resort to Mediation. If the dispute is not resolved through direct communication as provided in Section 5.2 by the date that is ten (10) days after the initial meeting, any Party to such dispute may request appointment of a neutral and properly credentialed mediator with expert knowledge and practical experience regarding the subject in dispute.

(B) Choice of Mediators. The requesting Party shall provide a list of three possible mediators from the current panel of American Arbitration Association mediators to the non-requesting Party. The non-requesting Party shall then select the mediator to be used to mediate the dispute from that list.

(C) Length of Mediation. The Parties shall then participate in good faith in a one-day, non-binding mediation session. Notwithstanding the foregoing, the Parties may agree in writing to extend the mediation proceedings.

(D) Location. Any mediation proceedings shall take place in the City of Sacramento, unless otherwise mutually agreed by the Parties.

(E) Cost Sharing. The cost of the mediation shall be divided equally between the Parties to the dispute.

5.4 Mediation Failure. If the Parties do not resolve the dispute after engaging in this mediation process, each Party shall be entitled to bring an appropriate action or proceeding in any court of competent jurisdiction to vindicate its rights under this Agreement subject to Section 6.14 below.

5.5 Injunctive Relief. Notwithstanding any provision of this Agreement to the contrary, any Party may seek injunctive relief or another form of ancillary relief (including writs of mandamus) at any time from any court of competent jurisdiction. If a dispute requires emergency relief before the matter may be resolved under Section 5, notwithstanding the fact that any court of competent

jurisdiction may enter an order providing for injunctive or another form of ancillary relief, the Parties expressly agree that Section 5.2 and 5.3 still govern the ultimate resolution of any portion of the dispute.

6. Miscellaneous

6.1 Additional Agreements. Each Party shall execute and deliver to the other Parties such further instruments, documents or assurances, and take such further action, as shall be reasonably required to carry out the purposes and intent of this Agreement.

6.2 Notices. Any notice or other communication under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section to the persons identified below. A notice or other communication that is mailed will be effective or will be considered to have been given on the third day after it is deposited in the U.S. Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered.

**If to Indomitable and/or
the Indomitable Parties:**

Indomitable Ventures, LLC
Kevin M. Nagle
428 J Street, Suite 700
Sacramento, California 95814

Wilton Rancheria Sports Authority
Jesus Tarango, Chief Executive Officer
9728 Kent Street
Elk Grove, CA 95624
jtarango@wiltonrancheria-nsn.gov

With copies to:

Womble Bond Dickinson (US) LLP
Stephen Hart, Partner
201 East Washington Street, Suite 1200,
Phoenix, AZ 85004
Stephen.Hart@wbd-us.com

Delfino Madden O'Malley
Coyle & Koewler LLP
Jeffrey M. Koewler, Partner
500 Capitol Mall, Suite 1550
Sacramento, CA 95814
jkoewler@delfinomadden.com

If to DRV:

Downtown Railyard Venture, LLC
Denton Kelley, Managing Principal
3140 Peacekeeper Way
McClellan, California 95652
dkelley@ldkcapital.com

With copies to:

Downtown Railyard Venture, LLC
Jay Heckenlively, General Counsel
3140 Peacekeeper Way
McClellan, California 95652
jheckenlively@mcclellanpark.com

If to the City:

Michael Jasso, Assistant City Manager
915 I Street, Fifth Floor
Sacramento, CA 95814
mjasso@cityofsacramento.org

Matthew Ruyak, Assistant City Attorney
915 I Street, Fourth Floor
Sacramento, CA 95814
mruyak@cityofsacramento.org

6.3 Binding effect. This Agreement binds and inures to the benefit of the Parties' successors and assigns, which includes the Waiving Party Successors and Assigns.

6.4 Severability. If a court with jurisdiction rules that any nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.

6.5 Waiver of Performance, Right, or Remedy. A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon a breach of it will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving party.

6.6 Interpretation. This Agreement is to be interpreted and applied in accordance with California law, except that the rule of interpretation in California Civil Code section 1654 will not apply. The term "including" shall mean "including, without limitation" and "including, but not limited to" and shall not be interpreted to imply any limitation on the more general preceding provision unless otherwise expressly stated. All references in this Agreement to Sections or Exhibits refer to the Sections and Exhibits of this Agreement unless otherwise expressly stated. Each Exhibit referenced in this Agreement is incorporated herein by reference and made a part hereof. The headings and captions of the Sections and Exhibits are included for convenience only and shall have no effect upon the construction or interpretation of this Agreement.

6.7 Attorneys' Fees. In the event any Party shall bring suit against the other to enforce any rights under this Agreement, the prevailing Party shall recover from the other, in addition to any other award, an amount equal to reasonable attorneys' fees to be fixed by the court.

6.8 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and each of their respective Waiving Party Successors and Assigns and is not intended to benefit any third parties. For clarification purposes, the waiver provided under Section 2: (i) is only enforceable by the Parties and each of their respective Waiving Party Successors and Assigns; and (ii) does not create any third-party beneficiary rights to suits or private causes of action in favor of third parties.

6.9 Counterparts. The Parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Facsimile signatures or signatures transmitted by email or other electronic means shall be effective to bind each of the Parties hereto.

6.10 Integration and Modification. This Agreement sets forth the Parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by all parties.

6.11 Obligations of the Parties. The obligations and undertakings of the Parties under or in accordance with this Agreement are obligations solely of the Parties themselves and no recourse shall be had, whether in contract, in tort, or otherwise against any officer, director, employee, agent, member, volunteer, or representative of any Party in his or her individual capacity on account of any obligation or undertaking of or any act or omission by any Party under or pursuant to this Agreement.

6.12 Relationship of the Parties. The Parties do not intend to create any agency,

partnership, joint venture, trust, or other relationship with duties or incidents different from those of parties to an arm's-length contract.

6.13 Representations. Each Party hereby represents and warrants to the other that it has all necessary right, power, and authority to enter into this Agreement. Additionally, each Party represents and warrants that the execution and delivery of this Agreement and the performance and observance of all obligations and conditions to be performed or observed by each Party hereunder have been duly authorized by all necessary action of such Party. This Agreement, when fully executed and delivered by each Party, shall constitute the legal, valid, and binding obligation of the Parties, enforceable in accordance with the terms hereof.

6.14 Governing Law & Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any proceedings regarding this Agreement, the Parties agree that the venue shall be the state courts of California or the U.S. District Court for the Eastern District of California.

6.15 Estoppel Certificate. Each of the Parties agrees that within fifteen (15) business days after receipt of a written request by any other Party, the requested Party shall execute, acknowledge, and deliver to the requesting party a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect or, if there have been modifications, that the same is in full force and effect as modified and identifying the modifications; (b) that no Party is, to the knowledge of such Party, in default under any provisions of this Agreement or, if there has been a default, the nature of such default; and (c) any other information reasonably requested.

6.16 No Personal Liability to Representatives and Owners. No owner, member, officer, director, manager, employee, agent, appointee, representative, or other individual acting in any capacity on behalf of either of the Parties or their Affiliates shall have any personal liability or obligations under, pursuant to, or with respect to this Agreement and/or any of the Master Transaction Documents for any reason whatsoever.

6.17 Construction. The Parties acknowledge that each Party has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits thereto.

6.18 Survival. The Parties agree the terms and conditions of this Agreement shall survive for a period of four (4) years following the date on which the last of the Master Transaction Document terminates.

[Remainder of page intentionally left blank - Signature page follows]

Each Party is signing this Agreement on the date under each Party's signature.

**INDOMITABLE VENTURES, LLC, a
Delaware limited liability company**

CITY OF SACRAMENTO

By: _____
Kevin M. Nagle
Manager

By: _____
Leyne Milstein
Interim City Manager

Date: _____, 2025

Date: _____, 2025

APPROVED AS TO FORM:

ATTEST:

By: _____
Jeffrey M. Koewler
Delfino Madden O'Malley Coyle & Koewler

By: _____
Mindy Cuppy
City Clerk

LandCo – *Indomitable LandCo, LLC*

APPROVED AS TO FORM:

By: _____
Kevin M. Nagle

By: _____
Matthew D. Ruyak
Assistant City Attorney

Date: _____, 2025

StadiumCo – *Indomitable StadiumCo, LLC*

DOWNTOWN RAILYARD VENTURE, LLC

By: _____
Kevin M. Nagle

By: _____
Larry D. Kelley, Jr.

Date: _____, 2025

Date: _____, 2025

TeamCo – *Sac Soccer USL, LLC*

By: _____
Kevin M. Nagle

Date: _____, 2025

EXHIBIT A
DESCRIPTION OF RAILYARDS, EAST OF 7TH LAND AND STADIUM LAND

Order No.: FSSE-0102400287

For APN/Parcel ID(s): 002-0010-074-0000

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

All that real property situated in the City of Sacramento, County of Sacramento, State of California and being a portion of Parcel 2 as described in that certain Grant Deed Recorded October 17, 2018 in Book 20181017, Page 0799, Sacramento County Official Records, and being a portion of the remainder parcel as shown on the final map entitled "The Railyards Unit No. 2", filed in Book 409 of Maps, Page 1, said County Records. More particularly described as follows:

Beginning at the intersection of 7th Street and North 'B' Street as shown on record of Survey Filed July 1, 2004 in Book 66 of Surveys, Page 15, Sacramento County Official Records. Said point lying on the North boundary of said Parcel 2; thence along the boundary of said Parcel 2, common with the boundary of said remainder parcel the following 22 courses:

1. Thence South 71° 36' 52" East, 616.79 feet;
2. Thence South 56° 40' 59" East, 155.27 feet;
3. Thence South 47° 19' 40" East, 75.74 feet;
4. Thence to the right along the arc of a 296.67 foot radius, non-tangent curve, concave to the Southwest, having a radial bearing of North 35° 28' 18" East, a central angle of 15° 33' 22", and an arc length of 80.55 feet;
5. Thence South 38° 58' 10" East, 61.00 feet;
6. Thence to the right along the arc of a 296.57 foot radius, tangent curve, concave to the Southwest, having a central angle of 08° 09' 56", and an arc length of 42.27 feet;
7. Thence South 30° 48' 14" East, 55.84 feet;
8. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
9. Thence South 37° 23' 00" East, 14.72 feet;
10. Thence South 38° 59' 32" East, 10.00 feet;
11. Thence South 40° 35' 03" East, 14.72 feet;
12. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
13. Thence South 47° 09' 49" East, 20.41 feet;
14. Thence to the left along the arc of a 372.24 foot radius, tangent curve, concave to the Northeast, having a central angle of 08° 20' 43", and an arc length of 54.22 feet;
15. Thence South 18° 25' 08" West, 37.18 feet;
16. Thence South 38° 51' 44" East, 185.20 feet;
17. Thence South 71° 36' 14" East, 609.61 feet;
18. Thence South 18° 28' 51" West, 342.82 feet to a point on the North boundary of Parcel B, as described in Document Recorded December 28, 2006, in Book 20061228, Page 1681, Sacramento County Official Records;
19. Thence along the Northerly boundary of said Parcel B, North 71° 31' 30" West, 93.07 feet;
20. Thence continuing along last said boundary, to the left along the arc of a 1,370.00 foot radius tangent curve, concave to the South, having a central angle of 29° 45' 03", and an arc length of 711a.37 feet;
21. thence continuing along last said boundary, South 78° 43' 28" West, 1,371.35 feet;
22. thence continuing along last said boundary, to the left along the arc of a 500.00 foot radius, tangent curve, concave to the South, having a central angle of 08° 32' 54", and an arc length of 74.60 feet to a point on the centerline of said 7th Street;

Thence along said centerline of 7th Street, to the right along the arc of a 8,500.00 foot non tangent curve, having a radial bearing of North 72° 47' 18" West, a central angle of 04° 57' 30", and an arc length of 735.58 feet; thence continuing along said centerline of 7th Street, North 22° 10' 12" East, 241.12 feet;

thence continuing along said centerline of 7th Street, to the left along the arc of a 8,500.00 foot radius, tangent curve, having a central angle of $03^{\circ} 39' 34''$, and an arc length of 542.89 feet; thence continuing along said centerline of 7th Street, North $18^{\circ} 30' 38''$ East, 155.59 feet to the point of beginning.

Shown as Parcel 1 on that certain document entitled "Certificate of Compliance For Lot Line Adjustment" recorded July 19, 2019, in Book 20190719, Page 0343, of Official Records.

EXHIBIT B
MASTER TRANSACTION DOCUMENTS

Comprehensive Project Agreement
Agreement for Deferral of Development Fees
Team Non-Relocation Agreement
Agreement of Purchase and Sale (Lots 40 and 44 Railyards)
Master Funding Agreement for Railyards EIFD
Partial Assignment and Assumption Agreement
Funding Obligations Agreement
Master Lease for Digital Billboards (DRV)
Master Lease for Digital Billboards (Indomitable)
Purchase Agreement (East of 7th Parcel)

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): _____
Contract Effective Date: 06/10/2025 Contract Expiration Date (if applicable): _____
\$ Amount (Not to Exceed): \$ 0.00 Adjusted \$ Amount (+/-): _____
Other Party: Sac Soccer USL, LLC
Project Title: TEAM NON-RELOCATION AGREEMENT
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01158

Contract Processing Contacts

Department: Economic Development Project Manager: Marco Gonzalez
Contract Coordinator: Blair Hongo Email: BHongo@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature) Crystal Harland (Date) 05/23/2025
Crystal Harland (May 23, 2025 19:47 PDT)

Supervisor:

(Signature) Marco Gonzalez (Date) 05/23/2025
Marco Gonzalez (May 23, 2025 19:33 PDT)

Division Manager:

(Signature) Blair Hongo (Date) 05/23/2025

Other:

(Signature) _____ (Date) _____

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)



Recording Requested



Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE-----

TEAM NON-RELOCATION AGREEMENT

between

CITY OF SACRAMENTO

and

SAC SOCCER USL, LLC,

Dated as of: June 10, 2025

LIST OF EXHIBITS AND SCHEDULES

EXHIBIT A Liquidated Damages

SCHEDULE 7.14(B) Existing Liens

TEAM NON-RELOCATION AGREEMENT

This TEAM NON-RELOCATION AGREEMENT (this "**Agreement**") is made and entered into as of June 10, 2025 (the "**Effective Date**") between the City of Sacramento, a municipal corporation of the State of California (the "**City**"), and Sac Soccer USL, a Delaware limited liability company ("**TeamCo**"). The City and TeamCo are sometimes referred to herein as the "**Parties**" and each as a "**Party**."

BACKGROUND

TeamCo owns and operates the United Soccer League Championship ("USLC") franchise currently known as the Sacramento Republic FC (the "**Team**").

Concurrently with the Parties' execution of this Agreement, the City, Indomitable Ventures, LLC, a Delaware limited liability company (and parent company of TeamCo), and Downtown Railyard Venture, LLC, a Delaware limited liability company ("DRV"), have entered into the Comprehensive Project Agreement for the Sacramento Railyards Multi-Purpose Stadium & Central Shops (the "Comprehensive Project Agreement"), which, together with the other "Project Agreements" (as such term is defined in the Comprehensive Project Agreement), set forth in the agreements of the parties to the Comprehensive Project Agreement with respect to the ownership, financing, design, development, construction, lease, occupancy, use, maintenance, and operation of a multipurpose entertainment and sports center to be located in downtown Sacramento (the "Stadium").

The Team, TeamCo, and TeamCo's Affiliates (expressly including StadiumCo and Indomitable Ventures, LLC) will substantially benefit from the transactions contemplated in the Project Agreements, including the construction and operation of the Stadium.

As a material inducement to the City entering into the Comprehensive Project Agreement and each of the other Project Agreements to which the City is a party, and in consideration of the City's agreement to create an expanded enhanced infrastructure finance district that results in tax increment that supports the infrastructure critical to the development and construction of the Stadium, TeamCo has agreed to enter into this Agreement to ensure that the Team will play Home Matches at the Stadium on the terms and conditions set forth herein.

With these background facts in mind, the Parties agree as follows:

1. Home Matches to be Played at Stadium

1.1 *Covenant to Play.* TeamCo covenants and agrees that, during the Term, the Team will play a majority of its Home Matches at the Stadium, except that TeamCo may cause the Team to play, at an alternate site: (A) up to 8 USLC Pre-Season Home Matches during each Soccer Season; (B) up to 5 USLC Regular Season Home Matches during each Soccer Season; (C) limited anniversary matches at other City of Sacramento-based locations (e.g., Hughes Stadium); and (D) any number of USLC Playoff Home Matches during any Soccer Season (i) so long as the Team's opponent in any post-season series is scheduled to play an equal or greater number of its home Matches in such series outside of the city, municipality, or similar local jurisdiction in which such opponent's USLC regular season home venue is located (except as otherwise provided under USLC Rules applicable generally to all members of the USLC which are intended to deal with the different number of home Matches played by opposing teams in a post-season series (e.g., in a post-season series consisting of an odd number of Matches, the Team may be scheduled to play one more USLC Playoff Home Game at an alternate, neutral site than the number of Matches the Team's opponent is scheduled to play outside of the city, municipality, or similar local jurisdiction in which such opponent's USLC regular season home venue is located)) and (ii) only if required by USLC Rules applicable generally to all members of the USLC; it being agreed, for the avoidance of any doubt, that TeamCo shall not have the right to elect or otherwise voluntarily decide to play any of its post-season Home Games at any alternate site.

1.2 *Exceptions.* Notwithstanding Section 1.1, if an Alternate Site Condition exists, TeamCo shall be entitled to make arrangements for an alternate site and the Team shall be entitled to temporarily play its Home Matches at such alternate site, on the following terms and conditions:

- (A) Promptly after TeamCo first learns of such Alternate Site Condition, TeamCo shall deliver written notice to the City identifying the Alternate Site Condition and stating the number of days such Alternate Site Condition is expected to persist and the number of Home Matches expected to be played at the alternate site.
- (B) TeamCo shall use its commercially reasonable efforts to obtain an alternate site within the City of Sacramento or, failing that, as close to the City of Sacramento as is reasonably possible.
- (C) Prior to the Team playing any of its Home Matches at an alternate site, TeamCo shall reasonably make available to the City for its review a copy of the agreement, contract, or other commitment made by TeamCo with respect to the Team's use of such alternate site (an "**Alternate Site**

Commitment"); provided, however, that if any Alternate Site Commitment contains a confidentiality provision that prevents TeamCo from delivering all or any portion of such Alternate Site Commitment to the City, then TeamCo may satisfy its obligations under this Section 1.2(C) by reasonably making available to the City for its review only those portions of such Alternate Site Commitment that relate, directly or indirectly, to the number of Home Matches to be played at such alternate site or otherwise relate, directly or indirectly, to the term (including any extensions thereof) of such Alternate Site Commitment. Without limiting the generality of the foregoing, if such Alternate Site Commitment includes any provisions that would incentivize TeamCo to cause the Team to play more Matches at such alternate site than absolutely necessary (including by way of decreasing charges), then TeamCo shall reasonably make available to the City for its review all such provisions.

- (D) The Team may play its Home Matches at such alternate site only during the period of time that such Alternate Site Condition exists. Notwithstanding the foregoing, if the circumstances giving rise to such Alternate Site Condition do not allow TeamCo or its Affiliates to reasonably determine when such Alternate Site Condition will end (an "**Indeterminate Condition**"), then TeamCo may honor an Alternate Site Commitment reasonably made by TeamCo with respect to such Indeterminate Condition even if such Alternate Site Commitment extends beyond the expiration of such Indeterminate Condition; provided, that the Team recommences playing its Home Matches at the Stadium no later than 20 days after such Indeterminate Condition ends unless the following circumstances apply:
- (i) If an Indeterminate Condition exists (x) prior to the commencement of any Soccer Season and is reasonably expected to still exist 60 days after the commencement of such Soccer Season or (y) after the commencement of any Soccer Season, but before May 1 of such Soccer Season, and is reasonably expected to still exist 60 days thereafter, then the associated Alternate Site Commitment may extend through the Soccer Season; and
 - (ii) If an Indeterminate Condition exists as of or after May 1 of any Soccer Season and is reasonably expected to still exist 45 days thereafter, then the associated Alternate Site Commitment may extend through the duration of such Soccer Season.

- (E) TeamCo shall use its commercially reasonable efforts to mitigate and overcome any Alternate Site Condition (whether an Indeterminate Condition or otherwise) to the extent the applicable event or condition giving rise thereto is within the reasonable control of TeamCo.

2. Maintenance of the Franchise; Non-Relocation

2.1 **Entity Existence; Franchise; Headquarters; and Team Name.** At all times during the Term:

- (A) TeamCo shall maintain its existence as an entity organized under the laws of the State of California or any other state of the United States, and shall not dissolve or liquidate without the prior written consent of the City.
- (B) TeamCo shall (i) maintain the membership of the Team in the USLC in good standing through its compliance with the terms and conditions of that certain USL Franchise Agreement, dated December 1, 2012, as amended ("**Franchise Agreement**") and USLC Rules, (ii) defend the right of the Team to play soccer as a member of the USLC, and (iii) oppose the adoption of any USLC Rule that contradicts any of the terms of this Agreement; provided, however, that the foregoing shall not prohibit TeamCo from voting in favor of adoption of any such USLC Rule if it is (x) not specifically targeted at the Team and (y) bundled or packaged with any other USLC Rule that is unrelated to the subject matter of this Agreement (though in such a situation TeamCo shall register its objection to such USLC Rule if compliance with such USLC Rule would cause a default under this Agreement). Without limiting the generality of the foregoing, TeamCo shall not volunteer for contraction of the Team by the USLC or vote in favor of its contraction.
- (C) TeamCo shall cause the name "Sacramento" to be included in the first part of the Team's name (i.e., the "Sacramento ____") and TeamCo shall not include any other geographic, city, county, state, or country reference in the Team's name.

2.2 **Negative Covenants;** Subject to Sections 1.1 and 1.2, at all times during the Term, TeamCo, its Affiliates, and their respective representatives shall not:

- (A) (i) Relocate, attempt to relocate, or permit the relocation of, the Team outside the boundaries of the City, (ii) change the home territory of the Team set forth under USLC Rules in any manner that would exclude the City, or (iii) permit or cause to occur any other event that could reasonably be expected to result in the occurrence of an event described in the foregoing clause (i) or (ii) in violation of this Agreement.
- (B) (i) Enter into any contract that obligates the Team to play Home Matches at any location other than the Stadium in violation of this Agreement, or (ii) take any other action that causes or could reasonably be expected to cause the Team's right to play professional soccer in the Stadium after the Commencement Date and for the remainder of the Term to be lost or materially impaired; provided, however, that the foregoing shall not prevent TeamCo or any of its Affiliates from (x) enforcing its rights, and the City's obligations, under the Project Agreements, and (y) taking any action with respect to any strike, lockout, or other labor dispute (provided the Team is not playing Home Matches elsewhere during any such period).
- (C) Solicit, enter into, or participate in any negotiations or discussions with, or apply for or seek approval from, third parties, including the USLC, with respect to any agreement, legislation, or financing that contemplates, or could reasonably be expected to result in, any action that would contravene or result in contravention of any Non-Relocation Covenant.
- (D) The prohibitions set forth in this Section 2.2 shall not apply to TeamCo's, its Affiliates' and their respective representatives' actions, negotiations, discussions, applications, or agreements during the last seven Operating Years of the Term with respect to a proposed relocation, change, or move that would not take effect during the Term

3. Transfers and Liens

- 3.1 *Transfers and Liens.*** Subject to this Section 3, TeamCo may, from time to time, make a Transfer or grant a Lien; provided, however, that any such Transfer or grant of a Lien shall be (A) conditioned on the Person who acquires the Team or holds any Lien being approved by the USLC in accordance with the USLC Rules as an owner of the Team or the holder of a Lien and (B) made or granted subject to the requirements and obligations of TeamCo under this Agreement, including compliance in all respects with the Non-Relocation

Covenants, so that any Person who acquires the Team (including, if applicable, the USLC), either pursuant to any such Transfer or pursuant to any foreclosure or other action against any such Lien, shall acquire and take the Team therein subject to all of the Non-Relocation Covenants and the other terms of this Agreement. Such Person shall thereafter be deemed to be "TeamCo" for purposes of this Agreement. No Transfer (including, if applicable, to the USLC) shall change, limit, release, or otherwise effect the obligations of TeamCo under this Agreement. Any Transfer made or Lien granted contrary to this Section 3 is void.

3.2 *Prior Notice and Documentation.*

- (A) TeamCo shall give the City at least 15 days' prior written notice of any Transfer and any sale, transfer, assignment, or other disposition of any direct or indirect majority ownership interests in the Team (or prompt written notice after a death or similar circumstance that results in such a disposition of any direct or indirect majority ownership interests in the Team).
- (B) In connection with any Transfer, the transferee must agree in writing, in form and substance reasonably acceptable to the City, to assume, in full and without qualification, TeamCo's obligations under this Agreement, specifically including the Non-Relocation Covenants and any then-unperformed obligations of TeamCo under this Agreement whether accrued or due before or after the effective date of such Transfer (with such agreement having been executed and delivered to the City simultaneously with, or prior to, such Transfer).
- (C) TeamCo shall not grant any Lien, unless the documents and other instruments implementing the Lien expressly provide, and the pledgee agrees in writing for the intended third-party benefit of the City and its successors and assigns, that (i) such Lien is subject to this Agreement, and (ii) any Transfer upon foreclosure or other enforcement of the Lien shall be subject to this Agreement. Concurrently with the execution of any Lien (or, if such Lien exists on the Effective Date, prior to the execution of this Agreement), TeamCo shall reasonably make available to the City for its review a copy, certified as true and complete by an officer of TeamCo, of the express agreement of the pledgee and the third party beneficiary language as required by this section. The Parties acknowledge and agree that this Section 3.2(C) shall not apply with respect to the Liens set forth on Schedule 7.14(B) attached hereto (or any refinancing thereof).

3.3 *Restrictive Covenants.* The Non-Relocation Covenants shall be deemed to be restrictive covenants that attach to and bind the Team As Property.

4. Specific Enforcement; Liquidated Damages; Team Heritage

(A) The Parties acknowledge that: (i) TeamCo's obligations under the Non-Relocation Covenants are unique, are the essence of the bargain, and are essential consideration for this Agreement and the other Project Agreements being entered into by the City; (ii) the Team is extraordinary and unique and that under the organization of professional soccer by and through the USLC, the City may not be able to replace the Team; and the determination of damages caused by a Non-Relocation Default, the effects of which would be suffered by the City and its surrounding communities, would be difficult, if not impossible, to ascertain. Therefore, the Parties acknowledge and agree that there exists no adequate and complete remedy at law to enforce this Agreement against TeamCo, and that equitable relief by way of a decree of specific performance or an injunction (such as a prohibitory injunction barring the Team from relocating or playing its Home Matches at any location other than the Stadium in violation of this Agreement or a mandatory injunction requiring the Team to play its Home Matches at the Stadium in accordance with this Agreement) is the only appropriate remedy for the enforcement of this Agreement notwithstanding the provisions for liquidated damages set forth in Section 4(B). Consistent with the Parties' intent that the equitable relief of this Section 4(A) is the preferred relief for a Non-Relocation Default, the City hereby covenants that, in the event of a Non-Relocation Default, or the threat of a Non-Relocation Default, the City shall seek equitable relief as provided by this Section 4(A) before attempting to avail itself of the liquidated damages provisions set forth in Section 4(B) (provided that equitable relief is a remedy available and enforceable at the time of such Non-Relocation Default). Furthermore, based on the foregoing, TeamCo hereby agrees as follows (and TeamCo shall not assert or argue otherwise in any action or proceeding):

- (1) Significant obligations are being incurred by the City to make the Stadium available for Home Matches and any Non-Relocation Default shall constitute irreparable harm to the City for which monetary damages or other remedies at law will not be an adequate remedy.
- (2) The City is entitled to obtain injunctive relief prohibiting action, directly or indirectly, by TeamCo that causes or could reasonably be expected to cause a Non-Relocation Default, or mandating action that averts or will avert a Non-Relocation Default, or enforcing any covenant, duty, or obligation of TeamCo hereunder through specific performance.

The City is further entitled to seek declaratory relief with respect to any matter under this Agreement.

- (3) The rights of the City to injunctive relief as a result of a Non-Relocation Default, as set forth in this Section 4(A) and as otherwise allowed under Applicable Law, shall not constitute a claim pursuant to Section 101(5) of the United States Bankruptcy Code, as it may be amended from time to time, or any substitute therefor, and shall not be subject to discharge or restraint of any nature in any bankruptcy, reorganization, or insolvency proceeding involving TeamCo or the Team, and this Agreement is not an "executory contract" as contemplated by Section 365 of the United States Bankruptcy Code.
 - (4) In any proceeding seeking relief for a Non-Relocation Default, any requirement for the City to (i) post any bond or other security or collateral, or (ii) make any further showing of irreparable harm, balance of harms, consideration of the public interest, or inadequacy of money damages, as a condition of any relief sought or granted is hereby waived.
 - (5) BY OPERATION OF THE PROVISIONS OF THIS SECTION 4(A), TEAMCO IS KNOWINGLY AND INTENTIONALLY RELINQUISHING OR LIMITING CERTAIN IMPORTANT RIGHTS AND PRIVILEGES TO WHICH IT OTHERWISE MIGHT BE ENTITLED, AND TEAMCO'S RELINQUISHMENT AND LIMITATION THEREOF IS VOLUNTARY AND FULLY INFORMED.
- (B) TeamCo acknowledges and agrees that upon the occurrence of a Type I Non-Relocation Default or a Type II Non-Relocation Default, if the equitable relief described in Section 4(A) is not granted by a court of competent jurisdiction for any reason, or is otherwise unavailable, the payment by TeamCo of liquidated damages is the next most appropriate remedy. Therefore, if both of the following conditions are satisfied: (i) a court of competent jurisdiction determines, in a final order (including all appeals) (a **"Final Order"**), that TeamCo has committed a Type I Non-Relocation Default or a Type II Non-Relocation Default and (ii) a court of competent jurisdiction declares that the equitable relief described in Section 4(A) will not be granted, or is otherwise unavailable, to the City, then TeamCo shall pay liquidated damages to the City in the applicable amount set forth on Exhibit A attached hereto, which payment must be paid as a lump sum, in immediately available funds, no later than 30 days after the last of such conditions is satisfied. In determining the amount of such liquidated damages, the Parties have exercised great care to make a reasonable forecast of direct damages allowable by Applicable Law that may arise from a Type I Non-Relocation

Default or a Type II Non-Relocation Default, taking into due consideration: (i) the substantial costs the City has agreed to incur in connection with the design, development, and construction of the Stadium; (ii) the extraordinary involvement, covenants, and expense of the public in securing TeamCo's commitment to cause the Team to play its Home Matches at the Stadium during the Term on the terms and conditions set forth herein; (iii) the loss of taxes attributable to the Team's operations; (iv) the consequent reduction in value of the Stadium arising from the absence of the Team; (v) the substantial economic benefit conferred upon the Team, TeamCo, and TeamCo's Affiliates, expressly including StadiumCo and Holdco, through the Project Agreements; (vi) the detrimental effects of a Type I Non-Relocation Default or a Type II Non-Relocation Default, as applicable, on the City and its surrounding communities, including the loss of intangible civic, social, and quality of life benefits; and (vii) the City's and its surrounding communities' loss of (1) national and international exposure, and (2) revenues and other direct and indirect economic and fiscal benefits. The Parties acknowledge that the reasonable forecast of direct damages provided in this section is not an exact measure of damages, as such an exact measure would be infeasible or impossible to estimate with precision due, in part, to the intangible nature of some of such damages and the large number of citizens and businesses that rely upon and benefit from the presence of the Team in the City.

- (C) Upon a Final Order being entered by a court of competent jurisdiction, if the equitable relief described in Section 4(A) is not granted by a court of competent jurisdiction for any reason, or is otherwise unavailable, TeamCo, for itself and its successors, assigns, and Affiliates, hereby waives any right, arising hereunder, at law, in equity, or otherwise, to object to or otherwise challenge the validity, appropriateness, or legitimacy of liquidated damages as the remedy for a Type I Non-Relocation Default or a Type II Non-Relocation Default.
- (D) Upon any Type I Non-Relocation Default that results in the contraction, dissolution, or relocation of the Team during the Term, TeamCo shall transfer, to the extent it has the rights thereto (and shall use its commercially reasonable efforts to cause the USLC to cooperate in the transfer of), the Team's heritage and records to the City, including the Team's name, logo, colors, history, playing records, trophies, and memorabilia.

- (E) If the City collects liquidated damages hereunder for a Type I Non-Relocation Default or a Type II Non-Relocation Default (i) the City hereby waives the right to collect, and shall not seek to collect, any additional monetary or other damages from TeamCo or its Affiliates with respect to such Non-Relocation Default (whether under this Agreement or another Project Agreement), and (ii) if such Non-Relocation Default is a Type I Non-Relocation Default, then each of the City, TeamCo, and StadiumCo shall have the right to terminate the Comprehensive Project Agreement (and thus all of the Project Agreements) pursuant to Section 7.2 of the Comprehensive Agreement by delivering written notice thereof to all of the parties thereto.

5. **All Other Remedies.** Upon a Non-Relocation Default, if the equitable relief and, with respect to a Type I Non-Relocation Default or a Type II Non-Relocation Default, the liquidated damages provided for in Section 4 are unavailable for any reason, the City shall be entitled to pursue all other legal and equitable remedies against TeamCo, whether or not such other remedies are specifically set forth in this Agreement; provided, however, that any damages or money judgment obtained in any such legal or equitable proceedings shall not exceed the amount of liquidated damages that the City would have been entitled to receive pursuant to Section 4(B) but for such unavailability. All such other legal and equitable remedies are cumulative and may be exercised concurrently, successively, or in any order.

6. Term

- 6.1 **Term.** The term of this Agreement (the "**Term**") commences on the Effective Date and, along with the obligations of the Parties hereunder, terminates on the expiration of the "**Master Funding Agreement**" (as defined herein). Notwithstanding the foregoing, early termination of this Agreement shall not relieve TeamCo of any obligation for damages for breaches of this Agreement occurring prior to the effective date of such termination.

7. Miscellaneous

- 7.1 **Additional Agreements.** In addition to this Agreement and the other Project Agreements, the Parties agree to cooperate in good faith to negotiate, execute, and deliver any additional documents reasonably required by any Party, from time to time, to effectuate the purposes and intent of this Agreement and the other Project Agreements.

7.2 Notices. Any notice or other communication under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section to the persons identified below. A notice or other communication that is mailed will be effective or will be considered to have been given on the third day after it is deposited in the U.S. Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered.

<p>If to the City:</p> <p>Michael Jasso Assistant City Manager City of Sacramento 915 I Street, Fifth Floor Sacramento, CA 95814</p> <p>With copies to:</p> <p>Matthew Ruyak Assistant City Attorney City of Sacramento 915 I Street, Fourth Floor Sacramento, CA 95814</p>	<p>If to TeamCo:</p> <p>Sac Soccer USL, LLC 428 J Street, Suite 700 Sacramento, California 95814 Attention: Kevin M. Nagle</p> <p>With copies to:</p> <p>Jeffrey M. Koewler Delfino Madden LLP 500 Capitol Mall, Suite 1550 Sacramento, CA 95814</p>
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Any Party may from time to time designate a different address or persons for notices by giving notice to that effect to the other Party in accordance with the terms and conditions of this section.

- 7.3 Force Majeure.** Failure in performance by either Party under this Agreement due to a Force Majeure Event shall not be deemed a breach of this Agreement. In addition, when this Agreement provides a time for the performance of any obligation other than the payment of a sum certain, the time provided is extended if compliance is not possible due to a Force Majeure Event. The extension lasts only as long as the Force Majeure Event prevents compliance. "**Force Majeure Event**" means any act, event, or condition that is beyond the reasonable control of the Party asserting the Force Majeure Event, if it prevents or delays such Party from performing any obligation under this Agreement, including, without limitation, the following: any act of public enemy, terrorism, blockade, war, insurrection, civil disturbance, explosion, or riot; epidemic or pandemic; landslide, earthquake, fire, storm, flood, or washout, or other catastrophic weather event; any other act of God; and strike, lockout, or other industrial disturbance.
- 7.4 Severability.** If a court with jurisdiction rules that any nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.
- 7.5 Obligations of the Parties.** The obligations and undertakings of the Parties under or in accordance with this Agreement are obligations solely of the Parties themselves and no recourse shall be had, whether in contract, in tort, or otherwise against any officer, director, employee, agent, member, volunteer, or representative of any Party in his or her individual capacity on account of any obligation or undertaking of or any act or omission by any Party under or pursuant to this Agreement.
- 7.6 Time of the Essence.** Time is of the essence in the performance of this Agreement.
- 7.1 Binding Effect.** This Agreement binds and inures to the benefit of the Parties' successors and permitted assigns.
- 7.8 Waiver.** A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A Party's waiver of another Party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or

any other provision. A waiver is binding only if set forth in a writing signed by the waiving Party.

- 7.9 Interpretation.** This Agreement is to be interpreted and applied in accordance with California law, except that that the rule of interpretation in California Civil Code section 1654 will not apply. The term "including" shall mean "including, without limitation" and "including, but not limited to" and shall not be interpreted to imply any limitation on the more general preceding provision unless otherwise expressly stated. All references in this Agreement to Sections, Exhibits, or Schedules refer to the Sections, Exhibits, and Schedules of this Agreement unless otherwise expressly stated. Each Exhibit and Schedule referenced in this Agreement is incorporated herein by reference and made a part hereof. The headings and captions of the Sections, Exhibits, and Schedules are included for convenience only and shall have no effect upon the construction or interpretation of this Agreement.
- 7.10 Integration and Modification.** This Agreement, the other Project Agreements, and any other documents executed by the City and one or more Indomitable Parties (as such term is defined in the Comprehensive Project Agreement) in connection herewith, collectively set forth the Parties' entire understanding regarding the matters set forth above and are intended to be their final, complete, and exclusive expression of those matters. This Agreement may be modified only by another written agreement signed by all Parties.
- 7.11 Conflicts among Project Agreements.** To the extent of any conflict or inconsistency between or among any of the Project Agreements, such conflict or inconsistency shall be resolved pursuant to Section 10 of the Comprehensive Project Agreement.
- 7.12 Relationship of the Parties.** The Parties do not intend to create any agency, partnership, joint venture, trust, or other relationship with duties or incidents different from those of parties to an arm's-length contract.
- 7.13 No Third-Party Beneficiaries.** This Agreement is solely for the benefit of the Parties and is not intended to benefit any third parties; provided, however, that Affiliates of TeamCo shall be third-party beneficiaries of the last sentence of Section 4(C).
- 7.14 Representations, Warranties, and Covenants.**

(A) *Mutual Representations.* Each Party hereby represents and warrants to the other that it has all necessary right, power, and authority to enter into this Agreement. Additionally, each Party represents and warrants that the execution and delivery of this Agreement and the performance and observance of all obligations and conditions to be performed or observed by each Party hereunder (expressly including, as to TeamCo, each of the Non-Relocation Covenants) have been duly authorized by all necessary action of such Party. This Agreement, when fully executed and delivered by each Party, shall constitute the legal, valid, and binding obligation of the Parties, enforceable in accordance with the terms hereof.

(B) *Additional Representations and Covenants of TeamCo.* TeamCo hereby represents and warrants to the City that: (i) TeamCo is the record and beneficial owner of the Team As Property and owns the Team As Property free and clear of any Lien, except for those Liens set forth on Schedule 7.14(B) attached hereto; and (ii) TeamCo is a member in good standing of the USLC and is in compliance with all USLC Rules that are relevant to the Non-Relocation Covenants and the Parties' other rights and obligations hereunder.

7.15 Attorneys' Fees. Each Party shall bear its own costs and attorneys' fees incurred in connection with the negotiation and execution of this Agreement.

7.16 Alternative Delivery. When a Party is obligated to deliver a document or similar item to another Party, the recipient may, in its sole discretion, opt for a review of that item without taking physical or electronic delivery thereof.

7.17 Counterparts. The Parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Facsimile signatures or signatures transmitted by email or other electronic means shall be effective to bind each of the Parties hereto.

7.18 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any proceedings regarding this Agreement, the Parties agree that the venue shall be the state courts of California located in Sacramento County or the U.S. District Court for the Eastern District of California.

7.19 Disclosure of Records. All non-public documents shared by the Parties hereunder shall be treated as confidential to the extent permitted by Applicable Law. All documents submitted to the City may be subject to disclosure pursuant to the California Public Records Act. If the City receives a request for disclosure under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil

investigative demand, or court-ordered or court-sanctioned discovery) of any document set apart and clearly marked "trade secret" or "confidential" when provided by TeamCo to the City, then the City shall notify TeamCo as soon as practicable before disclosure is required so that TeamCo may seek an appropriate protective order or may consent in writing to disclosure. Absent a protective order or written consent to disclosure, received before the time disclosure is required, the City may disclose the documents as required by law. The City is not obligated to defend against any litigation brought to compel disclosure of documents, but the City may defend against the litigation as the real party in interest, subject to the following: TeamCo shall indemnify and hold the City harmless against all damages and costs awarded against the City in the litigation, including reasonable attorneys' fees and litigation costs through final resolution on appeal. TeamCo shall have sole responsibility for defense of the actual "trade secret" or "confidential" designations.

8. Definitions and Terms. Capitalized terms in this Agreement have the definitions set forth in this section.

"Affiliate" means, with respect to any Person, any individual, trust, estate, partnership, joint venture, company, corporation, association, limited liability company, or other legal entity, business organization, or enterprise that is directly or indirectly controlling, controlled by, or under common control with, such Person.

"Agreement" is defined in the introductory paragraph of this Agreement.

"Alternate Site Commitment" is defined in Section 1.2(C).

"Alternate Site Condition" means the existence of one of the following conditions, but only to the extent that such condition(s) is not primarily the result of TeamCo's failure to perform its obligations as required under any of the Project Agreements:

- (A) the USLC determines that the condition of the Stadium is such that the USLC Rules (consistently applied and without discrimination in application to TeamCo or the Team) prohibit the playing of Home Matches at the Stadium and such determination is confirmed in writing by TeamCo with reference to the applicable USCL Rule (and a copy of the applicable written communication from the USLC, if any);

- (B) a Governmental Authority, Applicable Law, Force Majeure Event, or Condemnation Action (as defined in the Team Agreement) prevents the use or occupancy of any portion of the Stadium that is reasonably necessary for the playing, exhibiting, or viewing of Home Matches;
- (C) a legitimate scheduling conflict exists with respect to a given Home Game that TeamCo must hold such Home Game at an alternate site;
- (D) during any period of "untentability", such as the period following any damage or destruction of the Stadium, condemnation, any force majeure event (as defined herein), or any period when the Stadium is being rehabilitated or expanded.

"Annual Adjustment" means the annual increase to the Per Home Match Amount, which shall be based on the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U).

"Applicable Laws" means any law, statute, ordinance, rule, regulation, order, or determination of any Governmental Authority.

"City" is defined in the introductory paragraph of this Agreement.

"Comprehensive Project Agreement" is defined in the Background.

"Effective Date" is defined in the introductory paragraph of this Agreement.

"Final Order" is defined in Section 4(B).

"Force Majeure Event" is defined in Section 7.3.

"Governmental Authority" means any federal, state, or local entity, political subdivision, agency, department, commission, board, bureau, administrative, or regulatory body, or other instrumentality having jurisdiction over the Parties, the Stadium, or any other properties or rights that are the subject of the Project Agreements.

"Home Matches" means any soccer match which is sanctioned as an official competition (such as a preseason, regular season, or playoff match) which is scheduled by the sanctioning body or league as a home match..

"Indeterminate Condition" is defined in Section 1.2(D).

"Lien" means, with respect to the Team As Property, any pledge, security interest, lien, charge, or mortgage.

"Master Funding Agreement" means the agreement between the City of Sacramento, Indomitable Parties, DRV, and the Railyards Enhanced Infrastructure Financing District Public Finance Authority, for the distribution of tax increment funds from the enhance infrastructure financing district.

"Non-Relocation Covenants" means the collective covenants made by, and obligations imposed on, TeamCo pursuant to Sections 1, 2, and 3 of this Agreement.

"Non-Relocation Default" means a breach by TeamCo of any of the Non-Relocation Covenants.

"Operating Year" means the year-long period that begins on the date the issuance of the Certificate of Occupancy for the Stadium, and each subsequent year-long period thereafter.

"Party" and **"Parties"** are defined in the introductory paragraph of this Agreement.

"Per Home Match Amount" means (A) for the first Operating Year, \$150,000 and (B) for each subsequent Operating Year, the Per Home Match Amount for the immediately prior Operating Year, as increased by the Annual Adjustment for such subsequent Operating Year.

"Person" means any individual, trust, estate, partnership, joint venture, company, corporation, association, limited liability company, or other legal entity, business organization, or enterprise.

"Project Agreements" is defined in the Background.

"Soccer Season" means the annual season of soccer matches, including pre-season, regular season, and playoffs, adopted by the USLC governing body.

"Stadium" is defined in the Background.

"Team" is defined in the Background.

"Team As Property" means all of the following taken as a whole, whether the same are now owned or hereafter acquired, and wherever located, together with all accessions thereto, replacements and substitutions therefor, and proceeds thereof: (A) all of TeamCo's right, title, and interest in and under the franchise agreement pursuant to which TeamCo was granted the right to operate the Team as a USLC franchise, as such agreement may be modified, supplemented, or amended from time to time; (B) all goods, fixtures, inventory, equipment, supplies, and other tangible personal property of every nature now owned or hereafter acquired by TeamCo and used, intended for use, or reasonably required in the operation of the Team; (C) the right to use all trademarks and trade names and symbols or logos used in connection with the Team; and (D) all accounts, chattel paper, instruments, investment property, letters of credit, documents, contract rights, and general intangibles of TeamCo, relating in any way to, or arising in any manner from, TeamCo's ownership, use, operation, or sale of all or any part of the Team or the Team As Property.

"TeamCo" is defined in the introductory paragraph of this Agreement.

"Term" is defined in Section 6.1.

"Transfer" means any sale, transfer, assignment, or other disposition of the Team As Property; provided that, in the absence of a specific intent to use a Lien to effect a relocation of the Team or otherwise violate a Non-Relocation Covenant, the granting of a Lien upon the Team is not deemed to be a Transfer, but any foreclosure or sale, transfer, assignment, or other disposition in lieu of foreclosure in connection with such Lien would constitute a Transfer.

"Type I Non-Relocation Default" means any Non-Relocation Default involving (A) the dissolution of TeamCo in violation of Section 2.1(A), (B) the contraction of the Team resulting from actions taken by TeamCo in violation of Section 2.1(B), (C) the Team's loss of its USLC membership as a result of actions taken by TeamCo in violation of Section 2(B)(i), (D) the relocation of the Team, or (E) the Team's failure to play at least fifty percent (50%) of the Team's Home Matches at the Stadium during any given Soccer Season (which for the avoidance of doubt shall not be deemed a Non-Relocation Default if such failure was due to Home Matches being played at an alternate site under Section 1.2).

"Type II Non-Relocation Default" means any breach of Section 1.1 that is not a Type I Non-Relocation Default.

"USLC" means the USL Championship professional soccer league (including any successor league including, but not limited to, any elevation or relegation leagues or any league which takes over the business or operations of the USL Championship League), or any other league recognized by the United States Soccer Federation.

"USLC Rules" mean the league-wide rules duly adopted by USLC's governing body.

* * *



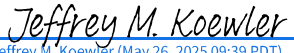
<p>City of Sacramento</p> <p>By: _____</p> <p>Leyne Milstein Interim City Manager</p> <p>Date: _____, 2025</p>	<p>Sac Soccer USL, LLC</p> <p>By: <u></u> <small>Kevin Nagle (May 26, 2025 10:04 PDT)</small></p> <p>Kevin M. Nagle Manager</p> <p>Date: <u>05/26/2025</u>, 2025</p>
<p>Approved as to Form Sacramento City Attorney</p> <p>By: <u></u> <small>Matthew D. Ruyak (May 26, 2025 18:42 PDT)</small></p> <p>Matthew D. Ruyak Assistant City Attorney</p>	<p>Approved as to Legal Form</p> <p>By: <u></u> <small>Jeffrey M. Koewler (May 26, 2025 09:39 PDT)</small></p> <p>Jeffrey M. Koewler Delfino Madden O'Malley Coyle & Koewler Attorneys for Sac Soccer USL, LLC</p>
<p>Attest</p> <p>By: _____</p> <p>Assistant City Clerk</p>	

Exhibit A
to
Team Non-Relocation Agreement

Liquidated Damages

1. Type I Non-Relocation Default:

Date of Type I Non-Relocation Default	Liquidated Damages
Operating Year 1	\$50,000,000
Operating Year 2	\$50,000,000
Operating Year 3	\$50,000,000
Operating Year 4	\$50,000,000
Operating Year 5	\$50,000,000
Operating Year 6	\$35,000,000
Operating Year 7	\$35,000,000
Operating Year 8	\$35,000,000
Operating Year 9	\$35,000,000
Operating Year 10	\$35,000,000
Operating Year 11	\$25,000,000
Operating Year 12	\$25,000,000
Operating Year 13	\$25,000,000
Operating Year 14	\$25,000,000
Operating Year 15	\$25,000,000
Operating Year 16	\$15,000,000
Operating Year 17	\$15,000,000
Operating Year 18	\$15,000,000
Operating Year 19	\$15,000,000
Operating Year 20	\$15,000,000
Operating Year 21	\$15,000,000
Operating Year 22	\$15,000,000
Operating Year 23	\$15,000,000
Operating Year 24	\$15,000,000

Operating Year 25	\$15,000,000
Operating Year 26	\$15,000,000
Operating Year 27	\$15,000,000
Operating Year 28	\$15,000,000
Operating Year 29	\$15,000,000
Operating Year 30	\$15,000,000
Each Operating Year Thereafter	\$15,000,000

2. Type II Non-Relocation Default:

The amount of liquidated damages payable for a Type II Non-Relocation Default shall equal the product of: (i) the number of Home Matches that were played at a location other than the Stadium in breach of Section 1.1, and (ii) the Per Home Match Amount; provided, however, that the amount of liquidated damages payable for a Type II Non-Relocation Default shall in no event exceed an amount equal to fifty percent (50%) of the liquidated damages set forth above in this Exhibit A that are payable for a Type I Non-Relocation Default in the applicable Operating Year.

Schedule 7.14(B)
to
Team Non-Relocation Agreement

Existing Liens

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): 002-0290-005, 002-0290-006
Contract Effective Date: 06/10/2025 Contract Expiration Date (if applicable): _____
\$ Amount (Not to Exceed): \$ 14,000,000.00 Adjusted \$ Amount (+/-): _____
Other Party: Downtown Railyard Venture, LLC
Project Title: AGREEMENT OF PURCHASE AND SALE (Lots 40 and 44 Railyards)
Project #: 180020500 Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01158

Contract Processing Contacts

Department: Economic Development Project Manager: Marco Gonzalez
Contract Coordinator: Blair Hongo Email: BHongo@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature) Crystal Harland (Date) 05/27/2025
Crystal Harland (May 27, 2025 11:51 PDT)

Supervisor:

(Signature) Marco Gonzalez (Date) 05/27/2025
Marco Gonzalez (May 27, 2025 11:42 PDT)

Division Manager:

(Signature) Blair Hongo (Date) 05/27/2025

Other:

(Signature) _____ (Date) _____

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)



Recording Requested



Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE-----

AGREEMENT OF PURCHASE AND SALE
(Lots 40 and 44 Railyards)

This Agreement of Purchase and Sale ("**Agreement**"), dated for reference purposes only June 10, 2025 ("**Agreement Date**"), is entered into by and between DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company ("**Seller**"), and CITY OF SACRAMENTO, a municipal corporation ("**City**").

Recitals

A. Seller is the owner of certain real property ("**Property**"), known as Lots 40 and 44, totaling approximate 3.51 gross acres, located in Sacramento ("**City**"), Sacramento County ("**County**"), California ("**State**"), as more particularly described on Exhibit A attached hereto, which includes all easements or licenses benefitting the Property; all air rights, wind rights, water, water rights, riparian rights, and water stock relating to the Property. Notwithstanding the foregoing, for the purposes of this Agreement, the term "Property" does not include any fee credits (which include, but are not limited to, credits for plan area, sewer, Quimby, parks fees), offsets or any other form of monetary benefit inuring to the benefit of Seller or development rights of Seller, or any other financial rights and benefits held by or available to Seller or otherwise inuring to the benefit of Seller in connection with the development of the master planned project commonly known as the "**Railyards**" or "**Railyards Project**".

B. City desires to purchase from Seller and Seller desires to sell to City the Property pursuant to the provisions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties agree as follows:

Agreement

1. Purchase and Sale. Seller agrees to sell and convey to City, and City agrees to purchase from Seller, the Property on the terms and subject to the conditions set forth in this Agreement. For the purposes of this Agreement, the date which the last party executes this Agreement and delivers it to the other party shall hereinafter be referred to as the "**Effective Date**."

2. Purchase Price. The purchase price ("**Purchase Price**") for the Property shall be an amount equal to \$14,000,000.00.

3. Payment of the Purchase Price. The Purchase Price shall be payable by City as follows:

(a) Deposit. Not later than ten (10) business days following the Effective Date, City shall deposit with Fidelity National Title Company ("**Escrow Holder**") the amount of \$1.00 ("**Deposit**"). . On the expiration of the Contingency Period (as hereinafter defined), unless this Agreement has been previously terminated by City pursuant to its rights set forth in this Agreement, the Deposit shall be fully non-refundable except as otherwise provided in this Agreement. The Deposit shall be credited to the Purchase Price at Close of Escrow.

(b) Balance of Purchase Price. On or before the Close of Escrow, City shall deposit with Escrow Holder the balance of the Purchase Price, in immediately available funds, which shall be paid to Seller at Close of Escrow.

(c) Independent Consideration. In addition to the Deposit, within ten (10) business days following the Effective Date, City will also deposit or cause to be deposited with Escrow Holder the additional sum of \$1.00 (the “**Independent Consideration**”). The Independent Consideration will be non-refundable to City as independent consideration for the rights and options extended to City under this Agreement, including, without limitation, the right and option to terminate this Agreement prior to the expiration of the Contingency Period as provided in this Agreement. The Independent Consideration will be released to Seller immediately following City’s deposit of the Independent Consideration with Escrow Holder. In all instances under this Agreement in which City elects to terminate or is deemed to have terminated this Agreement and the Deposit is returned to City, Seller shall retain the Independent Consideration when the Deposit is returned to City. The Independent Consideration will not be applicable towards the Purchase Price or treated as consideration given by City for any purpose other than stated in this Section 3(c).

4. Escrow.

(a) Opening of Escrow. Prior to the Agreement Date, Seller has opened an escrow (“**Escrow**”) with Escrow Holder (Escrow Number 0102500152). City and Seller agree to execute and deliver to Escrow Holder, in a timely manner, all escrow instructions necessary to consummate the transaction contemplated by this Agreement. Any such instructions shall not conflict with, amend or supersede any portion of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control.

(b) Close of Escrow. For purposes of this Agreement, “**Close of Escrow**” and “**Closing**” shall be defined as the date that the Grant Deed (as hereinafter defined) is recorded in the Official Records of the County. The Close of Escrow shall occur on or before July 1, 2025, or another date agreed to by the parties in a signed writing in accordance with Section 26(d).

5. Approved Conditions of Title. The Property shall be conveyed to City by Seller by Grant Deed, in the form attached hereto as Exhibit B (“**Grant Deed**”), subject only to (a) a lien to secure payment of real estate taxes, not delinquent; (b) the lien of supplemental taxes, bonds and assessments, not delinquent (which includes the Railyards Maintenance Community Facilities District No. 2012-04, Sacramento Streetcar Community Facilities District No. 2014-01, and City of Sacramento Railyards Community Facilities District no. 2018-01, as each are amended and supplemented (collectively, “**CFDs**” and as more particularly described in the Preliminary Report (as hereinafter defined)); (c) all matters apparent from the inspection of the Property and all other title matters affecting the Property caused or created by or with the written consent of City; (d) the Master CC&Rs and the Third Amendment to the Master CC&Rs, and (e) exceptions to title approved and/or accepted by City in accordance with this Agreement (collectively, “**Approved Conditions of Title**”).

6. Conditions to Close of Escrow.

(a) Conditions to City's Obligations. The Close of Escrow and City's obligations to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions (or City's waiver thereof) which are for City's sole benefit, on or prior to the dates designated below for the satisfaction of such conditions, or the Close of Escrow in absence of a specified date:

(i) Title. City shall have the right to approve any and all matters of and exceptions to title of the Property, including but not limited to the legal description, as disclosed by the following documents and instruments (collectively, "**Title Documents**"): (A) a Preliminary Title Report ("**Preliminary Report**") issued by Escrow Holder with respect to the Property and all matters referenced therein; and (B) all documents referred to in such Preliminary Report. Seller shall request Escrow Holder to deliver the Title Documents to City within two (2) calendar days following the Effective Date. City shall have until the date that is seven (7) days prior to the expiration of the Contingency Period to give Seller and Escrow Holder written notice ("**City's Title Notice**") of City's approval or disapproval, which shall be made in City's sole and absolute discretion, of the legal description and every item or exception disclosed by the Title Documents. The failure of City to give City's Title Notice to Seller within the specified time period shall be deemed City's disapproval of title to the Property, in which case the Agreement shall be canceled pursuant to the provisions of this Section 6(a)(i). In the event that City's Title Notice disapproves of any matter of title shown in the Title Documents, Seller shall, within two (2) business days after City's Title Notice is received by Seller ("**Seller's Response Period**"), give City written notice ("**Seller's Title Notice**") of those disapproved title matters, if any, which Seller is unable or unwilling to have eliminated from title to the Property by Close of Escrow. In the event that Seller is unwilling or unable to eliminate all of the title matters objected to by City in City's Title Notice or Seller's proposed means for eliminating the title matters objected to by City are unacceptable to City in its sole and absolute discretion, City shall have until the later of three (3) business days from receipt of Seller's Title Notice or the expiration of the Contingency Period to notify Seller in writing that either (1) City is willing to purchase the Property subject to such disapproved exceptions, or (2) City elects to terminate this Agreement. Failure of City to take either one of the actions described in Subsection (1) or (2) above shall be deemed to be City's election to take the action described in Subsection (2) above; provided, however, that City's delivery of an Approval Notice shall be deemed to be City's notice that City is willing to purchase the Property subject to such disapproved exceptions. In the event this Agreement is terminated pursuant to this Section 6(a)(i), the parties shall have no further obligations under this Agreement, excepting the Surviving Obligations (as hereinafter defined) and the provisions of Section 6(c) shall apply.

(ii) Inspections and Studies. From the Effective Date to 5:00 p.m. pacific on June 24, 2025 ("**Contingency Period**"), City shall have the right to (A) review and approve the Documents and Materials (as hereinafter defined), and (B) conduct any and all inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies, soils, seismic and geologic reports and environmental testing) with respect to the Property as City may elect to make or obtain. Prior to the expiration of the Contingency Period, City shall deliver to Seller and Escrow Holder written notice of its approval ("**Approval Notice**") or disapproval, which shall be made in City's sole and absolute discretion, of the Property and the Documents and Materials. The failure of City to deliver such notice prior to the expiration of the Contingency Period shall be deemed to constitute City's disapproval of the Property and the Documents and Materials, in which case this Agreement shall terminate in accordance with the provisions of this Section 6(a)(ii). The cost of any such inspections, tests and/or studies shall be borne by City. In the event City disapproves, or is deemed to have disapproved, of the condition of the Property and/or the Documents and Materials prior to the expiration of the Contingency Period, this Agreement shall automatically terminate, in which case, the parties shall have no further obligations under this Agreement, excepting the Surviving Obligations, and the provisions of Section 6(c) shall apply.

(iii) Right of Entry.

a. Subject to the provisions of this Section 6(a)(iii), City shall have the right, through its employees, agents, representatives, and consultants, at its sole cost and expense, to make any non-destructive analysis of the Property consisting of such engineering, feasibility studies, environmental assessments, soils tests, surveys and environmental studies as City may desire to permit City to determine

the suitability of the Property for City's contemplated uses and to conduct such other review and investigation which City deems appropriate to satisfy itself to acquire the Property. City may, at City's sole cost and expense, make an examination of governmental regulations which affect the Property, including zoning and land use issues, existing entitlements, conditions imposed by governmental agencies, and the ability of City to use and develop the Property for City's intended purpose. Seller shall, at no material cost or expense to Seller, cooperate with and assist City in making such reviews and inspections.

b. Subject to the conditions hereafter stated, Seller grants to City, its agents consultants, contractors, representatives and employees a license to enter upon the Property for the purpose of conducting non-destructive or invasive engineering surveys, soil tests, surveys, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at City's expense. City shall provide Seller with at least forty-eight (48) hours' notice prior to such entry involving any destructive or invasive testing, borings or other alteration of the physical condition of the Property which advises Seller of the identity of those persons/parties who will be entering upon the Property and the purpose of such entry, and Seller reserves the right to disapprove such testing in its sole and absolute discretion, require compliance with certain conditions to such testing, and/or to be present during any such entry. The license herein granted shall be co-terminus with the term of this Agreement.

c. City shall (i) conduct all studies in a safe manner and not allow any dangerous or hazardous conditions created by City or its agents, consultants or contractors to occur on the Property during such investigation (and City shall immediately cure any such conditions should they occur); (ii) comply with any conditions imposed by Seller, (iii) comply with all applicable laws and governmental regulations; (iv) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this paragraph; and (v) repair any damage to the Property caused by City's (or its employees', consultants', contractors', agents' or representatives') entry. Should City cause any lien to be incurred against the Property, City shall cause the removal thereof, and furnish Seller with proof of such removal, within five (5) business days from the imposition thereof. Notwithstanding other provisions of this Section 6(a)(iii), City shall not undertake any so-called Phase II environmental testing, borings or other destructive testing upon the Property without Seller's prior written consent, which shall not be unreasonably withheld. City shall, at its own expense, restore the Property to its original pre-environmental assessment condition, repairing any damage due to boring or destructive testing. City agrees that, unless otherwise required pursuant to applicable laws, statutes, and ordinances, including the California Public Records Act (Cal. Gov. Code, §7920.000 et seq.) it will not disclose the contents of any environmental test of the Property to any third party other than its investors, lenders, consultants, attorneys and other parties involved in completing the purchase and sale of the Property, and, at Seller's written request, Seller.

d. City shall be responsible for all costs associated with any losses, damages, liens, liabilities, expenses (excluding attorneys' fees), claims and causes of action (collectively, "**Claims**") which any such party may suffer or incur to the extent arising out of City's (or its employees', consultants', contractors', agents' or representatives') entry upon the Property prior to the Close of Escrow and/or the exercise of the license granted pursuant to this Section 6(a)(iii). This provision shall survive termination of this Agreement or Close of Escrow.

(iv) Review of Documents and Materials.

a. Seller shall make available to City through a virtual data room certain documents and materials relating to the Property in Seller's possession (collectively, "**Documents and Materials**"). Any documents and materials added to such virtual data room during the Contingency Period ("**Additional Information**") shall be deemed within the definition of "Documents and Materials";

provided, however, that Seller shall deliver written notice (the “**Delivery Notice**”) to City of the addition to the virtual data room of any Additional Information. Notwithstanding anything to the contrary set forth herein, in the event any Additional Information is added to the virtual data room less than four (4) business days prior to the expiration of the Contingency Period, the Contingency Period shall be extended until the date that is four (4) business days after City’s receipt of the Delivery Notice. The parties hereby agree that the following are excluded from the definitions of Documents and Materials and Property: (i) all proprietary information of Seller, its managing agent, its direct and indirect constituent owners and its property manager including, without limitation, computer software, related licenses and appraisals of the Property, and (ii) records that relate to internal matters of Seller (such as income tax returns, financial statements, intercorporate debt and equity, corporate governance, investment advisory services and other professional relationships).

b. City acknowledges that historical site activity in the Railyards Project included heavy maintenance and rebuilding of railroad locomotives for the entire Southern Pacific Transportation Company rail system, foundries, machine shops, painting, rail car manufacturing and painting, some of which resulted in certain soil and groundwater contamination. Identified past soil and groundwater contamination associated with historical site activity is referred to herein as the “**Existing Environmental Conditions**.” The Railyards Project is the subject of an Enforceable Agreement, dated June 2, 1988, between Union Pacific Railroad Company (“**UPRR**”), as successor to Southern Pacific Transportation Company, and the California Department of Toxic Substances Control (“**DTSC**”) (then the State Department of Health Services) (“**1988 Enforceable Agreement**” (part of the Documents and Materials)) and has undergone and will continue to undergo certain investigation and remediation by UPRR, as the responsible party, under DTSC oversight. On or about February 12, 2015, Seller, IA Sacramento Holdings, LLC (“**IAH**”) and UPRR entered into that certain Railyards Agreement Among UPRR, DRV and IAH (the “**2015 Railyards Agreement**” (part of the Documents and Materials))), whereby UPRR and Seller have agreed to an allocation of certain responsibilities with respect to certain environmental matters, including the Existing Environmental Conditions, at the Railyards Project. Seller has also disclosed to City that the Property and other portions of the Railyards Project are subject to the State Land Use Covenant (as hereinafter defined) (part of the Documents and Materials) which sets forth certain environmental compliance requirements associated with the development and use of the real property described therein.

(v) Third Amendment to Master CC&Rs. As set forth in the Preliminary Report, the Property is subject to the Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards recorded in the Official Records of the County of Sacramento on January 11, 2019, Document No. 210901110404 (“**Original Master CC&Rs**”), as amended by the First Amendment to Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards recorded in the Official Records of the County of Sacramento on January 17, 2023, Document No. 202301170671 (“**First Amendment to Master CC&Rs**”), and as amended by the Second Amendment to Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards recoded in the Official Records of the County of Sacramento on April 25, 2023, Document No. 202304250552 (“**Second Amendment to Master CC&Rs**” and along with the Original Master CC&Rs and First Amendment to Master CC&Rs are collectively the “**Master CC&Rs**”). Seller, as “Declarant”, under Article II, Section 1 and 2, as applicable, of the Original Master CC&Rs, has the right to (i) annex additional properties into the Master CC&Rs, and (ii) deannex “Lot(s) for the purposes of conveyance to a public agency”. Prior to the expiration of the Contingency Period, the City and Seller shall reach agreement upon a Third Amendment to Master Declaration of Covenants, Conditions and Restriction and Easement Agreement for the Railyards (“**Third Amendment to the Master CC&Rs**”) which provides that (a) while the City or other public agency holds fee title to the Property, the Property will be conditionally deannexed from all terms, conditions and obligations, including the payment of any assessments thereunder, under the Master CC&Rs, which deannexation shall become permanent upon the expiration of five (5) years from the Close of Escrow subject to subsection (b) below, and (b) in the event that City or other public agency

transfers fee title to any third party that is not a public agency prior to the expiration of five (5) years from the Close of Escrow, the Property shall be automatically annexed back into the Master CC&Rs and shall thereafter be subject to all terms, conditions and obligations, including the payment of any assessments thereunder, under the Master CC&Rs. Seller shall deliver an initial draft of the Third Amendment to the Master CC&Rs to the City within the first five (5) days of the Contingency Period. Neither party makes any representation or warranty regarding reaching such agreement and the failure to timely do so prior to the expiration of the Contingency Period shall not be deemed a default by either party but rather only a failed conditions precedent, in which case this Agreement shall automatically terminate, the parties shall have no further obligations under this Agreement, excepting the Surviving Obligations, and the provisions of Section 6(c) shall apply.

(vi) Natural Hazard Disclosure Statement. Prior to the expiration of the Contingency Period, Seller, at its cost and expense, shall deliver or make available to City, the Natural Hazard Disclosure Statement required by California Civil Code Section 1103.2, which shall be deemed for all purposes to be included within the meaning of "Documents and Materials".

(vii) Title Insurance. As of the Close of Escrow, Title Company (as hereinafter defined) shall have issued or shall have irrevocably committed to issue the Title Policy (as hereinafter defined) to City.

(viii) Seller's Obligations. As of the Close of Escrow, Seller shall have performed in all material respects all of the obligations required to be performed by Seller under this Agreement.

(ix) Seller's Representations. All representations and warranties made by Seller to City in this Agreement shall be deemed remade and true and correct as of the Close of Escrow, subject to any inconsistent representation(s) and warranty(ies) waived by City in accordance with Section 14.

(x) Master Funding Agreement for Railyards EIFD. As of the Close of Escrow, the Master Funding Agreement For Railyards EIFD between Seller, City, Indomitable Ventures, LLC, and the City of Sacramento Railyards Enhanced Financing District is in effect.

(b) Conditions to Seller's Obligations. The Close of Escrow and Seller's obligations to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions (or Seller's waiver thereof) which are for Seller's sole benefit, on or prior to the dates designated below for the satisfaction of such conditions, or the Close of Escrow in absence of a specified date:

(i) Third Amendment to the Master CC&Rs. The parties shall have reached agreement upon the terms and conditions of the Third Amendment to the Master CC&Rs prior to the end of the Contingency Period.

(ii) City's Obligations. As of the Close of Escrow, City shall have timely performed in all material respects all of the obligations required by the terms of this Agreement to be performed by City.

(iii) City's Representations. All representations and warranties made by City to Seller in this Agreement shall be deemed remade and true and correct as of the Close of Escrow.

(c) Failure of Condition to Close of Escrow. In the event any of the conditions set forth in Sections 6(a) or 6(b) are not timely satisfied or (subject to any applicable limitation) waived by the

appropriate benefited party, for a reason other than the default of City or Seller, this Agreement shall terminate, and the Deposit and all interest accrued thereon shall immediately be (i) in the event a condition set forth in Section 6(a) has not been timely satisfied or waived by City, returned to City by Escrow Holder or, (ii) otherwise, released to Seller and, except as otherwise provided herein, the parties shall have no further obligations hereunder, excepting the Surviving Obligations and any obligation of City which is intended to survive such termination and/or the Close of Escrow.

7. Deposits by Seller. Unless otherwise provided in this Section 7, at least one (1) business day prior to the Close of Escrow, Seller shall deposit with Escrow Holder the following documents:

(a) Grant Deed. The Grant Deed, duly executed by Seller, acknowledged and in recordable form.

(b) Third Amendment to the Master CC&Rs. The Third Amendment to the Master CC&Rs, duly executed by Seller, acknowledged and in recordable form.

(c) FIRPTA Certificate. A certification, acceptable to Escrow Holder and duly executed by Seller under penalty of perjury setting forth Seller's address and federal tax identification number in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445, as may be amended, of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder ("**FIRPTA Certificate**").

(d) California Franchise Tax Withholding. Evidence satisfactory to City and Escrow Holder that Seller is exempt from the withholding provisions of the California Revenue and Taxation Code, as amended, and that neither City nor Escrow Holder is required to withhold any amounts from the consideration paid by City pursuant to such provisions.

8. Deposits by City. Unless otherwise provided in this Section 8, at least one (1) business day prior to the Close of Escrow, City shall deposit with Escrow Holder the following documents:

(a) Required Materials. City shall deposit or cause to be deposited with Escrow Holder any other documents required by this Agreement to be executed and acknowledged, if applicable, by City.

(b) Purchase Price. On or before the Close of Escrow, City shall deposit or cause to be deposited with Escrow Holder, the required funds which are to be applied towards the payment of the Purchase Price.

9. Issuance of Title Insurance. At the Close of Escrow, Escrow Holder's title insurer ("**Title Company**"), shall issue to City its standard form California Land Title Association ("**CLTA**") Owner's Policy of Title Insurance showing fee title to the Property vested in City subject only to the Approved Conditions of Title ("**Title Policy**"). The Title Policy shall be issued with liability in an amount equal to the Purchase Price. Seller shall pay for the expense of the Title Policy. If City elects to have Title Company issue its American Land Title Association ("**ALTA**") Owner's Policy of Title Insurance, City shall pay for the expense of such ALTA premium increment, required survey, and any endorsements thereto and such ALTA policy with any endorsements required by City (such determination of required endorsements shall be made by City prior to the end of the Contingency Period) shall constitute the Title Policy for purposes of this Agreement.

10. Costs and Expenses. Except as otherwise specified in this Agreement, Seller shall pay (A) one-half of escrow fees and costs; (B) the expense of the Title Policy, and (C) the documentary transfer tax charged by the County. City shall pay (i) one-half of escrow fees and costs; (ii) any other transfer tax

charged by the City; and (iii) the expense of the ALTA if applicable. All other costs and expense of escrow and title shall be shared pursuant to the custom in the County. City and Seller shall each pay their respective legal and professional fees and fees of other consultants incurred with regard to the preparation of this Agreement.

11. Prorations. The following prorations shall be made between Seller and City as of 11:59 p.m. on the day of Close of Escrow unless otherwise specified below:

(a) Taxes. All non-delinquent real and personal property taxes and assessments (including the CFDs) on the Property shall be prorated on the basis that Seller is responsible for (i) all such taxes for the fiscal year of the applicable taxing authorities occurring prior to the Current Tax Period, and (ii) that portion of such taxes for the Current Tax Period determined on the basis of the number of days which have elapsed from the first day of the Current Tax Period to the Close of Escrow, inclusive, whether or not the same shall be payable prior to the Close of Escrow. The phrase "**Current Tax Period**" refers to the fiscal year of the applicable taxing authority in which the Close of Escrow occurs. In the event that as of the Close of Escrow the actual tax bills for the year or years in question are not available and the amount of taxes to be prorated as aforesaid cannot be ascertained, then the current year's taxes shall be estimated to be one hundred two percent (102.00%) of the amount of the previous year's tax bill for the Property. All delinquent taxes and all assessments, if any, on the Property shall be paid at the Close of Escrow from funds accruing to Seller. Notwithstanding any exemption, waiver or other avoidance means available to the City, the Property shall remain subject to the CFDs and the fee owner(s) of the Property, including the City and its successors and assigns, shall be responsible for all required payments due under the CFDs.

(b) Other Expenses. All other expenses for the Property shall be prorated as of 11:59 p.m. on the day following to the Close of Escrow between the parties based upon the latest available information.

(c) Corrections. If any errors or omissions are made regarding adjustments and prorations as set forth herein, the parties shall make the appropriate corrections promptly upon discovery thereof. If any estimates are made at the Close of Escrow regarding adjustments or prorations, the party shall make the appropriate correction promptly when accurate information becomes available. Any corrected adjustment or proration shall be paid in cash to the party entitled thereto.

12. Post-Closing Enforcement of the 2015 Railyards Agreement. Seller, following the Close of Escrow, agrees to adhere to the following process regarding the pursued enforcement the 2015 Railyards Agreement on behalf of the City, which obligation shall survive the Close of Escrow and the expiration of the Survival Period for the period of time that the Property remains deannexed from the Master CC&Rs in accordance with the Third Amendment to the Master CC&Rs; provided, however, such obligation of Seller shall cease and be of no further force or effect if the 2015 Railyards Agreement earlier terminates.

(a) Post-Closing Enforcement. As more particularly described in and defined in the 2015 Railyards Agreement, (a) UPRR has agreed to perform the "UPRR Order Recipient Obligations" for the direct benefit of Declarant (which is the Seller under this Agreement) in developing and selling portions of the Railyards (which includes the Property) and agreed that Seller has a direct right of enforcing the "UPRR Order Recipient Obligations" on its own behalf or on the behalf of "Order Recipients" ("**Section 18.3 UPRR Obligations**"), and (b) UPRR has agreed to perform the "UPRR Obligations" for the direct benefit of Seller in developing and selling portions of the Railyards and agreed that Seller has a direct right of enforcing the "UPRR Obligations" on its own behalf or on the behalf of "Subsequent Owners" ("**Section 18.4 UPRR Obligations**"). As more particularly described in, defined in, and subject to the 2015 Railyards Agreement, a Subsequent Owner (which would include the City following the Close of Escrow), which

receives an “Order”, thereafter falls within the definition of “Order Recipients”. If the City, as an Order Recipient, reasonably concludes that UPRR has failed to comply with either the Section 18.3 UPRR Obligations or the Section 18.4 UPRR Obligations and such failure directly or indirectly adversely effects the City’s development, use or business operations on the Property, the City shall have the right to deliver a written notice to Seller, which includes a written summary of the alleged failure of UPRR and any available supporting materials or information applicable thereto (“**UPRR Obligations Notice**”). Within forty-five (45) days following Seller’s receipt of the UPRR Obligations Notice, the parties shall meet and evaluate the information provided in the UPRR Obligations Notice for the purpose of supplementing or adjusting such claims or materials with other available information that may not have been contained within the UPRR Obligation Notice. Such additional information may be provided DTSC or other applicable governmental agencies or obtained through meetings by the parties with such agencies, and each party agrees to participate in a reasonable number of meetings with such agencies requested by the other party during such 45-day period. The UPRR Obligations Notice, as so supplemented and adjusted, is referred to as the “**Updated UPRR Obligations Notice**,” and the described failure of UPRR is the “**UPRR Failure**.”

(b) Pursuing Enforcement / Informal Negotiations – Mediation. Within thirty (30) days following the parties’ agreement upon the Updated UPRR Obligations Notice, if not resolved to the City’s satisfaction within such time period and except as provided in Section 12(c) below, Seller, at City’s cost, shall submit the UPRR Failure to the dispute resolution process with UPRR described in Section 19.1(a) and (c), if necessary, of the 2015 Railyards Agreement and shall use its commercially reasonable efforts to cause the UPRR Failure to be cured by UPRR through such process; provided, however, no representation or warranty is made by Seller regarding the outcome of such proceedings and the failure of Seller to prevail in such proceeding shall not be deemed a default of Seller.

(c) Pursuing Enforcement / Judicial Action. If (a) the City determines that the UPRR Failure requires the seeking of a temporary restraining order or a preliminary injunction, or (b) Seller is unsuccessful in resolving the UPRR Failure to the reasonable satisfaction of the City through the dispute resolution process described in Section 12(b) above, the City shall have the right to require Seller, by delivery of written notice, to use its commercially reasonable efforts to pursue the enforcement of the UPRR Failure by institution of judicial action against UPRR in accordance with Section 19(d) of the 2015 Railyards Agreement using legal counsel approved by and/or selected by the City (“**Enforcement Legal Counsel**”); provided that, notwithstanding any other provision of this Agreement to the contrary and irrespective of the outcome of such action, all fees, expenses and associated costs of the Enforcement Legal Counsel and the institution, processing, participation and outcome of such judicial action shall be the responsibility of the City (which shall be funded monthly in accordance with a written budget that has been approved in advance by the City); provided further no representation or warranty is made by Seller regarding the outcome of such action and the failure of Seller to prevail in such action shall not be deemed a default of Seller under this Agreement.

13. State Land Use Covenant. As set forth in the Title Documents, the Property is subject to the Land Use Covenant and Agreement Environmental Restrictions (“**State Land Use Covenant**”) recorded in the Official Records of the County of Sacramento on September 30, 2015, Series No. 201509301634. With regard to the State Land Use Covenant, the installation of a sub-building slab vapor mitigation system (“**Vapor Barrier**”) at City’s cost as part of the development of the Property that is approved by DTSC is required and City agrees to install or cause its successors and assigns to be installed the DTSC-approved Vapor Barrier in conjunction with the development of the Property, which obligation shall survive the Close of Escrow and the expiration of the Survival Period; provided that if DTSC waives such requirement, such obligation shall be modified to the scope of such DTSC waiver. Seller shall reasonably cooperate with City in gaining such approval of DTSC; provided, however, Seller makes no representation or warranty regarding the terms, conditions or outcome of such approval process (such vapor mitigation systems have been approved by DTSC for other developments within the Railyards).

14. "As-Is" Sale; Release. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT AND ANY DOCUMENTS DELIVERED BY SELLER TO CITY AT CLOSING, (1) CITY ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, (2) SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON, UNDER OR ABOUT THE PROPERTY OF HAZARDOUS MATERIALS OR THE CURRENT OR FUTURE REGULATORY STATUS OF THE PROPERTY, (3) CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION OR REPRESENTATION PROVIDED OR TO BE PROVIDED BY SELLER AND CITY FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND (4) SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. CITY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT DELIVERED BY SELLER TO CITY AT CLOSING, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS", "WHERE IS" CONDITION AND BASIS "WITH ALL FAULTS." IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY CITY SUBJECT TO THE FOREGOING.

EXCEPT TO THE EXTENT OF ANY REPRESENTATION OR WARRANTY EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT DELIVERED BY SELLER TO CITY AT CLOSING, EFFECTIVE FROM AND AFTER CLOSING, CITY HEREBY WAIVES, RELEASES, AQUITS, AND FOREVER DISCHARGES SELLER AND EACH OF ITS PARTNERS, MEMBERS, TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, PROPERTY MANAGERS, ASSET MANAGERS, AGENTS, ATTORNEYS, AFFILIATES AND RELATED ENTITIES, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "**RELEASEES**") TO THE MAXIMUM EXTENT PERMITTED BY LAW, OF AND FROM ANY AND ALL LIABILITIES, LOSSES, CLAIMS , DEMANDS, DAMAGES (OF ANY NATURE WHATSOEVER), CAUSES OF ACTION, COSTS, PENALTIES, FINES, JUDGMENTS, REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES AND COSTS AND EXPERTS' FEES (COLLECTIVELY, THE "**CLAIMS**"), WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PROPERTY INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND STRUCTURAL CONDITION OF THE PROPERTY, OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR MATTER (REGARDLESS OF WHEN IT FIRST APPEARED) RELATING TO OR ARISING FROM (A) THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, OR THE USE, PRESENCE, STORAGE, RELEASE, DISCHARGE, REMEDIATION, OR MIGRATION OF HAZARDOUS MATERIALS ON, IN, UNDER OR AROUND THE PROPERTY REGARDLESS OF WHEN SUCH HAZARDOUS MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE

PROPERTY, INCLUDING ANY RIGHT OF ACTION UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, 42 U.S.C. SECTIONS 9601 ET SEQ., AND OTHER SIMILAR FEDERAL, STATE, FOREIGN AND LOCAL LAWS (AS SUCH LAWS MAY BE AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME), (B) ANY PATENT OR LATENT DEFECTS OR DEFICIENCIES WITH RESPECT TO THE PROPERTY, (C) ANY AND ALL MATTERS RELATED TO THE PROPERTY OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, THE CONDITION AND/OR OPERATION OF THE PROPERTY AND EACH PART THEREOF, (D) ANY AND ALL MATTERS RELATED TO THE CURRENT OR FUTURE ZONING OR USE OF THE PROPERTY, AND (E) THE PRESENCE, RELEASE AND/OR REMEDIATION OF ASBESTOS AND ASBESTOS CONTAINING MATERIALS IN, ON OR ABOUT THE PROPERTY REGARDLESS OF WHEN SUCH ASBESTOS AND ASBESTOS CONTAINING MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE PROPERTY. TO THE GREATEST EXTENT PERMITTED BY LAW, CITY HEREBY AGREES, REPRESENTS AND WARRANTS THAT CITY REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW KNOWN OR UNKNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CLAIMS WHICH ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND CITY FURTHER AGREES, REPRESENTS AND WARRANTS THAT THE WAIVERS AND RELEASES HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON IN LIGHT OF THAT REALIZATION AND THAT CITY NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE AND ACQUIT SELLER AND THE RELEASEES FROM ANY SUCH UNKNOWN CLAIMS WHICH RELEASE, DISCHARGE AND ACQUITTAL MIGHT IN ANY WAY BE INCLUDED AS A MATERIAL PORTION OF THE CONSIDERATION GIVEN TO SELLER BY CITY IN EXCHANGE FOR SELLER'S PERFORMANCE HEREUNDER.

Initials:

City

DK
DK

Seller

With respect to the release set forth herein, City hereby acknowledges that such waiver is made with the full knowledge, understanding and agreement that California Civil Code § 1542 provides as follows, and that the protection afforded by said Code Section is hereby waived:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

City further acknowledges that this waiver and release is voluntary and without any duress or undue influence, and is given as part of the consideration for the agreements set forth herein. City expressly acknowledges that it may hereafter discover facts different from or in addition to those, which it now believes to be true with respect to the release of claims. City agrees that the foregoing release shall be and remain effective in all respects notwithstanding such different or additional facts.

City has been advised by its legal counsel and understands the significance of this waiver of Section 1542 relating to unknown, unsuspected and concealed claims, and City hereby specifically acknowledges that City has carefully reviewed this subsection and discussed its import with legal counsel and that the provisions of this subsection are a material part of this Agreement. By its initials below, City acknowledges that it fully understands, appreciates and accepts all of the terms of this subsection and release.

Initials:

City

DK
DK

Seller

Upon consummation of the Close of Escrow hereunder, the foregoing release shall be deemed to be restated and made again as of the Close of Escrow and shall survive the Close of Escrow.

15. Seller's Representations and Warranties. In consideration of City entering into this Agreement, Seller makes the representations, warranties and covenants set forth in this Section 15, which are material and are being relied upon by City. For the purpose of this Agreement, usage of "**to the best of Seller's knowledge**," or words to such effect, shall mean the actual current knowledge of Denton Kelley and Josh Leachman, in their respective capacities on behalf of Seller (any inconsistency in a representation(s) and warranty(ies) made by any listed individual shall be limited to a recovery against Seller subject to the provisions of this Agreement), excluding constructive knowledge or duty of inquiry, existing as of the Effective Date. To the extent that Seller becomes aware of any conflict with the representations and warranties set forth herein after the Effective Date and prior to the Close of Escrow, Seller shall provide City with written notice thereof, in which case City shall have the right to either (i) terminate this Agreement, in which case the provisions of Sections 6(c) shall apply, or (ii) proceed with the transaction described herein, waiving such inconsistent representation(s) and warranty(ies). In the event City becomes aware of any such conflict prior to the Close of Escrow, and thereafter completes the transaction described hereby, City shall be deemed to have proceeded in accordance with subsection (ii) above.

(a) Seller's Authority. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby in the execution, delivery and performance of this Agreement has been duly authorized and no other action by Seller is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b) No Conflict. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of Seller's organizational documents, or any contract, document or law to which Seller is subject.

(c) Proceedings. Except as disclosed to City in writing by Seller prior to the expiration of the Contingency Period, there are no actions, suits, proceedings or governmental investigations pending or, to the best of Seller's knowledge, threatened against or affecting the Property, in law or equity.

(d) No Prior Transfers. Seller has not previously sold, transferred or conveyed the Property and Seller has not entered into any executory contracts for the sale of the Property (other than this Agreement).

(e) Litigation. To the best of Seller's knowledge, there is no litigation arbitration, condemnation or administrative hearing before any court or governmental agency concerning Seller or the Property (collectively, "**Litigation**"), except as disclosed on Exhibit C attached hereto ("**Litigation Summary**"). Seller shall promptly notify City in writing of any Litigation that is instituted after the Effective Date.

(f) Hazardous Materials. Except as otherwise disclosed in connection with the Existing Environmental Conditions or the Environmental Disclosure Materials (as hereinafter defined), Seller has not and, to the best of Seller's knowledge, no other third party has caused or permitted the storage, use, generation, handling or disposal of any Hazardous Materials (as hereinafter defined) in, on, or about the Property except in compliance with Hazardous Materials Laws (as hereinafter defined). The reports,

studies, assessments, investigations and other materials that have been, or that will be, made available to City for its review as part of the Documents and Materials, which includes the 2015 Railyards Agreement and State Land Use Covenant, any environmental assessment conducted by City prior to the Closing, and any supplemental information thereto provided by Seller to City as Additional Information (collectively, "**Environmental Disclosure Materials**") shall constitute, to the best of Seller's knowledge, all written materials in the possession or control of Seller related to the presence of Hazardous Materials at, on or under the Property and the compliance of the Property with Hazardous Materials Laws; provided that Seller (i) is under no obligation to seek through a Public Records Act or other disclosure mechanism to possess or control any materials in the possession of a government agency, and (ii) makes no representation or warranty as to whether City is entitled to rely on any of the Environmental Disclosure Materials and if City desires to rely on the same, City shall be responsible for obtaining, at its sole cost and expense, written permission from the preparer of any such items. As used herein, "**Hazardous Materials**" means any material, substance or waste designated as hazardous, toxic, radioactive, injurious or potentially injurious to human health or the environment, or as a pollutant or contaminant, or words of similar import, under any Hazardous Materials Law. As used herein, "**Hazardous Materials Law**" means any federal, state or local law, statute, regulation or ordinance now or hereafter in force, as amended from time to time, pertaining to materials, substances or wastes which are injurious or potentially injurious to human health or the environment or the release, disposal or transportation of which is otherwise regulated by any agency of the federal, state or any local government with jurisdiction over the Property or any such material, substance or waste removed therefrom, or in any way pertaining to pollution or contamination of the air, soil, surface water or groundwater.

16. City's Representations and Warranties. In consideration of the Seller entering into this Agreement and as an inducement to Seller to sell the Property to City, City makes the following representations and warranties, each of which is material and is being relied upon by Seller (the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder).

(a) Authority. City has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by City is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b) No Conflict. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any provision of City's organizational documents, or any contract, document or law to which City is subject.

17. Breach by Seller. If the Close of Escrow does not occur or if City terminates this Agreement because of Seller's failure to perform or breach of any of its obligations, representations or warranties hereunder and such failure or breach continues uncured for five (5) business days following notice from City to Seller thereof, City may elect, as its sole and exclusive remedy hereunder, to either (i) terminate this Agreement by delivery of written notice to Seller in which case the Deposit shall be immediately returned to City and both parties shall be relieved from any further liability hereunder except for (a) those obligations and agreements of Seller and City which expressly survive termination of this Agreement (the "**Surviving Obligations**"), and (b) City shall be entitled to recover, its actual damages including, without limitation, third party costs (including, but not limited to, other professional fees, excluding attorneys' fees) incurred in connection with the preparation and negotiation of this Agreement and City's investigation of the Property (collectively, "**City's Costs**"), not to exceed \$100,000.00 (the "**Cap**"), or (ii) commence an action for specific performance of Seller's obligations hereunder. In the event that City fails to commence an action against Seller pursuant to clause (ii) of the preceding sentence by August 31, 2025, City shall automatically be deemed to have terminated the Agreement pursuant to clause (i) of the preceding sentence.

Except as provided in this Section 17, City expressly and unconditionally waives any right to recover damages from Seller.

18. Breach by City / Liquidated Damages. TIME IS OF THE ESSENCE OF CITY'S OBLIGATIONS HEREUNDER. IF CLOSE OF ESCROW DOES NOT OCCUR BECAUSE CITY DEFAULTS HEREUNDER OR BREACHES ANY OF THE TERMS OR CONDITIONS CONTAINED HEREIN PRIOR TO CLOSE OF ESCROW AND, EXCEPT WITH RESPECT TO A BREACH OF CITY'S OBLIGATIONS UNDER SECTION 8, SUCH DEFAULT OR BREACH CONTINUES UNCURED FOR FIVE (5) BUSINESS DAYS FOLLOWING NOTICE FROM SELLER TO CITY THEREOF, SELLER SHALL BE ENTITLED, AS ITS SOLE AND EXCLUSIVE REMEDY, TO TERMINATE THIS AGREEMENT AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES HEREUNDER AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER TO EACH OTHER EXCEPT FOR THE SURVIVING OBLIGATIONS. SELLER HEREBY WAIVES ANY RIGHTS, AT LAW OR IN EQUITY, THAT SELLER MAY HAVE TO SEEK SPECIFIC PERFORMANCE AGAINST CITY FOR CITY'S BREACH OR DEFAULT UNDER THIS AGREEMENT. THE PARTIES AGREE THAT IT WOULD BE EXTREMELY IMPRACTICAL AND DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF CITY'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 18 REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE AND ACCORDINGLY, SUCH AMOUNT SHALL BE THE SOLE AND EXCLUSIVE REMEDY OF SELLER FOR SUCH A DEFAULT AND FAILURE BY CITY AND THE FULL, AGREED AND LIQUIDATED DAMAGES WHICH SELLER SHALL BE ENTITLED; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT WAIVE OR AFFECT SELLER'S RIGHTS AND CITY'S OBLIGATIONS PURSUANT TO THE SURVIVING OBLIGATIONS. THE PAYMENT AND RETENTION OF THE DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3389.

Initials:

City

DK
DK

Seller

19. Destruction. If, prior to the Close of Escrow, any part of the Property is damaged or destroyed by earthquake, flood, landslide, fire or other casualty, Seller shall immediately notify City of such fact. If such damage or destruction is "material", City shall have the option to terminate this Agreement upon written notice to the Seller given not later than ten (10) days after receipt of Seller's notice. For purposes of this Section 19, "material" shall be deemed to be any uninsured damage or destruction to the Property, or any insured damage or destruction where the cost of repair or replacement is estimated to be \$500,000.00 or more or shall take more than ninety (90) days to repair, in City's and Seller's good faith judgment. If City elects to terminate this Agreement, Escrow Holder shall promptly return to each party all funds and documents deposited by that party, respectively, into Escrow, whereupon neither party shall have any further rights or obligations hereunder, excepting the Surviving Obligations and any obligation of City which is intended to survive such termination and/or the Close of Escrow, and the payment of escrow cancellation fees and title charges which shall be borne equally by the parties. If City does not elect to terminate this Agreement, or if the casualty is not material, neither party shall have the right to terminate this Agreement but Seller shall assign and turn over, and City shall be entitled to receive and keep, all

insurance proceeds payable and received by Seller with respect to such casualty (which shall then be repaired or not at City's option and cost), the cash portion of the Purchase Price shall be reduced by an amount equal to any deductible under Seller's insurance, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof.

20. Post-Closing Remedies. Subject to Section 21 below, from and after the Close of Escrow, each party shall have the right to pursue its actual damages against the other party (a) for a breach of any covenant or agreement contained in this Agreement that survives Close of Escrow, and (b) for a breach of any representation or warranty made by the other party in this Agreement. Subject to Section 21 below, the obligations described this Section 20 shall survive Closing and any termination of this Agreement. In no event shall either party be liable for, and each party expressly and unconditionally waives any right to recover from the other party any speculative, consequential or punitive damages.

21. Survival. Each of the Seller's and City's respective representations and warranties contained in this Agreement or in the documents to be executed and delivered by Seller hereunder by Close of Escrow (collectively, the "**Surviving Provisions**") shall survive the Close of Escrow for a period of twelve (12) months (the "**Survival Period**"). No claim for a breach of any of the Surviving Provisions shall be actionable or payable: (a) unless the valid claims for all such breaches collectively aggregate more than \$50,000.00, (b) unless written notice containing a description of the specific nature of such breach shall have been given by City or Seller to the other prior to the expiration of the Survival Period, and (c) unless an action shall have been filed by City or Seller and served upon the other within sixty (60) days after expiration of the Survival Period. Furthermore, notwithstanding anything to the contrary contained in this Agreement or any related documents, following the Close of Escrow, Seller's liability for breach of any Surviving Provisions or any other covenants or obligations hereunder, shall not exceed the sum of \$1,000,000.00. The provisions of this Section 21 shall survive Close of Escrow.

22. Notices. Any and all notices or other communications required or permitted to be given under this Agreement, or by law, shall be in writing and addressed to all of the following addresses for the applicable party and either (i) personally delivered by commercial courier, (ii) sent by Federal Express or other nationally recognized overnight courier service that provides receipted delivery service, delivery charges prepaid, return receipt requested, or (iii) sent by E-Mail if it is addressed to all of the parties identified below, in which event notice shall be deemed delivered upon the sender's receipt of confirmation of transmission of said notice, as long as a confirming notice is sent by another recognized method on the next business day. Except as to E-Mail notice, notice shall be deemed to have been given upon the date of delivery (or the date of refusal to accept delivery, as the case may be) or at such other address as either party may from time to time specify in writing to the other in the manner aforesaid.

TO CITY:

City of Sacramento
Real Estate / Asset Management
915 I Street, 2nd Floor
Sacramento, California 95814
Attention: Richard Sanders
Telephone: (906) 808-7034

Email: rsanders@cityofsacramento.org

WITH A COPY TO:

City of Sacramento
OIED

915 I Street, 3rd Floor
Sacramento, California 95814

Attention: Marco Gonzalez
Telephone: (906) 808-5757

Email: mgonzalez@cityofsacramento.org

TO SELLER: DOWNTOWN RAILYARD VENTURE, LLC
3140 Peacekeeper Way
McClellan, CA 95652
Attention: Denton Kelley and Jay Heckenlively
Telephone: (916) 965-7100
Email: dkelley@ldkcapital.com; jheckenlively@mccllellanpark.com

TO ESCROW HOLDER: Fidelity National Title Company
8525 Madison Avenue, Suite 110
Fair Oaks, CA 95628
Attention: Paul Avila
Telephone: (916) 646-6057
Email: PAvila@fnf.com

Notice of change of address shall be given by written notice in the manner described in this Paragraph.

23. Brokers. The parties represent that no broker is involved in the transaction described by this Agreement. If any claims for brokers' or finders' fees for the consummation of this Agreement arise, then City hereby agrees to indemnify, hold harmless and defend Seller from and against such claims if they shall be based upon any statement or representation or agreement by City, and Seller hereby agrees to indemnify, hold harmless and defend City if such claims shall be based upon any statement, representation or agreement made by Seller.

24. Assignment. Without the prior written consent of Seller in its sole discretion, City shall not, directly or indirectly, assign this Agreement or any of its rights hereunder. Any attempted assignment in violation hereof shall, at the election of Seller, be of no force or effect and shall constitute a default by City.

25. Fee Credits. Following the Close of Escrow, and for ten years thereafter, City agrees that if, in conjunction with any construction by City within any part of the Property owned by City, municipal fees are required to be paid (e.g. sewer fees, transit fee, etc.), City shall seek the availability of any applicable fee credits held by Seller. If Seller possesses any such fee credits, City agree to, in lieu of obtaining paying such fees to the applicable municipality, to purchase such credits from Seller at the then applicable cost thereof. Seller shall have the right to decline selling such credits, in which case, City's obligation under this Section with regard to the subject request shall not apply. The provisions of this Section 25 shall survive the Close of Escrow and the expiration of the Survival Period.

26. Miscellaneous.

(a) Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid, and shall be enforced to the fullest extent permitted by law.

(b) Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

(c) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(d) Professional Fees. The parties must bear their own costs and attorneys' fees incurred in connection with this agreement.

(e) Entire Agreement. This Agreement (including all Exhibits attached hereto) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto and lawful assignees.

(f) Time of Essence. Seller and City hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that failure to timely perform any of the terms, conditions, obligations or provisions hereof by either party shall constitute a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

(g) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties to create the relationship of principal and agent, a partnership, joint venture or any other association between City and Seller.

(h) Construction. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. Unless otherwise indicated, all references to paragraphs, sections, subparagraphs and subsections are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.

(i) Governing Law. The parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The parties hereto expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

(j) Possession of Property. City shall be entitled to the possession of the Property immediately following the Close of Escrow.

(k) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Telecopied, emailed or electronically generated PDF signatures shall be effective for purposes of executing and delivering this Agreement and any amendment hereto.

(l) Days of Week. If any date for performance herein falls on a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code, the time for such performance shall be extended to 5:00 p.m. on the next business day. As used herein "business day" means any day other than a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code.

(m) Merger Provision. All covenants and agreements made or undertaken by either party under this Agreement, unless otherwise specifically provided herein that such covenants survive Close of Escrow, will not survive the Close of Escrow but will be merged into the Deed and other closing documents delivered at the Close of Escrow, and except as otherwise expressly provided herein, any and all rights of action of either party for any breach of any representation, warranty or covenant contained in this Agreement shall merge with the Deed and other instruments executed at Close of Escrow, shall terminate at Close of Escrow, and shall not survive Close of Escrow.

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

(o) Electronic Signatures. The parties agree that this Agreement may be electronically signed. The parties agree that the electronic signatures appearing on this agreement are the same as handwritten signatures for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Signature Page Follows

CITY:

CITY OF SACRAMENTO,
a Municipal Corporation

By: _____
Leyne Milstein

Interim City Manager

Date: _____, 2025

APPROVED AS TO FORM:

Matthew Ruyak (May 27, 2025 11:58 PDT)

Matthew D. Ruyak

Assistant City Attorney

ATTEST:

By: _____
Assistant City Clerk

SELLER:

DOWNTOWN RAILYARD VENTURE, LLC, a
Delaware limited liability company

By: LDK RAILYARD, LLC, a California
limited liability company

Its: Manager

By LDK VENTURES, LLC, a California
limited liability company

Its: Member

By: Denton Kelley
Denton Kelley (May 27, 2025 11:53 PDT)
Larry D. Kelley, Jr.

Its: Manager

Date: 05/27/2025, 2025

EXHIBIT LIST

Exhibit A	Property
Exhibit B	Grant Deed
Exhibit C	Litigation Summary

EXHIBIT A

PROPERTY

The land referred to herein below is situated in the City of Sacramento, County of Sacramento, State of California and is described as follows:

Lots 5 and 6 as shown on the Final Map of The Railyards Unit No. 1, filed December 19, 2022, in Book 446 of Maps at Page 2 Sacramento County Records

EXHIBIT B
FORM OF GRANT DEED

RECORDING REQUESTED BY:

CITY OF SACRAMENTO

NO FEE DOCUMENT

Govt Code 27383

WHEN RECORDED MAIL TO:

City of Sacramento

Attn: Real Estate Services

915 I Street, 2nd Floor

Sacramento CA 95814

MAIL TAX STATEMENTS TO:

City of Sacramento

Finance Administration

915 I Street, Floor 5

Sacramento CA 95814

(Space above this line for Recorder's use)

NO TRANSFER TAX DUE per R&T Code 11922

Grantee is a Government Agency

GRANT DEED

THIS GRANT DEED is made as of this ____ day of _____, 20__ by DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company ("**Grantor**"), to CITY OF SACRAMENTO, a municipal corporation ("**Grantee**").

WITNESSETH:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby grants to Grantee that certain real property located in the City of Sacramento, County of Sacramento, State of California and legally described on **Exhibit A** attached hereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the day and year first set forth above.

GRANTOR: DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company

By: LDK RAILYARD, LLC, a California limited liability company

Its: Manager

By LDK VENTURES, LLC, a California limited liability company

Its: Member

By: _____
Larry D. Kelley, Jr.

Its: Manager

(All signatures must be acknowledged)

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

STATE OF CALIFORNIA)

) ss.

COUNTY OF _____)

On _____, 20__, before me, _____, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT C
LITIGATION SUMMARY

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): _____
Contract Effective Date: 06/24/2025 Contract Expiration Date (if applicable): _____
\$ Amount (Not to Exceed): \$ 0.00 Adjusted \$ Amount (+/-): _____
Other Party: Downtown Railyard Venture, LLC / Indomitable Ventures, LLC
Project Title: MASTER FUNDING AGREEMENT FOR RAILYARDS EIFD
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01158

Contract Processing Contacts

Department: Economic Development Project Manager: Marco Gonzalez
Contract Coordinator: Blair Hongo Email: BHongo@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature) <u>Crystal Harland</u>	(Date) <u>05/23/2025</u>
<small>Crystal Harland (May 23, 2025 19:14 PDT)</small>	

Supervisor:

(Signature) <u>Marco Gonzalez</u>	(Date) <u>05/23/2025</u>
<small>Marco Gonzalez (May 23, 2025 18:58 PDT)</small>	

Division Manager:

(Signature) <u>Blair Hongo</u>	(Date) <u>05/23/2025</u>
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Other:

(Signature) _____	(Date) _____
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Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)



Recording Requested



Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE-----

MASTER FUNDING AGREEMENT FOR RAILYARDS EIFD

This Master Funding Agreement for Railyards EIFD (this “**Master Agreement**”), dated as of June 10, 2025, for reference, is between DOWNTOWN RAILYARD VENTURE, LLC (“**DRV**”) and its permitted assignees under this Master Agreement; INDOMITABLE VENTURES, LLC (“**Indomitable**”) and its permitted assignees under this Master Agreement; the CITY OF SACRAMENTO RAILYARDS ENHANCED INFRASTRUCTURE FINANCING DISTRICT (the “**Railyards EIFD**”), a California governmental entity formed under California Government Code sections 53398.50 through 53398.88; and the CITY OF SACRAMENTO (the “**City**”), a California municipal corporation and charter city.

Backgrounds

- (a) Defined terms used in this Background section and not otherwise defined have the meanings given elsewhere in this Master Agreement.
- (b) Indomitable, DRV, and the City entered into the Comprehensive Project Agreement on June 10, 2025, for, among other reasons, (i) the development of the Stadium, a proposed multi-purpose, outdoor stadium, and (ii) (a) the development of certain open space improvements on portions of Lot 21a, 21b, 21c, 22 and Lot 10, and (b) the structural renovation for seismic and life safety improvements to the historic buildings located on Lots 24, 25, 26, and 27, all as shown on the Sacramento Railyards Tentative Master Parcel Map.
- (c) Under the Sacramento Republic FC Preliminary Term Sheet approved by the City Council of the City of Sacramento on November 12, 2024, DRV, Indomitable, and the City set out a nonbinding framework for, among other purposes, financing the Eligible Facilities.
- (d) Among other things, the Preliminary Term Sheet contemplates the amendment of the existing Stadium EIFD and original infrastructure financing plan which was adopted by the Railyards Public Financing Authority (“**PFA**”) (formerly known as the Stadium Public Financing Authority), pursuant to its Resolution No. 2019-0002 adopted on December 10, 2019.
- (e) In accordance with the EIFD Law, the PFA, by its Resolution No. [] adopted on June 24, 2025, amended the boundaries of the Railyards EIFD to include the Railyards West Project Area and adopted the Amended IFP.
- (f) The City contemplates the potential formation of a Mello-Roos community facilities district to be known as “Railyards East CFD No. 2025-01 (Improvements),” for which, once formed, the City will levy a Special Tax on the taxable parcels located within Railyards East and issue CFD Bonds.
- (g) The parties are entering into this Master Agreement to evidence each party’s rights and obligations with respect to the financing of the Eligible Facilities and affordable housing as contemplated by the Preliminary Term Sheet.

- (h) Under the California Environmental Quality Act (“CEQA”), the City, as the lead agency, approved the developments within the Railyards EIFD identified in the Railyards Specific Plan Environmental Impact Report SCH No. 2006032058 on December 11, 2007 (Resolution No. 2007-903), the Railyards Specific Plan Update, Kaiser Permanente Medical Center and Stadium Subsequent Environmental Impact Report on November 10, 2016 (Resolution No. 2016-0379) and Addendum for Central Shops at the Railyards (together, the “CEQA Project”). This Master Agreement does not constitute a substantial change in the CEQA Project, a substantial change in the circumstances under which the CEQA Project is being undertaken, or new information and therefore does not require subsequent or supplemental environmental review pursuant to California Public Resources Code section 21166 and CEQA Guidelines section 15162.

With these background facts in mind, and in consideration of the promises below, the parties agree as follows:

1. Definitions.

- (a) “Act” means the Mello-Roos Community Facilities Act of 1982, as amended.
- (b) “Acquisition Agreement” means the document(s) contemplated herein within Section 2 (Railyards East CFD) for either CFD funded Eligible Costs, and Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds) for EIFD funded Eligible Costs, which apply to constructed Eligible Facilities that are to be permanently owned by the City or initially acquired by the City, by and between (as applicable) the City, DRV, Indomitable, and the Railyards EIFD.
- (c) “Amended IFP” means the infrastructure financing plan for the Railyards EIFD as most recently approved by the City Council on June 10, 2025, and by the PFA on June 24, 2025, as may be amended from time to time.
- (d) “Ancillary Development” means development anticipated to be built around the Stadium located in Railyards East that may include residential and commercial development.
- (e) “Available Tax Increment” means the Tax Increment available to the Railyards EIFD after payment or deduction of the County of Sacramento’s administrative costs and the EIFD Administration Costs.
- (f) “Central Shops” and “Central Shops District” means (i) the open space areas on Lot 21a, 21b, 21c, 22 and Lot 10, and (ii) the historic buildings located on Lots 24, 25, 26, and 27, all as shown on the Sacramento Railyards Tentative Master Parcel Map as further defined in the Comprehensive Project Agreement.
- (g) “CEQA Project” means the development identified in the Railyards Specific Plan Environmental Impact Report SCH No. 2006032058 (Resolution No. 2007-903), the Railyards Specific Plan Update, Kaiser Permanente Medical Center and Stadium

Subsequent Environmental Impact Report (Resolution No. 2016-0379) and Addendum for Central Shops at the Railyards.

- (h) **“City Eligible Cost Reimbursement Amount”** means \$14,000,000.
- (i) **“City Eligible Costs”** means the costs incurred by the City for land acquisition as further described in the Amended IFP (and which is deemed Eligible Facilities as defined herein), as approved by the City in accordance this Master Agreement.
- (j) **“City Share of Available Tax Increment”** shall be the allocation of Available Tax Increment to the City in accordance with Section 3(a) and (b) of this Master Agreement.
- (k) **“CFD Bonds”** means municipal bonds, notes or other debt obligations that are issued for the Railyards East CFD secured by the Special Tax, the proceeds of which are used to reimburse Indomitable for Indomitable Eligible Costs.
- (l) **“Comprehensive Project Agreement”** means that certain Comprehensive Project Agreement, by and between Indomitable, DRV, and the City, dated [Month, Day], 2025.
- (m) **“Debt Service”** means collectively, the principal, interest, and mandatory sinking-fund payments on the CFD Bonds or the EIFD Bonds.
- (n) **“DRV Eligible Cost Reimbursement Amount”** means \$50,000,000, as will be annually increased, beginning on each succeeding July after the effective date of this Master Agreement, by the Index Adjustment and terminating on December 31, 2038, except as such annual increases may be suspended as provided in Section 5 of this Master Agreement.
- (o) **“DRV Eligible Costs”** means the costs incurred by DRV, for the design and construction of the Eligible Facilities, as evidenced by Eligible Cost Invoices in accordance with this Master Agreement.
- (p) **“DRV Project Retained Increment Fund”** means the fund of that name held by the Railyards EIFD for the purposes described in Section 5 of this Master Agreement. Any interest accruing on amounts held in the DRV Project Retained Increment Fund shall be for the sole benefit of the City and Railyards EIFD.
- (q) **“DRV Share of Available Tax Increment”** shall be the allocation of Available Tax Increment to DRV in accordance with Section 3(a) and (b) of this Master Agreement.
- (r) **“EIFD Administration Costs”** means all administration costs incurred by the Railyards EIFD as defined in the Amended IFP.
- (s) **“EIFD Bonds”** means any such municipal bonds, notes or other obligations that are (a) issued by the Railyards EIFD, secured by the Available Tax Increment, (b) issued by the Railyards EIFD for the Railyards West Project Area, secured by the Available Tax Increment from the Railyards West Project Area, or (c) issued by the Railyards EIFD

for the Railyards East Project Area, secured by the Available Tax Increment from the Railyards East Project Area.

- (t) **“EIFD Law”** means Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with section 53398.50).
- (u) **“EIFD Waterfall”** means the allocation methodology of Railyards East Available Tax Increment proceeds and Railyards West Available Tax Increment proceeds by and between DRV, Indomitable, and the City as further described in this Master Agreement.
- (v) **“Eligible Cost Reimbursement Amount”** means the sum of the (i) Indomitable Eligible Costs, (ii) DRV Eligible Cost Reimbursement Amount, and (iii) City Eligible Cost Reimbursement Amount.
- (w) **“Eligible Costs”** means, (i) with respect to Indomitable, the Indomitable Eligible Costs, (ii) with respect to DRV, the DRV Eligible Costs, and (iii) with respect to the City, the City Eligible Costs.
- (x) **“Eligible Cost Invoice(s)”** means invoices approved by the City using its reasonable discretion and in accordance with this Master Agreement.
- (y) **“Eligible Facilities”** means the facilities and improvements as specifically provided in the Amended IFP.
- (z) **“Fiscal Year”** means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its fiscal year in accordance with applicable law.
- (aa) **“Funding Obligation Agreement”** means an agreement pursuant to which the applicable parties to such agreement agree to provide to the City and Railyards EIFD bi-annual payments in-lieu of taxes (PILOTs) for tax-exempt property. Pursuant to such Funding Obligation Agreement, (i) PILOT shall be owed to the City in an amount at least equal to the City’s portion of the 1% property tax that would be generated from such property if it were taxable less any Tax Increment due to the Railyards EIFD, together with any fees or assessments due to the City from such property, (ii) PILOT shall be owed to the Railyards EIFD in an amount at least equal to the Tax Increment generated from such property if it were taxable that would be due to the Railyards EIFD, and (iii) PILOT shall be owed to the City in an amount at least equal to the Special Tax generated from such property if it were taxable that would be due with respect to the Railyards East CFD.
- (bb) **“Housing Tax Increment”** means 20% of the Available Tax Increment available, as further described herein, after satisfaction of the Eligible Cost Reimbursement Amount.
- (cc) **“Index Adjustment”** means adjustments based upon the percentage change in the Engineering News-Record Construction Cost Index (ENR-CCI) on an annual basis, measured from March 1 to the subsequent March 1, not to exceed a maximum annual adjustment in any given year of four percent.

- (dd) **“Indomitable Conditions of Approval”** means (i) the facilities required by the City as a condition of approval to construct and operate the Stadium in a conditional use permit approved by Resolution No. 2016-0388, adopted by the City Council of the City on November 10, 2016, as such conditional use permit or may be modified by a record of decision made by the City’s Zoning Administrator and Planning Division, (ii) any ancillary infrastructure required to satisfy the conditions of the conditional use permit for the Stadium and conditions of approval in the approved Tentative Map, (iii) and any additional infrastructure that the City requires for the Stadium according to required plans and studies.
- (ee) **“Indomitable Eligible Costs”** means the sum of the total costs incurred by Indomitable for (i) the design and construction of the Indomitable Facilities, as evidenced by Eligible Cost Invoices in accordance with this Master Agreement, and (ii) Railyards East CFD Payment Shortfalls. Simple interest shall accrue on a monthly basis as contemplated in subsections (i) and (ii) of this definition as provided herein. With respect to Indomitable’s costs for the design and construction of the Indomitable Facilities under subsection (i), interest shall begin to accrue on the amount of Indomitable’s accrued but unreimbursed costs related to an Indomitable Facility upon the date of the issuance of any notice of completion and the acceptance by the City of such Indomitable Facility. With respect to Railyards East CFD Payment Shortfalls under subsection (ii), interest shall begin to accrue on the amount of such accrued but unreimbursed Railyards East CFD Payment Shortfalls upon the date that such Railyards East CFD Payment Shortfalls are paid by Indomitable to the County. Interest shall accrue on such accrued but unreimbursed costs under subsections (i) and (ii) of this definition beginning on the dates specified in this definition at an annual rate equal to the Index Adjustment and shall end once reimbursed or on December 31, 2038, whichever is earlier, except as such monthly interest accruals may be suspended as provided in Section 5 of this Master Agreement.
- (ff) **“Indomitable Facilities”** means any Eligible Facilities that are Indomitable Conditions of Approval.
- (gg) **Indomitable Share of Available Tax Increment** shall be the allocation of Available Tax Increment to Indomitable in accordance with Section 3(a) and (b) of this Master Agreement.
- (hh) **“Music Venue Project”** means that certain Music Venue Project as contemplated by and defined in the Comprehensive Project Agreement, or similar permitted use of such area within the Paintshop as defined by the Comprehensive Project Agreement as reasonably determined by the City Manager or their designee. The Music Venue Project and the Paintshop do not include any Eligible Facilities.
- (ii) **“Non-Housing Tax Increment”** means 80% of the Available Tax Increment available, as further described herein, after satisfaction of the Eligible Cost Reimbursement Amount.

- (jj) **“Project Funding Agreement(s)”** means the document(s) contemplated herein within Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds) for EIFD funded Eligible Costs, which apply to constructed Eligible Facilities that are not to be permanently owned by the City or initially acquired by the City, by and between (as applicable) the City, DRV, Indomitable, and the Railyards EIFD.
- (kk) **“Property Taxes”** means the ad valorem Property Taxes levied on property within the Railyards EIFD, including such taxes on private possessory interests in real property owned by government entities.
- (ll) **“PFA”** means the “City of Sacramento Railyards Enhanced Infrastructure Financing District Public Financing Authority” (formerly known as the “City of Sacramento Stadium Area Enhanced Infrastructure Financing District Public Financing Authority”), the governing body of the Railyards EIFD.
- (mm) **“Preliminary Term Sheet”** means the Sacramento Republic FC Preliminary Term Sheet approved by the City Council of the City of Sacramento on November 12, 2024.
- (nn) **“Priority Administrative Expenses”** means (i) all administration costs incurred by or on behalf of the Railyards East CFD related to the Railyards East CFD as defined in the RMA (estimated for Fiscal Year 2025-26 to be \$45,000), and (ii) for each subsequent Fiscal Year, an amount equal to the preceding Fiscal Year’s Priority Administrative Expenses plus 3% of such amount.
- (oo) **“Public Improvements”** means any construction, alteration, demolition, installation, or repair work done as or related to Eligible Facilities that is paid for in whole or in part out of public funds.
- (pp) **“Railyards”** means a 244-acre site located immediately north of Sacramento’s Central Business District, east of the Sacramento River, south of North B Street and west of the Alkali Flat neighborhood.
- (qq) **“Railyards East”** and **“Railyards East Project Area”** means the area of the Railyards memorialized in the boundary map found in the Amended IFP.
- (rr) **“Railyards East CFD”** means the community facilities district to be formed by the City within Railyards East in accordance with the Act and to be formally known as Railyards East CFD No. 2025-01 (Improvements).
- (ss) **“Railyards East CFD Payment Shortfalls”** means those Special Tax payments annually paid by Indomitable (including any successors and assigns) which are applied towards Debt Service on the CFD Bonds and (which at the time of such application) are in excess of the Indomitable Share of Available Tax Increment available at that time to make the payment in accordance with subsection (c)(2) of Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds).

- (tt) **“Railyards EIFD”** means the “City of Sacramento Railyards Enhanced Infrastructure Financing District” (formerly known as the “Stadium EIFD”).
- (uu) **“Railyards Specific Plan”** means the specific plan document adopted in 2016 and amended in 2021 by the City Council that establishes goals and policies specific to the Railyards.
- (vv) **“Railyards West”** and **“Railyards West Project Area”** means the area of the Railyards memorialized in the boundary map found in the Amended IFP.
- (ww) **“RMA”** means the Rate and Method of Apportionment of Special Tax to be considered by the City Council for the Railyards East CFD as may be amended from time to time in accordance with the Act.
- (xx) **“Special Tax”** means the special tax to be levied on taxable parcels within Railyards East by the City, for and on behalf of the Railyards East CFD, in accordance with the RMA.
- (yy) **“Stadium”** means the new outdoor multi-purpose expandable 12,000-seat state-of-the-art multi-purpose stadium to be located in Railyards East that will host soccer and sporting events, concerts and other community events.
- (zz) **“Stadium EIFD”** means the former “City of Sacramento Stadium Area Enhanced Infrastructure Financing District” (now known as the Railyards EIFD).
- (aaa) **“Stadium Project Retained Increment Fund”** means the fund of that name held by the Railyards EIFD for the purposes described in Section 5 of this Master Agreement. Any interest accruing on amounts held in the Stadium Project Retained Increment Fund shall be for the sole benefit of the City and Railyards EIFD.
- (bbb) **“Tax Increment”** means (i) the Property Taxes allocated to, and deposited in, the Railyards EIFD special fund in accordance with the Amended IFP and Government Code section 53398.75, subdivision (a)(2); (ii) the net available revenue, as defined in Government Code section 53398.75, subdivision (d), allocated to, and deposited in, the Railyards EIFD special fund; and (iii) any other revenues deposited into the Railyards EIFD special fund and lawfully available to the Railyards EIFD in accordance with the Amended IFP and the EIFD Law.

2. Railyards East CFD

Immediately prior to commencing formation of the Railyards East CFD, written approval by the City and the eligible landowners (who are qualified electors eligible to vote under the Act) of property located within the proposed Railyards East CFD shall be provided. The City intends to undertake proceedings to form the Railyards East CFD, encompassing the Railyards East area. If formed, the Railyards East CFD will provide funding for certain Eligible Facilities by issuing one or more series of CFD Bonds secured by the Special Tax. Proceeds of CFD Bonds will be used to reimburse Indomitable for Indomitable Eligible Costs, fund a debt service reserve fund and related

CFD Bond-costs, as provided herein. The aforementioned parties shall cooperate in any procedures needed to form the Railyards East CFD.

- (a) *The Special Tax.* Revenue from the Special Tax will be used as follows, unless otherwise specified in an indenture for a series of CFD Bonds:
 - (1) First, to pay the Priority Administrative Expenses.
 - (2) Second, to Debt Service on the CFD Bonds, to the extent the CFD Bonds are not paid from Available Tax Increment in accordance with subsection (c)(2) of Section 3 (Railyards EIFD Payment Obligations and EIFD Bonds) of this Master Agreement and the indenture for the applicable series of CFD Bonds.
 - (3) Third, to cure any delinquencies and replenish any reserve funds for the CFD Bonds.
 - (4) Fourth, to be retained by the City and/or the trustee for the CFD Bonds and applied as credit against the subsequent CFD Bonds Debt Service payment.
- (b) *General Requirements for CFD Bonds.* The following apply to each series of CFD Bonds:
 - (1) The City will issue CFD Bonds only if the City has determined in its sole discretion, after consulting with Indomitable, one of the City's municipal advisors and any other party deemed appropriate and relevant by the City, that issuance is financially feasible.
 - (2) The issuance of CFD Bonds complies with pertinent sections associated with land-secured debt included in the City's Debt Management Policy then in effect prior to the respective issuance of CFD Bonds.
 - (3) Proceeds from the first series of CFD Bonds may be used to reimburse Indomitable for the costs of Railyards East CFD formation. Proceeds from each series of CFD Bonds will be used to pay for costs of issuance, underwriter's discount, required Debt Service reserve, and may include up to two (2) years of capitalized interest.
 - (4) The City will size and structure the CFD Bonds based on terms of financing permitted by the Act to (i) pay Debt Service on the CFD Bonds, (ii) reimburse Indomitable for any unreimbursed Indomitable Eligible Costs, and (iii) to provide at least 110% Debt Service coverage on CFD Bonds following the payment of any Priority Administrative Expenses. The sizing and structure of the CFD Bonds shall also be based upon the determinations of the underwriter used for the issuance of the CFD Bonds as may be necessary in such underwriter's reasonable discretion in order to sell the CFD Bonds.
 - (5) The City shall enter into Acquisition Agreements with Indomitable facilitating the construction and acquisition of Indomitable Facilities to be constructed by Indomitable and to be permanently owned by the City or initially acquired by the

City. Pursuant to such Acquisition Agreement, Indomitable will design and construct the Indomitable Facilities using its own funds and provide for the transfer to, or otherwise evidence ownership by, the City of those Indomitable Facilities when completed. The City will reimburse Indomitable for such amounts from the proceeds of CFD Bonds and any applicable interest earnings on the project proceeds of the CFD Bonds.

- (6) Neither the City's general fund nor any other funds or revenues of the City (except the Special Taxes) will be obligated, in law or equity, for credit enhancements, guarantees, payment of Debt Service, or debt-service coverage related to the CFD Bonds.
- (c) *CFD Bonds.* Prior to the issuance of the first series of CFD Bonds, City will consult with Indomitable and one of the City's municipal advisors to review the feasibility of issuance of the first series of CFD Bonds. If the issuance of CFD Bonds is determined by the City, in conjunction with one of the City's municipal advisors, to be feasible, the first series of CFD Bonds will be issued to reimburse Indomitable for Railyards CFD formation costs, Indomitable Eligible Costs, associated costs of issuance, underwriter's discount, and required Debt Service reserve.
 - (1) The final decision on the sizing, structuring, and terms of the CFD Bonds will be in the City's sole discretion.
 - (2) The Special Tax levied each fiscal year on the taxable Railyards East CFD parcels shall be equal to that fiscal year's Special Tax Requirement, as such term is defined in the RMA, subject to the Maximum Special Tax (as defined in the RMA) limitation.
 - (3) The City shall use the net proceeds of the first series of CFD Bonds to reimburse Indomitable for Indomitable Eligible Costs. To the extent the Indomitable Eligible Costs are not fully paid from the proceeds of the first series of CFD Bonds, such unpaid Indomitable Eligible Costs shall be subject to reimbursement in subsequent series of CFD Bonds subject to the same parameters provided herein as the first series of CFD Bonds. In the consideration of subsequent issuances of CFD Bonds, the additional bonds test requirements included in the applicable indenture for the CFD Bonds must be satisfied.
- (d) *Compliance with Applicable Law.* The City shall comply with all laws and regulations that apply to the Railyards EIFD and the CFD Bonds, including the Act, the City's local goals and policies concerning the use of the Act, the guidelines promulgated by the California Debt Investment and Advisory Commission, and (if appropriate) the federal laws and regulations pertaining to tax-exempt debt.
- (e) *Provision of RMA Regarding Changes in Taxable Property.* The RMA shall contain a provision that protects holders of the CFD Bonds in the event property within Railyards East anticipated to be subject to the Special Tax at the time the first series of CFD Bonds are issued subsequently becomes tax-exempt and without such a provision the expected

maximum Special Tax revenues would be reduced to a point at which the required Debt Service coverage on the CFD Bonds (i.e., 110%) could not be maintained net of Priority Administrative Expenses, except to the extent any loss of revenues is covered by the Funding Obligation Agreement.

3. Railyards EIFD Payment Obligations and EIFD Bonds

- (a) Railyards East Project Area – the Railyards EIFD shall allocate the Available Tax Increment within the Railyards East Project Area as follows:
 - (1) 100% of Available Tax Increment from the Railyards East Project Area shall initially be allocated to pay the Indomitable Eligible Costs.
 - (2) Upon satisfaction of the Indomitable Eligible Costs, Available Tax Increment from the Railyards East Project Area shall then be allocated in the following percentages: DRV (50%) and City (50%).
 - (3) Upon satisfaction of either the DRV Eligible Cost Reimbursement Amount or the City Eligible Cost Reimbursement Amount, 100% of Available Tax Increment from the Railyards East Project Area shall then be allocated to either DRV or the City as applicable to satisfy either the City's or DRV's respective remaining unpaid Eligible Cost Reimbursement Amount.
 - (4) Upon satisfaction of the Eligible Cost Reimbursement Amount, Available Tax Increment from the Railyards East Project Area shall then be allocated to the Railyards EIFD to satisfy the Housing Tax Increment component and the Non-Housing Tax Increment component, and the remainder shall be allocated, as determined by the Railyards EIFD and the City, for the further implementation of the Amended IFP.
- (b) Railyards West Project Area – the Railyards EIFD shall allocate the Available Tax Increment within the Railyards West Project Area as follows:
 - (1) Available Tax Increment from the Railyards West Project Area shall initially be allocated in the following percentages between Indomitable (40%), DRV (40%), and the City (20%).
 - (2) Upon satisfaction of the Indomitable Eligible Costs (but not DRV Eligible Cost Reimbursement Amount or the City Eligible Cost Reimbursement Amount), Available Tax Increment shall be allocated in the following percentages: DRV (50%) and City (50%).
 - (3) Upon satisfaction of either the DRV Eligible Cost Reimbursement Amount or the City Eligible Cost Reimbursement Amount, 100% of Available Tax Increment from the Railyards West Project Area shall then be allocated to either DRV or the City as applicable to satisfy either the City's or DRV's remaining unpaid Eligible Cost Reimbursement Amount.

- (4) Upon satisfaction of the Eligible Cost Reimbursement Amount, Available Tax Increment from the Railyards West Project Area shall then be allocated to the Railyards EIFD to satisfy the Housing Tax Increment component and Non-Housing Tax Increment component, and the remainder shall be allocated, as determined by the Railyards EIFD and the City, for the further implementation of the Amended IFP.

(c) Application of Available Tax Increment

- (1) *Pledge of Available Tax Increment.* The Railyards EIFD hereby pledges and creates a first lien on, and security interest in, (i) with regard and limited to the CFD Bonds, the annual Indomitable Share of Available Tax Increment, as security for the Special Tax Requirement (as defined in the RMA for the CFD Bonds), including payment of Debt Service, Priority Administrative Expenses, curing any delinquencies and replenishing any reserve funds for the CFD Bonds, and (ii) with regard and limited to the EIFD Bonds and to the extent not pledged under clause (i) above or released from such lien pursuant to any indenture pursuant to which CFD Bonds are issued, the annual Indomitable Share of Available Tax Increment, the annual DRV Share of Available Tax Increment and the annual City Share of Available Tax Increment, as security for its payment obligations for the EIFD Bonds. Such pledges shall be first and exclusive pledges and shall attach and be binding and effective without the need for any physical delivery, recordation, filing, or further act. The pledges of Available Tax Increment pursuant to this paragraph for payment of Debt Service on CFD Bonds and EIFD Bonds shall be senior to any other pledges of Available Tax Increment and shall remain in effect for so long as any CFD Bonds or EIFD Bonds, as applicable, are outstanding. After payment of annual Debt Service on the CFD Bonds and EIFD Bonds as provided in subsections (c)(2)(A) and (B) of this Section 3, the remaining Available Tax Increment shall be available for the purposes provided in subsections (c)(2)(C) and (D) of this Section 3.
- (2) *Transfer and Use of Available Tax Increment.* Each year, the Railyards EIFD shall disburse the Available Tax Increment in accordance with the allocations detailed in subsections (a), (b) and (c) of this Section 3 in the following order of priority:
 - (A) First, from the Indomitable Share of Available Tax Increment, the amount pledged to the CFD Bonds in Section (3)(c)(1) shall be transferred from the Railyards EIFD to the trustee for the CFD Bonds (the “**CFD Trustee**”), within thirty (30) days after receipt of each installment of Tax Increment from Sacramento County. It is anticipated that the receipt of Tax Increment from Sacramento County will occur in January and May of each calendar year. The Railyards EIFD shall continue to transfer the Indomitable Share of Available Tax Increment to the CFD Trustee each calendar year until the amount held by the Trustee is sufficient to satisfy the Special Tax Requirement for the CFD Bonds for that calendar year. Each such transfer for CFD Bonds shall be prior to and senior to any such transfer for Debt Service on EIFD Bonds provided for in subsection (c)(2)(B) of this Section

3. If the Indomitable Share of Available Tax Increment transferred to the Trustee in any calendar year exceeds the amount necessary to satisfy the Special Tax Requirement for CFD Bonds during that calendar year, then the CFD Trustee shall return to the Railyards EIFD the excess, if any, Available Tax Increment.
- (B) Second, from the Indomitable Share of Available Tax Increment (less any amounts required to satisfy the Special Tax Requirement for the CFD Bonds pursuant to subparagraph (A) above), the DRV Share of Available Tax Increment and the City Share of Available Tax Increment to the extent available, the amount required to pay Debt Service, EIFD Administration Costs and replenish reserve funds on any EIFD Bonds. Once EIFD Bonds are issued, the Railyards EIFD shall transfer to the trustee for the EIFD Bonds (the “**EIFD Trustee**”), within thirty (30) days after receipt of each installment of Tax Increment from Sacramento County, the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment derived from such installment. The Railyards EIFD shall continue to transfer the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment to the EIFD Trustee each calendar year until the amount held by the EIFD Trustee is sufficient to pay the Debt Service, EIFD Administration Costs and replenish reserve funds on the EIFD Bonds for that calendar year. If the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment transferred to the EIFD Trustee in any calendar year exceeds the amount necessary to pay the Debt Service, EIFD Administration Costs and replenish reserve funds on EIFD Bonds during that calendar year, then the EIFD Trustee shall return to the Railyards EIFD the excess, if any, Available Tax Increment.
- (C) Third, to pay to DRV, Indomitable, or the City for their respective Eligible Costs that were not paid from proceeds of CFD Bonds or EIFD Bonds, such payments to each such party to be allocated in accordance with the Indomitable Share of Available Tax Increment, the DRV Share of Available Tax Increment and the City Share of Available Tax Increment, except as may be otherwise provided in Section 5 of this Master Agreement.
- (D) Fourth, if any Available Tax Increment remains after payments made above, then the City and Railyards EIFD may use that Available Tax Increment for the Housing Tax Increment component and Non-Housing Tax Increment component (in accordance with the allocations detailed herein) and, as determined by the Railyards EIFD and the City, any remainder shall be allocated for the further implementation of the Amended IFP.
- (d) In the event the City Eligible Cost Reimbursement Amount is satisfied prior to the satisfaction of the Indomitable Eligible Costs and/or the DRV Eligible Cost Reimbursement Amount, and neither the EIFD Bonds or CFD Bonds contemplated

herein have been issued or have been retired, the Available Tax Increment allocated in the following percentages between Indomitable (50%) and the DRV (50%).

(e) General EIFD Bond Issuance Parameters –

General Requirements for EIFD Bonds. The following apply to each series of EIFD Bonds:

- (1) Railyards EIFD will issue EIFD Bonds only if Railyards EIFD has determined, in its sole discretion, after consulting with Indomitable, DRV, Railyards EIFD's municipal advisor and any other party deemed appropriate and relevant by the Railyards EIFD, that issuance is financially feasible.
- (2) The issuance of EIFD Bonds complies with the Railyards EIFD debt management policy then in effect prior to the issuance of the EIFD Bonds. It is contemplated that the Railyards EIFD will adopt the City debt management policy (to the extent applicable) as its own debt management policy.
- (3) Proceeds from the first series of EIFD Bonds may be used to reimburse DRV and/or Indomitable for costs related to the formation and amendment of the Railyards EIFD. Proceeds from each series of EIFD Bonds will be used to pay for costs of issuance and underwriter's discount and may include up to two (2) years of capitalized interest.
- (4) Railyards EIFD will size and structure the EIFD Bonds based on the projected Available Tax Increment available to in accordance with the allocation detailed herein and that is expected to be available to provide at least 110% Debt Service coverage on Bonds, after the payment of EIFD Administration Costs. The necessary debt service coverage on the EIFD Bonds will be determined by the underwriter used for the issuance of the EIFD Bonds in such underwriter's reasonable discretion in order to sell the EIFD Bonds.
- (5) Railyards EIFD and the City shall enter into (i) Acquisition Agreement(s) with Indomitable or DRV (as applicable) facilitating the construction and acquisition of Eligible Facilities constructed by Indomitable or DRV which are to be permanently owned by the City or initially acquired by the City, and (ii) Project Funding Agreement(s) with Indomitable or DRV (as applicable) facilitating the construction of Eligible Facilities constructed by Indomitable or DRV which are not to be permanently owned by the City or initially acquired by the City. Pursuant to (A)(i) such Acquisition Agreement(s), Indomitable or DRV will design and construct the Eligible Facilities using their own funds and provide for the transfer to, or otherwise evidence ownership by, the City when completed, and (ii) pursuant to such Project Funding Agreements, Indomitable or DRV will design and construct the Eligible Facilities using their own funds and retain ownership of those Eligible Facilities when completed; and (B) in accordance with the Acquisition Agreements or Project Funding Agreements, as applicable, the Railyards EIFD will reimburse Indomitable or DRV, as applicable, from the

proceeds of EIFD Bonds and any applicable interest earnings on project proceeds of the EIFD Bonds.

- (6) Prior to issuance of the EIFD Bonds and CFD Bonds, as applicable, Indomitable (and/or its affiliates owning taxable property within the Railyards EIFD) and/or DRV (and/or its affiliates owning taxable property within the Railyards EIFD), shall enter into a Funding Obligation Agreement. The purpose of the Funding Obligation Agreement is to, among other things, protect holders of EIFD Bonds and CFD Bonds in the event that property anticipated to generate Tax Increment and/or Special Tax within the Railyards EIFD and Railyards East CFD at the time the applicable series of EIFD Bonds and CFD Bonds is issued subsequently becomes tax-exempt. The Funding Obligation Agreement shall be in the form and contain the substantive terms required by the City, Railyards EIFD and/or underwriter used for the issuance of the applicable series of bonds as may be necessary in such parties' reasonable discretion in order to sell the CFD Bonds or EIFD Bonds, as applicable.
- (7) Neither the City's general fund nor any other funds or revenues of the City or Railyards EIFD (except the Available Tax Increment in accordance with EIFD Law) will be obligated, in law or equity, for credit enhancements, guarantees, payment of Debt Service, or debt-service coverage related to the EIFD Bonds.

4. Reimbursement of Eligible Costs.

- (a) *From Proceeds of CFD Bonds.* Reimbursement of Indomitable Eligible Costs from the proceeds of CFD Bonds for the Indomitable Facilities constructed by Indomitable and acquired by the City will be disbursed as provided in an Acquisition Agreement.
- (b) *From Proceeds of EIFD Bonds.* Proceeds from EIFD Bonds shall be allocated to Indomitable, DRV and the City:
 - (1) If from EIFD Bonds secured only by Available Tax Increment from the Railyards East Project Area, the proceeds shall be allocated in accordance with subsection (a) of Section 3 of this Master Agreement,
 - (2) If from EIFD Bonds secured only by Available Tax Increment from the Railyards West Project Area, the proceeds shall be allocated in accordance with subsection (b) of Section 3 of this Master Agreement,
 - (3) If from EIFD Bonds secured by Available Tax Increment from both the Railyards West Project Area and the Railyards East Project Area, the proceeds shall be allocated as determined by the parties to this Master Agreement prior to the date of the issuance of such EIFD Bonds (for the purposes of such determination, the respective amounts of Available Tax Increment separately generated from the Railyards West Project Area and the Railyards East Project Area securing the EIFD Bonds and the application of the allocations provided in subsections (a) and

(b) of Section 3 of this Master Agreement based upon such weighted usage shall be reasonably considered by the parties).

Subject to such allocation, reimbursement of Indomitable Eligible Costs and DRV Eligible Costs for the Eligible Facilities to be acquired by the City will be disbursed as provided in the Acquisition Agreements, and for the Eligible Facilities not to be acquired by the City will be disbursed as provided in the Project Funding Agreements.

- (c) *From Proceeds of Available Tax Increment.* Available Tax Increment, after applicable allocation to and payment of Debt Service, shall be allocated to Indomitable, DRV and the City in accordance with subsections (a) and (b) of Section 3 of this Master Agreement. Subject to such allocation, reimbursement of Indomitable Eligible Costs and DRV Eligible Costs for the Eligible Facilities to be acquired by the City will be disbursed as provided in the Acquisition Agreements, and for the Eligible Facilities not to be acquired by the City will be disbursed as provided in the Project Funding Agreements.
- (d) *Payment Timing.* Any Eligible Cost Invoices will be subject to any payment provisions set forth in any Acquisition Agreement or Project Funding Agreement, as applicable, (whose payment timing provisions shall control in the event of any conflict with the payment timing provisions of this Master Agreement).
- (e) *Maximum Total Reimbursement.* The total reimbursement to Indomitable, DRV and the City for their collective Eligible Costs from any combination of the proceeds of CFD Bonds, proceeds of EIFD Bonds, Available Tax Increment or any other City or Railyards EIFD source may not exceed the Eligible Cost Reimbursement Amount. Neither the City nor the Railyards EIFD is obligated to reimburse or otherwise pay the Indomitable or DRV for Eligible Costs that are not reimbursed in accordance with this Master Agreement. Indomitable and DRV will be solely responsible for paying all unreimbursed Eligible Costs.
- (f) *Conflict with Acquisition Agreement or Project Funding Agreement.* In the event of any conflict between this Master Agreement and any Acquisition Agreement(s) or Project Funding Agreement(s), as applicable, subsequently entered into by the parties in regard to issues in subsections (a), (b) and (c) of this Section 4, the terms and provisions of the Acquisition Agreement(s) or Project Funding Agreement(s), as applicable, shall govern.

5. Railyards EIFD Retained Tax Increment and Index Adjustments

- (a) *Retained Tax Increment.* The following provisions in this subsection (a) shall apply only to Available Tax Increment that has not been pledged pursuant to Section 3(c)(1) of this Master Agreement or in any indenture or fiscal agent agreement in connection with CFD Bonds or EIFD Bonds.
 - (1) *With Respect to DRV and the Music Venue Project.*
 - (A) *Start of Construction.* If construction of the Music Venue Project has not commenced consistent with building permit(s) issued by the City before

January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the Available Tax Increment payable to DRV thereafter shall be retained by the Railyards EIFD and held in the DRV Project Retained Increment Fund. If construction of the Music Venue Project has commenced consistent with building permit(s) issued by the City after January 1, 2028 but prior to January 1, 2031 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), then the Available Tax Increment payable to DRV thereafter shall be paid to DRV as provided in Section 3 of this Master Agreement (except as may be limited by subsection (B) below) and Railyards EIFD shall pay all of the Available Tax Increment retained in the DRV Project Retained Increment Fund to DRV.

- (B) *Certificate of Occupancy.* If the City has not issued a Certificate of Occupancy for the Music Venue Project by January 1, 2031, the Available Tax Increment payable to DRV thereafter shall be retained by the Railyards EIFD in the DRV Project Retained Increment Fund. If the City issues a Certificate of Occupancy for the Music Venue Project after January 1, 2031 but prior to January 1, 2036, then the Available Tax Increment payable to DRV thereafter shall be paid to DRV as provided in Section 3 of this Master Agreement and Railyards EIFD shall pay all of the Available Tax Increment retained in the in the DRV Project Retained Increment Fund to DRV.
- (C) *No Certificate of Occupancy Before 2036.* If the City has not issued a Certificate of Occupancy for the Music Venue Project before January 1, 2036, then the City and Railyards EIFD may determine, within thirty (30) calendar days, in their reasonable discretion, to either (a) close DRV Project Retained Increment Fund and transfer any all of the Available Tax Increment contained therein to the City and Indomitable allocated in the following percentages between Indomitable (50%) and the City (50%) to be used to pay the City Eligible Cost Reimbursement Amount and unreimbursed Indomitable Eligible Costs, or (b) grant an extension to DRV regarding the final date before which a Certificate of Occupancy must be issued for the Music Venue Project.

(2) *With Respect to Indomitable and the Stadium.*

- (A) *Start of Construction.* If construction of the Stadium has not commenced consistent with building permit(s) issued by the January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the Available Tax Increment payable to Indomitable thereafter shall be retained by the Railyards EIFD and held in the Stadium Project Retained Increment Fund. If construction of the Stadium has commenced consistent with building permit(s) issued by the City after January 1, 2028

but prior to January 1, 2031 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), then the Available Tax Increment payable to Indomitable thereafter shall be paid to Indomitable as provided in Section 3 of this Master Agreement (except as may be limited by subsection (B) below) and Railyards EIFD shall pay all of the Available Tax Increment retained in the Stadium Project Retained Increment Fund to Indomitable.

- (B) *Certificate of Occupancy.* If the City has not issued a Certificate of Occupancy for the Stadium by January 1, 2031, the Available Tax Increment payable to Indomitable thereafter shall be retained by the Railyards EIFD in the Stadium Project Retained Increment Fund. If the City issues a Certificate of Occupancy for the Stadium after January 1, 2031 but prior to January 1, 2036, then the Available Tax Increment payable to Indomitable thereafter shall be paid to Indomitable as provided in Section 3 of this Master Agreement and Railyards EIFD shall pay all of the Available Tax Increment retained in the Stadium Project Retained Increment Fund to Indomitable.
 - (C) *No Certificate of Occupancy Before 2036.* If the City has not issued a Certificate of Occupancy for the Stadium before January 1, 2036, then the City and Railyards EIFD may determine, within thirty (30) calendar days, in their reasonable discretion, to either (a) close Stadium Project Retained Increment Fund and transfer all of the Available Tax Increment retained therein to the City and DRV to be allocated between DRV and the City as provided in Section 3(b)(2) and 3(b)(3) (and treated as if the Indomitable Eligible Costs have been satisfied), or (b) grant an extension to Indomitable regarding the final date before which a Certificate of Occupancy must be issued for the Stadium.
- (b) *Index Adjustments to DRV Eligible Cost Reimbursement Amount and Indomitable Eligible Costs.* The following provisions in this subsection (b) shall apply as contemplated in this Master Agreement.
- (1) *With Respect to DRV and the Music Venue Project.*
 - (A) *Start of Construction.* If construction of the Music Venue Project has not commenced consistent with building permit(s) issued by the City before January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the annual increases that accrue to the DRV Eligible Cost Reimbursement Amount as provided in the definition thereof shall thereafter be suspended. If construction of the Music Venue Project has commenced consistent with building permit(s) issued by the City and as reasonably determined by the City Manager or their designee after January 1, 2028 but prior to January 1, 2031, the annual increases to the

DRV Eligible Cost Reimbursement Amount shall thereafter resume accruing (except as may be limited by subsection (B) below).

- (B) *Certificate of Occupancy.* If the City issues a Certificate of Occupancy for the Music Venue Project before January 1, 2031, then the annual increases that accrue to the DRV Eligible Cost Reimbursement Amount shall accrue as provided in the definition thereof and any annual increases that would have accrued to the DRV Eligible Cost Reimbursement Amount but were suspended as provided in subsection (A) shall be retroactively applied as if no suspension had occurred. If the City has not issued a Certificate of Occupancy for the Music Venue Project by January 1, 2031, the annual increases that accrue to the DRV Eligible Cost Reimbursement Amount shall thereafter be suspended until such time as the City issues a Certificate of Occupancy for the Music Venue Project, on which date the annual increases to the DRV Eligible Cost Reimbursement Amount shall thereafter resume accruing, except that, as described in the definition of the DRV Eligible Cost Reimbursement Amount, in no event shall any annual increases to the DRV Eligible Cost Reimbursement Amount accrue after December 31, 2038.

(2) *With Respect to Indomitable and the Stadium.*

- (A) *Start of Construction.* If construction of the Stadium has not commenced consistent with building permit(s) issued by the City before January 1, 2028 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the monthly accruals of interest on unreimbursed Indomitable Eligible Costs as provided in the definition thereof shall thereafter be suspended. If construction of the Stadium has commenced consistent with building permit(s) issued by the City after January 1, 2028 but prior to January 1, 2031 (if there is any reasonable basis for questioning if such construction has begun, the term “commenced” shall be reasonably determined by the City Manager or their designee), the monthly accruals of interest on unreimbursed Indomitable Eligible Costs shall thereafter resume accruing (except as may be limited by subsection (B) below).
- (B) *Certificate of Occupancy.* If the City issues a Certificate of Occupancy for the Stadium before January 1, 2031, then the monthly accruals of interest on unreimbursed Indomitable Eligible Costs shall continue to accrue as provided in the definition thereof and any monthly accruals of interest on unreimbursed Indomitable Eligible Costs that would have accrued but were suspended pursuant to subsection (A) shall be retroactively applied as if no suspension had occurred. If the City has not issued a Certificate of Occupancy for the Stadium by January 1, 2031, the monthly accruals of interest on unreimbursed Indomitable Eligible shall thereafter be suspended until such time as the City issues a Certificate of Occupancy for the Stadium, on which date the monthly accruals of interest on unreimbursed Indomitable Eligible Costs shall thereafter resume accruing, except that, as described in the

definition of the Indomitable Eligible Costs, in no event shall any monthly interest on unreimbursed Indomitable Eligible Costs accrue after December 31, 2038.

6. Miscellaneous.

- (a) *Notices.* Except as provided in subsection (o) (Signatures; Counterparts) of this Section 6, any notice or other communication under this Master Agreement, including notices of a change in address, must be in writing and will be considered properly given and effective only when delivered to the persons identified below at the addresses shown below:

If to Indomitable:

Indomitable Ventures, LLC
428 J Street, Suite 700
Sacramento, California 95814

Attention: Kevin M. Nagle

If to DRV:

Downtown Railyard Venture, LLC
3140 Peacekeeper Way
McClellan, California 95652

Attention: Larry D. Kelley, Jr.

If to the Railyards EIFD:

City of Sacramento
Department of Finance – Infrastructure
Finance Division
915 I Street, 5th Floor
Sacramento, California 95814
Attention: Sini Makisini

If to the City:

City of Sacramento
Office of Innovation and Economic
Development
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Leslie Fritzsche, Economic
Investment Manager

- (b) *Assignments.* This Master Agreement binds and inures to the benefit of the parties' successors and assigns.
- (c) *Enforcement.* If a party to this Master Agreement or any of its successors, assigns and affiliates acquires any, direct or indirect, right, title or interest in all or any portion of the property within the Railyards EIFD which is subject to the Special Tax or pays property taxes from which the Available Tax Increment is derived has or subsequently acquires any form of tribal sovereign immunity to the enforcement under the laws of the State of California of this Master Agreement and/or any claim, controversy or dispute arising under or related to this Master Agreement, each such party and its successors, assigns and affiliates (i) waive tribal sovereign immunity for the purpose of enforcement under the laws of the State of California of this Master Agreement and/or any claim, controversy or dispute arising under or related to this Master Agreement, (ii) shall not invoke the doctrine of exhaustion of tribal or other administrative remedies to defeat or delay such action, (iii) shall not invoke the doctrine of tribal sovereign immunity to evade such action, (iv) shall enter into a Funding Obligation Agreement pursuant to Section 3(e)(6) of this Master Agreement. Each party and its successors,

assigns and affiliates hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of California and of the United States of America located in Sacramento County, California for any actions, suits, proceedings arising out of or relating to this Master Agreement and waive any objection to the laying of venue of any action, suit or proceeding arising therefrom in such courts. Any purchaser, transferee or other holder of any, direct or indirect, right, title or interest in all or any portion of the property within the Railyards EIFD which is subject to the Special Tax or pays property taxes from which the Available Tax Increment is derived, by the acceptance of a deed, assignment or other conveyance document, whether from such party or its successors, assigns or affiliates, shall by the acceptance of such deed, assignment or other conveyance document, be deemed to have consented to, to be bound by, and accepted the terms and conditions of this Master Agreement, which includes, but is not limited to, the waiver of tribal sovereign immunity contained herein.

- (d) *Dispute resolution.* If any dispute arises between parties to this Master Agreement as to its subject matter, the parties shall first attempt to resolve the dispute among themselves and shall meet and confer in good faith to provide all information relevant to the dispute so that the parties will have adequate information to resolve the dispute. If the parties are unable to resolve the dispute among themselves, then the parties shall attempt in good faith to resolve the dispute by mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association. A party may resort to legal action only if the parties are unable to resolve any dispute among themselves or by mediation.
- (e) *Validation Action.* All parties to this Master Agreement recognize that certain issues related the formation and amendment of the Railyards EIFD, the issuance of the EIFD Bonds and the expenditures of Available Tax Increment and EIFD Bond proceeds contemplated herein will be the subject of a judicial validation action to be filed by the City and Railyards EIFD in Superior Court of the State of California, County of Sacramento pursuant to Code of Civil Procedure section 860, et seq., and Government Code sections 53511, 53398.57 and 53398.58. The parties agree to renegotiate this Master Agreement if a validation judgment by said court is not issued in favor of the City and Railyards EIFD to the satisfaction of the parties to this Master Agreement.
- (f) *Binding effect.* This Master Agreement binds and inures to the benefit of the parties' successors and assigns.
- (g) *Time of essence.* Time is of the essence in the performance of this Master Agreement.
- (h) *Force Majeure.* If a party's performance of any obligation required by this Master Agreement is delayed, hindered, or prevented by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including a failure, refusal, or delay in issuing permits, inspections, approvals, and authorizations), injunction or court order, riots, insurrection, war, terrorism, bioterrorism, fire, epidemic or pandemic, quarantine, earthquake, flood or other natural disaster, or other similar reason of a like nature that is beyond the reasonable control of the party, then the party's performance of the

obligation will be excused for the duration of the delay, and the time for the performance of the obligation will be extended for a period equal to the duration of the delay. Any party claiming a delay in accordance with this section shall notify the other parties in writing of the delay within thirty (30) days after the delay begins, and the notice must specify the nature and estimated length of the delay; provided, however, the failure to timely deliver such notice shall not be deemed a waiver of prior delays caused by force majeure if documented in a subsequently delivered notice.

- (i) *Severability.* If a court with jurisdiction rules that any provision of this Master Agreement is invalid, unenforceable, or contrary to law or public policy, then the parties want the court to interpret it as follows:
 - (1) by modifying the provision to the minimum necessary to make it enforceable or, if that modification is not permitted by law, by disregarding the provision;
 - (2) by holding that the rest of the Master Agreement will remain in effect as written;
 - (3) by holding that the provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and
 - (4) by holding this entire Master Agreement unenforceable if modifying or disregarding the unenforceable provision would result in the failure of an essential purpose of this Master Agreement.
- (j) *Waiver.* A party's failure to insist on strict performance of this Master Agreement or to exercise any right or remedy upon a breach of it will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any provision in this Master Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving party.
- (k) *Interpretation.* This Master Agreement is to be interpreted and applied in accordance with California law, except that the rule of interpretation in California Civil Code section 1654 will not apply.
- (l) *Attorneys' fees.* In the event any party shall bring suit against the other to enforce any rights under this Agreement, the prevailing party shall recover from the other, in addition to any other award, an amount equal to reasonable attorneys' fees to be fixed by the court.
- (m) *No third-party beneficiaries.* This Master Agreement is solely for the benefit of the parties and is not intended to benefit any third parties.
- (n) *Effective date.* This Master Agreement is effective on the date all parties have signed it, as indicated by the dates in the signature blocks below.
- (o) *Signatures; Counterparts.* The parties may sign this Master Agreement with electronic or digital signatures. In addition, the parties may sign this Master Agreement in

counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Delivery of a signed counterpart may be accomplished by email transmission of a PDF file as follows:

For delivery to Indomitable, knagle@thenaglecompanies.com

For delivery to DRV, dkelley@ldkcapital.com, with copy to jheckenlively@mcclellanpark.com

For delivery to the City, jmassey@cityofsacramento.org

For delivery to the Railyards EIFD, cbaranoff@lozanosmith.com


- (p) *Integration and modification.* This Master Agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by all parties.
- (q) *Prevailing Wage.* Indomitable and DRV each covenant that with respect to any contracts or subcontracts for the construction of any Public Improvements, they will construct all Public Improvements that will be dedicated to the City or any other public agency consistent with all applicable laws and regulations relating to prevailing wages including but not limited to California Labor Code section 1720(c)(2) and the City's municipal code. Indomitable and DRV shall each provide, at the written request of the City Engineer, evidence satisfactory to the City Engineer of compliance with the provisions of this subsection (q) with respect to any Public Improvements constructed that may include, but are not limited to, certified payrolls.

[Remainder of page intentionally left blank - Signature page follows]

Each party is signing this Master Agreement on the date under each party's signature.

INDOMITABLE VENTURES, LLC

CITY OF SACRAMENTO

By: 
By: [Kevin M Nagle \(May 23, 2025 20:44 PDT\)](#)
Kevin M. Nagle
Manager


By: _____
Leyne Milstein
Interim City Manager

Date: 05/23/2025, 2025

Date: _____, 2025

**DOWNTOWN RAILYARD VENTURE,
LLC**

ATTEST:


By: 
By: [Larry D. Kelley \(May 23, 2025 19:32 PDT\)](#)
Larry D. Kelley, Jr.
Managing Principal

By: _____
Mindy Cuppy
City Clerk

Date: 05/23/2025, 2025

APPROVED AS TO FORM:

**CITY OF SACRAMENTO RAILYARDS
ENHANCED INFRASTRUCTURE
FINANCING DISTRICT**

By: 
By: [Matthew Ruyak \(May 24, 2025 10:24 PDT\)](#)
Matthew D. Ruyak
Assistant City Attorney

By: _____
Leyne Milstein
Executive Director

Date: _____, 2025

APPROVED AS TO FORM:

By: _____
Constantine Baranoff
Lozano Smith LLP, EIFD PFA Attorney

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): 2008-0150 Supplement/Addendum #: 6
Assessor's Parcel Number(s): _____
Contract Effective Date: 06/10/2025 Contract Expiration Date (if applicable): _____
\$ Amount (Not to Exceed): \$ 0.00 Adjusted \$ Amount (+/-): _____
Other Party: Downtown Railyard Venture, LLC / Indomitable Ventures, LLC
Project Title: PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01158

Contract Processing Contacts

Department: Economic Development Project Manager: Marco Gonzalez
Contract Coordinator: Blair Hongo Email: BHongo@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature)	<u>Crystal Harland</u>	(Date)
	<small>Crystal Harland (May 23, 2025 18:53 PDT)</small>	<u>05/23/2025</u>

Supervisor:

(Signature)	<u>Marco Gonzalez</u>	(Date)
	<small>Marco Gonzalez (May 23, 2025 18:45 PDT)</small>	<u>05/23/2025</u>

Division Manager:

(Signature)	<u>Blair Hongo</u>	(Date)
		<u>05/23/2025</u>

Other:

(Signature)		(Date)
-------------	--	--------

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)



Recording Requested



Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE-----

*Recording Requested by and Benefiting
the City of Sacramento, a Government Entity –
No Fee Required per Government Code §§6103,
27383, 27388.1(a)(s)(d)*

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
City Clerk
City of Sacramento
915 I Street
Sacramento, CA 95814

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

(City Agreement 2008-0150-6)

THIS PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Assignment”), dated for identification purposes only as June 10, 2025, by and between DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company (“LANDOWNER”), and INDOMITABLE LANDCO, LLC, a Delaware limited liability company (“ASSIGNEE”), and the CITY OF SACRAMENTO, a municipal corporation (“CITY”). The LANDOWNER, ASSIGNEE and CITY hereinafter may be referred to collectively as the “Parties” or in the singular as “Party,” as the context requires.

RECITALS

A. LANDOWNER has entered into a Development Agreement with CITY dated November 10, 2016, recorded with the Sacramento County Clerk/Recorder on January 06, 2017, in Book 20170106 at Page 536, and identified as City Agreement 2008-0150-2 (“Original DA”), as amended by the Amendment 1 to the Development Agreement, dated October 7, 2021 (“First Amendment to DA”), and identified as City Agreement 2008-0150-04, and as amended by the Amendment 2 to the Development Agreement, undated (signed by the parties as of May 23, 2023, and identified as City Agreement 2008-0150-05 (“Second Amendment to DA” and along with the Original DA and the First Amendment to the DA are collectively the “Development Agreement”), pursuant to which LANDOWNER obtained vested rights to develop certain property as more particularly described in the Development Agreement (the “Property”) for the project referred to as the Sacramento Railyards (the “Project”), subject to LANDOWNER’s compliance with certain conditions and obligations set forth in the Development Agreement.

B. LANDOWNER intends to transfer an approximately 31-acre portion of the Property, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “Assigned Parcels”), to ASSIGNEE under the terms of a written agreement between LANDOWNER and ASSIGNEE dated May 1, 2025, for purposes of identification, as has been subsequently amended by the LANDOWNER and ASSIGNEE (collectively, the “Purchase Agreement”).

C. Pursuant to the terms and conditions of the Purchase Agreement, LANDOWNER has agreed to construct certain infrastructure within the Project, which are described on Exhibit B attached hereto ("Excluded Obligations").

D. LANDOWNER has agreed to assign to ASSIGNEE, and ASSIGNEE has agreed to assume from LANDOWNER, all of the rights and obligations under the Development Agreement as they relate to the Assigned Parcels, subject to the terms and conditions of this Assignment. CITY has consented to the foregoing assignment and assumption on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Effective Date; Termination.** This Assignment shall be effective as of the date that ASSIGNEE acquires fee title to the Assigned Parcels (the "Effective Date"). In the event the Purchase Agreement terminates prior to the closing thereunder, this Assignment shall automatically terminate and the Parties shall have no further obligations hereunder. Unless otherwise specified, all capitalized terms used in this Assignment are used as defined in the Development Agreement. Upon the Effective Date, the remainder of the Property, excluding the Assigned Parcels, is referred to as the "Remaining Property".

2. **Assignment and Assumption.** As of the Effective Date, LANDOWNER hereby assigns and transfers to ASSIGNEE any and all of LANDOWNER's rights under the Development Agreement as they relate to the Assigned Parcels, excepting the Excluded Obligation, and ASSIGNEE hereby accepts and assumes all of the duties and obligations of LANDOWNER under the Development Agreement, excepting the Excluded Obligation, as they relate to the Assigned Parcels. ASSIGNEE hereby agrees to observe and fully perform all of the duties and obligations of LANDOWNER under the Development Agreement, excepting the Excluded Obligation, and to be subject to all of the terms and conditions of the Development Agreement, with respect to the Assigned Parcels. For avoidance of doubt, (i) LANDOWNER and ASSIGNEE have agreed that as between them LANDOWNER shall be responsible for complying with the Excluded Obligation and ASSIGNEE shall not be responsible for complying with the Excluded Obligation, (ii) notwithstanding anything to the contrary in the Development Agreement (including, without limitation, Section 2.8.3 of the Development Agreement) or otherwise, LANDOWNER shall have no approval, consent, or similar rights under the Development Agreement with respect to the Assigned Parcels, including any uses, entitlements, or changes in use proposed by Assignee (or otherwise affecting the Assigned Parcels), and (iii) this Assignment does not limit CITY's discretion to impose conditions on the development of any portion of the Assigned Parcels as part of the SPDR process subject to the terms of the Development Agreement ("SPDR Offsite Conditions").

3. **Assumption Terms and Conditions.** LANDOWNER and ASSIGNEE understand and agree that this Assignment is subject in particular to Section 2.7 of the Original DA, which reads as follows:

"2.7 Assignment.

2.7.1. **Right to Assign.** LANDOWNER shall have the right to freely sell, alienate, transfer, assign, lease, license and otherwise convey all or any portion of the Property

and improvements thereon, and as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided that no partial transfer shall be permitted to cause a violation of the Subdivision Map Act (Government Code Section 66410 et seq.). LANDOWNER shall notify CITY of any sale, transfer or assignment of all of LANDOWNER's interests in all or any portion of the Property by providing written notice thereof to CITY in the manner provided in Section 9.2 not later than thirty (30) days before the effective date of such sale, transfer or assignment the assignment; provided, however, that LANDOWNER's failure to provide such notice shall not invalidate such sale, transfer or assignment and provided further that any successor in interest in ownership of all or a portion of the Property shall not benefit from the Vested Rights conferred herein without entering into an Assignment and Assumption Agreement with CITY.

2.7.2. Release of LANDOWNER. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement unless the purchaser, transferee, or ASSIGNEE delivers to CITY a fully executed Assignment and Assumption Agreement to assume all of the obligations of LANDOWNER under this Agreement with respect to the Property, or such portion thereof sold, transferred or assigned, for Development of the Project ("Full Assignment"). If the purchaser, transferee, or ASSIGNEE delivers to CITY a fully executed Assignment and Assumption Agreement to assume less than all of the obligations of LANDOWNER under this Agreement with respect to the Property, or such portion thereof sold, transferred or assigned, for Development of the Project ("Partial Assignment"), LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement unless CITY executes the Partial Assignment. CITY shall release LANDOWNER from the duties, liabilities and obligations under this Development Agreement with respect to the interest(s) sold, assigned or transferred as set forth in the Full Assignment or Partial Assignment only if LANDOWNER is not in default under this Agreement as of the effective date of the Full Assignment or Partial Assignment.

2.7.3 Assignees. ASSIGNEE shall be obligated and bound by the terms and conditions of this Agreement if ASSIGNEE, LANDOWNER, and CITY execute a Full Assignment or Partial Assignment, and shall be the beneficiary hereof and a party hereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to ASSIGNEE by LANDOWNER (the portion of the Property sold, assigned, or transferred to ASSIGNEE is referred to herein is the "Assignee's Parcel"). ASSIGNEE shall observe and fully perform the duties and obligations of LANDOWNER under this Agreement that relate to the Assignee's Parcel as set forth in the Full Assignment or Partial Assignment. CITY shall release ASSIGNEE from LANDOWNER's duties, liabilities and obligations under this Agreement with respect to the interest(s) that are not sold, assigned or transferred to ASSIGNEE as set forth in the Full Release or Partial Release. A Full Assignment shall be deemed to be to the satisfaction of the City Attorney if executed substantially in form of the Assignment and Assumption Agreement attached hereto as Exhibit 1 and incorporated herein by this reference, or such other form as is proposed by LANDOWNER, and approved by the City Attorney prior to the effective date of the assignment. A Partial Assignment is subject to approval by the City Attorney and must be approved by the City Attorney prior to the effective date of the assignment."

4. **Assignee Development Agreement.** Upon the written request of CITY, ASSIGNEE agrees to enter into a separate development agreement with respect to the Assigned Parcels in accordance with the same terms and conditions as set out in the Development Agreement, subject only to those changes in the Development Agreement that are mutually agreed to by both CITY and ASSIGNEE, and subject to processing of the approval of that development agreement in accordance with CITY's Procedural Ordinance.

5. **Initial Term and Extensions.**

(i) In accordance with Section 2.1.1.2 of the Original DA, as of the Effective Date, the 1st Development Milestone shall be allocated between and separately applicable to the extension of the Term of the Development Agreement for the Remaining Property and to the extension of the Term of the Development Agreement for the Assigned Parcels as follows:

Allocation to Remaining Property:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
1,614,200	3,228

Allocation to Assigned Parcels:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
385,800	772

For the purpose of determining if the 1st Development Milestone has been reached separately for the Remaining Property or the Assigned Parcels, the compliance with above allocations of non-residential square footage and residential units shall be based upon completed construction, based on occupancy permits or certificates issued, upon the Remaining Property and the Assigned Parcels, as applicable, and shall not be aggregated between the Remaining Property and the Assigned Parcels. For clarification, the Term of the Development Agreement may be individually extended for Remaining Property or the Assigned Parcels, as applicable, depending on each separately reaching its allocated 1st Development Milestone.

(ii) In accordance with Section 2.1.1.3 of the Original DA, as of the Effective Date, the 2nd Development Milestone shall be allocated between and separately applicable to the extension of the Term of the Development Agreement for the Remaining Property and to the extension of the Term of the Development Agreement for the Assigned Parcels as follows:

Allocation to Remaining Property:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
2,219,525	4,035

Allocation to Assigned Parcels:

<u>Non-Residential Sq. Ft.</u>	<u>Residential Units</u>
530,475	965

For the purpose of determining if the 2nd Development Milestone has been reached separately for the Remaining Property or the Assigned Parcels, the compliance with above allocations of non-residential square footage and residential units shall be based upon completed construction, based on occupancy permits or certificates issued, upon the Remaining Property and the Assigned Parcels, as applicable, and shall not be aggregated between the Remaining Property and the Assigned Parcels. For clarification, the Term of the Development Agreement may be individually extended for Remaining Property or the Assigned Parcels, as applicable, depending on each separately reaching its allocated 1st Development Milestone.

6. **Mixed Income Housing Strategy.** In accordance with Section 3.8 of the Original DA, as of the Effective Date, the obligation to develop the number of affordable housing units within the Property by the LANDOWNER set forth in Table 1 of the Mixed Income Housing Strategy shall be allocated between and separately applicable to the Remaining Property and the Assigned Parcels as follows:

Allocation to Remaining Property:

Phase	Housing Units Per Phase	Affordable Units Developed (at 40% to 60% AMI) or land dedicted	Commulative Housing Units Developed
1	2,421	242 units	2,421
2	1,211	81 units and/or land dedication	3,632
3	1,211	81 units and/or land dedication	4,834
4	1,614	81 units and/or land dedication	6,448
5	1,614		8,071

Allocation to Assigned Parcels:

Phase	Housing Units Per Phase	Affordable Units Developed (at 40% to 60% AMI) or land dedicted	Commulative Housing Units Developed
1	579	58 units	579
2	289	19 units and/or land dedication	868
3	289	19 units and/or land dedication	1,157
4	386	19 units and/or land dedication	1,543
5	386		1,929

As of the Effective Date, any affordable units that have been constructed at the Property shall be allocated to the Remaining Property. For clarification, the above allocations of affordable units per

phase shall be separately assessed to the Remaining Property and to the Assigned Parcels, as applicable, and shall not be aggregated between the Remaining Property and the Assigned Parcels.

7. **Allocation of Density of the Development Program at the Property.** Table 3-2 attached to the Specific Plan describes the maximum allowable development program at the Property (collectively, “Property Development Density”) as follows:

- a. 6,000 to 10,000 Residential Units.
- b. 514,270 square feet of Retail.
- c. 2,757,027 to 3,857,027 square feet of Office.
- d. 771,405 square feet of Flexible Mixed-Use.
- e. 1,228,000 square feet of Medical Campus.
- f. 485,390 square feet of Historic and Cultural.
- g. 25,000 seat capacity Stadium.
- h. 30 acres of Open Space.

As of the Effective Date, the Assigned Parcels are allocated the following portions of the Property Development Density, with the remainder of the Property Development Density allocated to the Remaining Property:

- a. 1,158 to 1,929 Residential Units.
- b. 99,216 square feet of Retail.
- c. 531,903 to 744,122 square feet of Office.
- d. 148,824 square feet of Flexible Mixed Use.
- e. 25,000 seat capacity Stadium.
- f. 0.5 acres of Open Space.

8. **No Cross-Default.** The Parties acknowledge and agree that following the Effective Date the respective obligations of LANDOWNER and ASSIGNEE under the Development Agreement shall be separate and independent from one another, such that a default by LANDOWNER of any of the LANDOWNER’s duties and obligations specifically including but not limited to the Excluded Obligations will not constitute a default under the Development Agreement by ASSIGNEE, and a default by ASSIGNEE of any of the ASSIGNEE’s duties and obligations, will not constitute a default under the Development Agreement by LANDOWNER, and CITY’s rights and remedies under the Development Agreement shall apply only to the Party, and the Property or Assigned Parcels, that is the subject of the default. Any duties and obligations under the Development Agreement that apply to both the Assigned Parcels and the remaining Property must be complied with by both LANDOWNER and ASSIGNEE, as applicable.

9. **Master Developer Default of Improvement Obligations.** If LANDOWNER, as the Master Developer of the Property, defaults in the performance of any of its improvement obligations under the Development Agreement, construction of the Excluded Obligations, or other permits, entitlements, or agreements that could impact the timing or ability of ASSIGNEE to commence and pursue its grading, construction-related activities at the Assigned Parcels, CITY agrees upon ASSIGNEE’s request, to meet and confer and cooperate in good faith with ASSIGNEE to determine what LANDOWNER improvement obligations remain to be completed. Although CITY agrees to meet and confer and cooperate in good faith with ASSIGNEE, CITY bears no responsibility for the completion of any of LANDOWNER’s improvement obligations under the Development Agreement, or other permits, entitlements, or

agreements that could impact the timing or ability of ASSIGNEE to commence and pursue its grading, construction-related activities at the Assigned Parcels.

10. **Development Agreement Status.** As of the Effective Date of this Agreement, (i) the Development Agreement is in full force and effect and a binding obligation of the LANDOWNER and the CITY, and (ii) the CITY has not declared LANDOWNER to be in default of its obligations under the Development Agreement.

11. **SPDR Offsite Conditions.** CITY makes no representation or assurance as to the terms, conditions, or scope of any SPDR Offsite Condition that may be imposed by CITY as part of the SPDR process, other than that CITY will comply with City Code chapter 17.808 and the terms of the Development Agreement. If CITY issues a SPDR permit for any portion of the Assigned Parcels that includes conditions that SPDR Offsite Conditions be completed, ASSIGNEE and LANDOWNER shall have the right to request that CITY enter into an offsite improvement agreement with LANDOWNER which provides for LANDOWNER's construction of all or any portion of the SPDR Offsite Conditions identified by ASSIGNEE and LANDOWNER ("OIA"), which OIA shall require, among other requirements, the posting of financial assurances acceptable to CITY assuring the payment and performance of the assumed construction obligations. The terms and conditions of any OIA are subject to the written approval of CITY and LANDOWNER, which approval the parties may withhold in their sole discretion, and no representation or warranty is made by either CITY or LANDOWNER as to the content of the terms and conditions of the OIA or whether an agreement shall be reached. Subject to the foregoing, CITY and LANDOWNER shall use their respective good faith efforts to determine if acceptable terms and conditions of an OIA can be reached within sixty (60) days following CITY's receipt of written request by ASSIGNEE and LANDOWNER to initiate such process, provided that the failure of CITY and LANDOWNER to reach such agreement within such time period shall not constitute a breach of the Development Agreement. The execution of an OIA by CITY and LANDOWNER does not bar CITY from pursuing any remedy allowed by law against ASSIGNEE for failing to comply with the SPDR permit, including failing to complete the SPDR Offsite Conditions. CITY shall use its good faith efforts to enforce its rights and pursue remedies under the OIA against LANDOWNER prior to taking action against ASSIGNEE; provided, however, (i) no representation or assurance, of any kind, is made by the CITY that such enforcement shall be successful, and (ii) CITY bears no responsibility for the completion of any of LANDOWNER's improvement obligations under the OIA, or other permits, entitlements, or agreements that could impact the timing or ability of ASSIGNEE to commence and pursue its grading, construction-related activities, or opening of the intended improvements to the public. CITY will deem LANDOWNER's successful completion of all required obligations set forth in the OIA as ASSIGNEE's successful completion of the corresponding SPDR Offsite Conditions that were imposed on the SPDR permit.

12. **Successors and Assigns.** All of the covenants, terms and conditions set forth in this Assignment shall, upon recordation, run with the land and shall be binding upon and inure to the benefit of the Parties and to their respective heirs, successors and assigns.

13. **Legal Advice.** ASSIGNEE agrees that it has read, and has sought and received all required legal and other expert consultation with regard to the duties and obligations set out in the Development Agreement to which ASSIGNEE is hereby bound, and fully understands all of its terms and conditions. ASSIGNEE further agrees that: (i) LANDOWNER has furnished ASSIGNEE with a copy of all documents and materials containing or relating to terms and conditions of development of the Assigned Parcels; (ii) ASSIGNEE has read and understands all of the terms and conditions of said documents and materials; and (iii) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other public financing mechanisms and obligations inherent in such documents

and materials, nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all of obligations and requirements, and be bound by all of the provisions of such documents and materials, in addition to the express terms and conditions of the Development Agreement.

14. **Representations; Entire Agreement.** ASSIGNEE hereby affirms and acknowledges that CITY has not made any representations, commitments or promises to ASSIGNEE that are contrary to or different from the express terms and conditions of the Development Agreement, unless such terms and conditions have been set forth in writing and approved by ASSIGNEE and the City Council prior to the execution of this Assignment. This Assignment contains the entire agreement of the Parties, no other understanding whether verbal, written or otherwise exists between the Parties, and no prior verbal or written communications regarding this Assignment shall be binding on any Party.

15. **Further Assurances.** The Parties agree to execute all such additional instruments and documents and to take all such additional actions, as may be reasonable and necessary to carry out the provisions of this Assignment.

16. **Notices.** All notices required or provided for under this Assignment shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the other Parties and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other Party(ies) as indicated below:

Notice to the CITY:

City of Sacramento
915 I Street
Sacramento, California, 95814
ATTN: City Manager

Notice to the LANDOWNER:

Downtown Railyard Venture, LLC
3140 Peacekeeper Way
McClellan, California 95652
Attn: Larry D. Kelley Jr.
Managing Principal
Tel: (916) 965-7100
E-Mail: lkelley@ldkcapital.com

Downtown Railyard Venture, LLC
3140 Peacekeeper Way
McClellan, California 95652
Attn: Jay Heckenlively
General Counsel
Tel: (916) 965-7100
E-Mail: jjh@ldkventures.com

Notice to the ASSIGNEE:

Indomitable Ventures, LLC
4370 Town Center Boulevard, Suite 230
El Dorado Hills, CA 95762
Attn: Kevin M. Nagle
E-Mail: kevin@thenaglecompanies.com

Delfino Madden, LLP
500 Capitol Mall, Suite 1550
Sacramento, CA 95814
Attn: Jeffrey M. Koewler
Tel: (916) 661-5696
E-Mail: jkoewler@delfinomadden.com

Any Party may change the address to which notices are to be mailed by giving written notice of such changed address to each other Party(ies) in the manner provided herein.

17. **Governing Law.** The Assignment shall be governed by and construed in accordance with the laws of the State of California.

18. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original (including copies sent to a Party by facsimile or electronic transmission) as against the Party signing such counterpart, but which together shall constitute one and the same instrument.

19. **Release of LANDOWNER.** Upon execution and delivery of this Agreement by CITY, CITY hereby releases LANDOWNER from all duties, liabilities and obligations related to the Assigned Parcels pursuant to the Development Agreement, except for Excluded Obligations.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have executed this Assignment as of the date and year first above written.

LANDOWNER:

DOWNTOWN RAILYARD VENTURE, LLC, a Delaware limited liability company

By: LDK RAILYARDS, LLC, a California limited liability company

Its: Manager

By: LDK VENTURES, LLC, a California limited liability company

Its: Member

By: _____

Name: Larry D. Kelley, Jr.

Its: Manager

ASSIGNEE:

INDOMITABLE LANDCO, LLC, a Delaware limited liability company

By: _____

Name: Kevin M. Nagle

Its: Manager

CITY:

CITY OF SACRAMENTO, a Municipal Corporation

By: _____

Name: Michael Jasso

Its: Assistant City Manager

Attest:

By: _____

Title: Assistant City Clerk

Approved as to Form:

By:  _____

Matthew Ruyan (May 24, 2025 10:23 PDT)

Title: Senior Deputy City Attorney

(ATTACH NOTARY ACKNOWLEDGMENTS)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

On _____, before me, _____,
Notary Public Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY(IES) CLAIMED BY SIGNER(S)

- ☐ Individual
☐ Corporate Officer

- ☐ _____ Title(s)
☐ Partner(s) ☐ Limited
 ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is Representing:
Name of Person(s) or Entity(ies)

**DESCRIPTION OF ATTACHED
DOCUMENT**

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

On _____, before me, _____,
Notary Public Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY(IES) CLAIMED BY SIGNER(S)

- ☐ Individual
☐ Corporate Officer

- ☐ _____ Title(s)
☐ Partner(s) ☐ Limited
 ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is Representing:
Name of Person(s) or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

On _____, before me, _____,

Notary Public

Date

Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

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CAPACITY(IES) CLAIMED BY SIGNER(S)

- ☐ Individual
☐ Corporate Officer

- ☐ _____ Title(s)
☐ Partner(s) ☐ Limited
☐ ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is Representing:
Name of Person(s) or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

Exhibit A
Legal Description of Assigned Parcels

The land situated in the City of Sacramento, County of Sacramento, State of California, described as follows:

All that real property situated in the City of Sacramento, County of Sacramento, State of California and being a portion of Parcel 2 as described in that certain Grant Deed Recorded October 17, 2018 in Book 20181017, Page 0799, Sacramento County Official Records, and being a portion of the remainder parcel as shown on the final map entitled "The Railyards Unit No. 2", filed in Book 409 of Maps, Page 1, said County Records. More particularly described as follows:

Beginning at the intersection of 7th Street and North 'B' Street as shown on record of Survey Filed July 1, 2004 in Book 66 of Surveys, Page 15, Sacramento County Official Records. Said point lying on the North boundary of said Parcel 2; thence along the boundary of said Parcel 2, common with the boundary of said remainder parcel the following 22 courses:

1. Thence South 71° 36' 52" East, 616.79 feet;
2. Thence South 56° 40' 59" East, 155.27 feet;
3. Thence South 47° 19' 40" East, 75.74 feet;
4. Thence to the right along the arc of a 296.67 foot radius, non-tangent curve, concave to the Southwest, having a radial bearing of North 35° 28' 18" East, a central angle of 15° 33' 22", and an arc length of 80.55 feet;
5. Thence South 38° 58' 10" East, 61.00 feet;
6. Thence to the right along the arc of a 296.57 foot radius, tangent curve, concave to the Southwest, having a central angle of 08° 09' 56", and an arc length of 42.27 feet;
7. Thence South 30° 48' 14" East, 55.84 feet;
8. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
9. Thence South 37° 23' 00" East, 14.72 feet;
10. Thence South 38° 59' 32" East, 10.00 feet;
11. Thence South 40° 35' 03" East, 14.72 feet;
12. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
13. Thence South 47° 09' 49" East, 20.41 feet;
14. Thence to the left along the arc of a 372.24 foot radius, tangent curve, concave to the Northeast, having a central angle of 08° 20' 43", and an arc length of 54.22 feet;
15. Thence South 18° 25' 08" West, 37.18 feet;
16. Thence South 38° 51' 44" East, 185.20 feet;
17. Thence South 71° 36' 14" East, 609.61 feet;
18. Thence South 18° 28' 51" West, 342.82 feet to a point on the North boundary of Parcel B, as described in Document Recorded December 28, 2006, in Book 20061228, Page 1681, Sacramento County Official Records;
19. Thence along the Northerly boundary of said Parcel B, North 71° 31' 30" West, 93.07 feet;
20. Thence continuing along last said boundary, to the left along the arc of a 1,370.00 foot radius tangent curve, concave to the South, having a central angle of 29° 45' 03", and an arc length of 711a.37 feet;
21. Thence continuing along last said boundary, South 78° 43' 28" West, 1,371.35 feet;

22. Thence continuing along last said boundary, to the left along the arc of a 500.00 foot radius, tangent curve, concave to the South, having a central angle of $08^{\circ} 32' 54''$, and an arc length of 74.60 feet to a point on the centerline of said 7th Street;

Thence along said centerline of 7th Street, to the right along the arc of a 8,500.00 foot non tangent curve, having a radial bearing of North $72^{\circ} 47' 18''$ West, a central angle of $04^{\circ} 57' 30''$, and an arc length of 735.58 feet; thence continuing along said centerline of 7th Street, North $22^{\circ} 10' 12''$ East, 241.12 feet; thence continuing along said centerline of 7th Street, to the left along the arc of a 8,500.00 foot radius, tangent curve, having a central angle of $03^{\circ} 39' 34''$, and an arc length of 542.89 feet; thence continuing along said centerline of 7th Street, North $18^{\circ} 30' 38''$ East, 155.59 feet to the point of beginning.

Shown as Parcel 1 on that certain document entitled "Certificate of Compliance For Lot Line Adjustment" recorded July 19, 2019, in Book 20190719, Page 0343, of Official Records.

INFRASTRUCTURE SEGMENT

5th Street
Summit Tunnel to North B

6th Street
Rail Yards to North B
Buffered Bike Lane South of Rail Yards

7th Street
Flood Wall
East RT Station

Rail Yards Boulevard
Resurfacing West of 7th Street
Bike Trail - Rail Yards Boulevard to 6th Street (Lot 48)
Stanford Street (Public) Intersection Relocation

Summit Tunnel
6th Street to 7th Street
Storm Drain - 5th Street to 6th Street
Sewer - Judah Street from Rail Yards Blvd to Summit Tunnel

6th Street
Rail Yards Blvd to North B

7th Street
Flood Wall & B-TRM

Bike Trail (Lot 48)
Rail Yards Blvd to 6th St

8th Street
Buffered Bike Lane

Stanford Street
Intersection Relocation

Judah Street
Restriping
Rail Yards Blvd

Summit Tunnel
Storm Drain
5th St to 6th St

6th Street
Summit Tunnel to North B

7th Street
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70th Street
Summit Tunnel to North B

71st Street</

THE RAILYARDS
SACRAMENTO, CA
EXHIBIT B
EXCLUDED OBLIGATIONS

DRV
SCIENTIFIC MEDICAL DEVICE, LLC

Stantec
10000 W. 16th Ave.
Suite 200
Denver, CO 80202

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): 002-0010-074-0000
Contract Effective Date: 06/10/2025 Contract Expiration Date (if applicable): _____
\$ Amount (Not to Exceed): \$ 0.00 Adjusted \$ Amount (+/-): _____
Other Party: Downtown Railyard Venture, LLC / Indomitable Ventures, LLC
Project Title: MASTER COMPLIANCE AGREEMENT
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01158

Contract Processing Contacts

Department: Economic Development Project Manager: Marco Gonzalez
Contract Coordinator: Blair Hongo Email: BHongo@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature) Crystal Harland (Date) 05/27/2025
Crystal Harland (May 27, 2025 10:48 PDT)

Supervisor:

(Signature) Marco Gonzalez (Date) 05/27/2025
Marco Gonzalez (May 27, 2025 10:33 PDT)

Division Manager:

(Signature) Blair Hongo (Date) 05/27/2025

Other:

(Signature) _____ (Date) _____

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)



Recording Requested



Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE-----

MASTER COMPLIANCE AGREEMENT

This Master Compliance Agreement ("**Agreement**"), dated for reference purpose as June 10, 2025, is entered into by and between the City of Sacramento ("**City**"), Indomitable Ventures, LLC, a Delaware limited liability company ("**Indomitable**"), Indomitable Parties (as hereinafter defined), and Downtown Railyard Venture, LLC, a Delaware limited liability company ("**DRV**"). The City, Indomitable, Indomitable Parties, and DRV are sometimes each referred to as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. Indomitable is the parent company of: (i) Indomitable LandCo, LLC, a Delaware limited liability company ("**LandCo**"), which is intended to own approximately 31 acres of real property ("**East of 7th Land**") within the project commonly known as the "**Railyards**", (ii) Indomitable StadiumCo, LLC, a Delaware limited liability company ("**StadiumCo**") which will lease a portion of the East of 7th Land ("**Stadium Land**") from LandCo, upon which StadiumCo will construct a multi-use stadium which complies with the requirements of the United Soccer League with a minimum seating capacity of 12,000 ("**Stadium**"); and (iii) Sac Soccer USL, LLC, a Delaware limited liability company ("**TeamCo**"), which owns the United Soccer League Championship ("**USLC**") operating rights for the USLC team currently known as the Sacramento Republic FC ("**Team**"). The East of 7th Land and the Stadium Land located therein are described on Exhibit A attached hereto. LandCo, StadiumCo, and TeamCo are collectively the "**Indomitable Parties**."

B. On November 12, 2024, the City, Indomitable, and DRV approved non-binding Preliminary Term Sheets ("**Term Sheets**"), setting forth the Parties' desires and intentions regarding (i) the development of Stadium on the Stadium Land, that will serve as the Team's home and be used to host the Team's home games, and will also host family shows, concerts, community-oriented events, and other sporting and entertainment events that StadiumCo elects to host at the Stadium; (ii) the ownership, financing, design, development, construction, occupancy, use, maintenance, and operation of the Stadium (the "**Stadium Project**"), (iii) the sale of certain land within the Railyards by DRV to the City convenient for buildout of the Sacramento Valley Station Area Plan; (iv) the sale of the East of 7th Land by DRV to Indomitable, (v) construction of certain open space improvements on portions of Lot 21a, 21b, 21c, 22 and Lot 10, and the structural renovation for seismic and life safety improvements to the historic buildings located on Lots 24, 25, 26, and 27, all as shown on the Sacramento Railyards Tentative Master Parcel Map (City Resolution No. 2016-0387), and (vi) certain other matters.

C. As contemplated by the Term Sheets, the City, Indomitable, and DRV are entering into that certain Comprehensive Project Agreement for the Sacramento Railyards Multi-Purpose Stadium & Central Shops ("**CPA**"), pursuant to which the Parties, as applicable, are also entering into the Project Agreements (as defined in the CPA), which includes this Agreement. The Project Agreements and certain other documents contemplated by the Term Sheets entered into by the Parties, as applicable, are listed on Exhibit B attached hereto (collectively, "**Master Transaction Documents**").

D. Indomitable, Indomitable Parties and DRV are limited liability companies formed under Delaware law. Each such entity has direct and indirect membership interests, as applicable, held by separate federally recognized Indian tribes (each a "**Tribe**") and, as a result of such ownership, legal concepts, such as "arm of the tribe", may provide such entities with sovereign immunity in certain circumstances. To avoid tribal sovereign immunity issues, the Parties desire to enter into this Agreement to provide a current and future waiver of any sovereign immunity that the Waiving Parties (as hereinafter defined) may have, directly or indirectly, which could, if not waived, prevent the enforcement of any of the Master Transaction Documents under the laws of the State of California as more particularly set forth herein.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement agree as follows:

AGREEMENT

1. Definitions.

a. Effective Date. The date of the closing upon which DRV transfers fee title of the East of 7th Land to Indomitable or LandCo, as applicable, shall be referred to as the “**Effective Date**”.

b. Master Transaction Documents. The term “**Master Transaction Documents**” shall include any written amendments, supplements or addendums to such documents by the applicable Parties in effect as of the Effective Date or that become effective thereafter.

c. Waiving Parties. Indomitable, Indomitable Parties and DRV are collectively referred to as the “**Waiving Parties**” and separately as a “**Waiving Party**”. For clarification purposes, (i) no Tribe is waiving their individual tribal sovereign immunity, and (ii) the waiver of tribal sovereign immunity addressed in this Agreement is limited to the entities that comprise the Waiving Parties and the Waiving Party Successors and Assigns to the extent that any such entity acquires tribal sovereign immunity due to its Tribe’s direct or indirect membership interest ownership thereof.

d. Waiving Party Successors and Assigns. Any successors and assigns of any direct or indirect interest of a Waiving Party under any or more of the Master Transaction Documents is referred to as a “**Waiving Party Successors and Assigns**”. For clarification purposes, a Waiving Party Successors and Assigns may or may not have a direct or indirect interest in a parcel(s) located within the Railyards and/or the East of 7th Land.

2. Waiver by Limited Liability Companies. To the extent that any Waiving Party possesses as of the Effective Date or subsequently acquires following the Effective Date any form of tribal sovereign immunity as “an arm of the tribe” or by way of any other legal concept, each Waiving Party, for itself and on behalf of its Waiving Party Successor and Assigns, (a) waives its tribal sovereign immunity for the limited purpose of (1) any available legal or equitable enforcement of the Master Transaction Documents in accordance with the terms and conditions thereof under the laws of the State of California, and/or (2) any claim, controversy or dispute arising under the Master Transaction Documents under the laws of the State of California, (b) shall not invoke the doctrine of exhaustion of tribal or other administrative remedies to defeat or delay such action, and (c) shall not invoke the doctrine of tribal sovereign immunity to evade such action. The waiver set forth in this Section 2 is intended to be broadly construed to include the acquiring, directly or indirectly, of any form of tribal sovereign immunity by any Waiving Party or its Waiving Party Successor and Assigns through any current or subsequently enacted federal or state law, statute, ordinance or regulation or any determination through any federal or state court action, including any current or expansion of the legal interpretation of the “arm of the tribe” or similar legally adopted theory that may apply now or in the future.

3. Transfer. Following the Effective Date, any purchaser, assignee or other holder of any, direct or indirect, right, title or interest of a Waiving Party or its Waiving Party Successor and Assigns in (i) any of the Master Transaction Documents, or (ii) all or any portion of the of the Railyards and/or the East of 7th Land which remains subject to any of the Master Transaction Documents, by the acceptance of a deed, assignment or other conveyance document shall by the acceptance of such deed, assignment or

other conveyance document, be deemed to have consented to, to be bound by, and accepted the terms and conditions of this Agreement, which includes the waiver set forth in Section 2 above.

4. Integration into Master Transaction Documents. The Parties expressly agree that the terms and conditions of this Agreement are incorporated into each and every Master Transaction Document and that, notwithstanding any provision of the Master Transaction Documents to the contrary, the provisions of this Agreement shall control any inconsistency that would adversely effect, minimize or eliminate the provisions of Section 2 and 3 above.

5. Dispute Resolution.

5.1 Process. Any dispute between the Parties arising from this Agreement shall be resolved in accordance with this Section 5.

5.2 Direct Communication. As soon as reasonably possible after a dispute is identified, each Party shall set forth its position in the dispute in written correspondence delivered to the other Parties. Within fifteen (15) days after delivery, representatives of each Party involved shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the dispute.

5.3 Non-binding Mediation.

(A) Resort to Mediation. If the dispute is not resolved through direct communication as provided in Section 5.2 by the date that is ten (10) days after the initial meeting, any Party to such dispute may request appointment of a neutral and properly credentialed mediator with expert knowledge and practical experience regarding the subject in dispute.

(B) Choice of Mediators. The requesting Party shall provide a list of three possible mediators from the current panel of American Arbitration Association mediators to the non-requesting Party. The non-requesting Party shall then select the mediator to be used to mediate the dispute from that list.

(C) Length of Mediation. The Parties shall then participate in good faith in a one-day, non-binding mediation session. Notwithstanding the foregoing, the Parties may agree in writing to extend the mediation proceedings.

(D) Location. Any mediation proceedings shall take place in the City of Sacramento, unless otherwise mutually agreed by the Parties.

(E) Cost Sharing. The cost of the mediation shall be divided equally between the Parties to the dispute.

5.4 Mediation Failure. If the Parties do not resolve the dispute after engaging in this mediation process, each Party shall be entitled to bring an appropriate action or proceeding in any court of competent jurisdiction to vindicate its rights under this Agreement subject to Section 6.14 below.

5.5 Injunctive Relief. Notwithstanding any provision of this Agreement to the contrary, any Party may seek injunctive relief or another form of ancillary relief (including writs of mandamus) at any time from any court of competent jurisdiction. If a dispute requires emergency relief before the matter may be resolved under Section 5, notwithstanding the fact that any court of competent

jurisdiction may enter an order providing for injunctive or another form of ancillary relief, the Parties expressly agree that Section 5.2 and 5.3 still govern the ultimate resolution of any portion of the dispute.

6. Miscellaneous

6.1 Additional Agreements. Each Party shall execute and deliver to the other Parties such further instruments, documents or assurances, and take such further action, as shall be reasonably required to carry out the purposes and intent of this Agreement.

6.2 Notices. Any notice or other communication under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section to the persons identified below. A notice or other communication that is mailed will be effective or will be considered to have been given on the third day after it is deposited in the U.S. Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered.

**If to Indomitable and/or
the Indomitable Parties:**

Indomitable Ventures, LLC
Kevin M. Nagle
428 J Street, Suite 700
Sacramento, California 95814

Wilton Rancheria Sports Authority
Jesus Tarango, Chief Executive Officer
9728 Kent Street
Elk Grove, CA 95624
jtarango@wiltonrancheria-nsn.gov

With copies to:

Womble Bond Dickinson (US) LLP
Stephen Hart, Partner
201 East Washington Street, Suite 1200,
Phoenix, AZ 85004
Stephen.Hart@wbd-us.com

Delfino Madden O'Malley
Coyle & Koewler LLP
Jeffrey M. Koewler, Partner
500 Capitol Mall, Suite 1550
Sacramento, CA 95814
jkoewler@delfinomadden.com

If to DRV:

Downtown Railyard Venture, LLC
Denton Kelley, Managing Principal
3140 Peacekeeper Way
McClellan, California 95652
dkelley@ldkcapital.com

With copies to:

Downtown Railyard Venture, LLC
Jay Heckenlively, General Counsel
3140 Peacekeeper Way
McClellan, California 95652
jheckenlively@mcclellanpark.com

If to the City:

Michael Jasso, Assistant City Manager
915 I Street, Fifth Floor
Sacramento, CA 95814
mjasso@cityofsacramento.org

Matthew Ruyak, Assistant City Attorney
915 I Street, Fourth Floor
Sacramento, CA 95814
mruyak@cityofsacramento.org

6.3 Binding effect. This Agreement binds and inures to the benefit of the Parties' successors and assigns, which includes the Waiving Party Successors and Assigns.

6.4 Severability. If a court with jurisdiction rules that any nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.

6.5 Waiver of Performance, Right, or Remedy. A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon a breach of it will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving party.

6.6 Interpretation. This Agreement is to be interpreted and applied in accordance with California law, except that the rule of interpretation in California Civil Code section 1654 will not apply. The term "including" shall mean "including, without limitation" and "including, but not limited to" and shall not be interpreted to imply any limitation on the more general preceding provision unless otherwise expressly stated. All references in this Agreement to Sections or Exhibits refer to the Sections and Exhibits of this Agreement unless otherwise expressly stated. Each Exhibit referenced in this Agreement is incorporated herein by reference and made a part hereof. The headings and captions of the Sections and Exhibits are included for convenience only and shall have no effect upon the construction or interpretation of this Agreement.

6.7 Attorneys' Fees. In the event any Party shall bring suit against the other to enforce any rights under this Agreement, the prevailing Party shall recover from the other, in addition to any other award, an amount equal to reasonable attorneys' fees to be fixed by the court.

6.8 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and each of their respective Waiving Party Successors and Assigns and is not intended to benefit any third parties. For clarification purposes, the waiver provided under Section 2: (i) is only enforceable by the Parties and each of their respective Waiving Party Successors and Assigns; and (ii) does not create any third-party beneficiary rights to suits or private causes of action in favor of third parties.

6.9 Counterparts. The Parties may sign this Agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement. Facsimile signatures or signatures transmitted by email or other electronic means shall be effective to bind each of the Parties hereto.

6.10 Integration and Modification. This Agreement sets forth the Parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by all parties.

6.11 Obligations of the Parties. The obligations and undertakings of the Parties under or in accordance with this Agreement are obligations solely of the Parties themselves and no recourse shall be had, whether in contract, in tort, or otherwise against any officer, director, employee, agent, member, volunteer, or representative of any Party in his or her individual capacity on account of any obligation or undertaking of or any act or omission by any Party under or pursuant to this Agreement.

6.12 Relationship of the Parties. The Parties do not intend to create any agency,

partnership, joint venture, trust, or other relationship with duties or incidents different from those of parties to an arm's-length contract.

6.13 Representations. Each Party hereby represents and warrants to the other that it has all necessary right, power, and authority to enter into this Agreement. Additionally, each Party represents and warrants that the execution and delivery of this Agreement and the performance and observance of all obligations and conditions to be performed or observed by each Party hereunder have been duly authorized by all necessary action of such Party. This Agreement, when fully executed and delivered by each Party, shall constitute the legal, valid, and binding obligation of the Parties, enforceable in accordance with the terms hereof.

6.14 Governing Law & Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any proceedings regarding this Agreement, the Parties agree that the venue shall be the state courts of California or the U.S. District Court for the Eastern District of California.

6.15 Estoppel Certificate. Each of the Parties agrees that within fifteen (15) business days after receipt of a written request by any other Party, the requested Party shall execute, acknowledge, and deliver to the requesting party a statement in writing certifying (a) that this Agreement is unmodified and in full force and effect or, if there have been modifications, that the same is in full force and effect as modified and identifying the modifications; (b) that no Party is, to the knowledge of such Party, in default under any provisions of this Agreement or, if there has been a default, the nature of such default; and (c) any other information reasonably requested.

6.16 No Personal Liability to Representatives and Owners. No owner, member, officer, director, manager, employee, agent, appointee, representative, or other individual acting in any capacity on behalf of either of the Parties or their Affiliates shall have any personal liability or obligations under, pursuant to, or with respect to this Agreement and/or any of the Master Transaction Documents for any reason whatsoever.


6.17 Construction. The Parties acknowledge that each Party has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits thereto.

6.18 Survival. The Parties agree the terms and conditions of this Agreement shall survive for a period of four (4) years following the date on which the last of the Master Transaction Document terminates.

[Remainder of page intentionally left blank - Signature page follows]


Each Party is signing this Agreement on the date under each Party's signature.

**INDOMITABLE VENTURES, LLC, a
Delaware limited liability company**


By: 
Kevin M. Nagle
Manager

Date: 05/27/2025, 2025

APPROVED AS TO FORM:


By: 
Jeffrey M. Koewler
Delfino Madden O'Malley Coyle & Koewler

LandCo – *Indomitable LandCo, LLC*

By: 
Kevin M. Nagle


Date: 05/27/2025, 2025

StadiumCo – *Indomitable StadiumCo, LLC*

By: 
Kevin M. Nagle

Date: 05/27/2025, 2025

TeamCo – *Sac Soccer USL, LLC*

By: 
Kevin M. Nagle

Date: 05/27/2025, 2025

CITY OF SACRAMENTO


By: _____
Leyne Milstein
Interim City Manager

Date: _____, 2025


ATTEST:

By: _____
Mindy Cuppy
City Clerk

APPROVED AS TO FORM:

By: 
Matthew D. Ruyak
Assistant City Attorney

DOWNTOWN RAILYARD VENTURE, LLC

By: 
Larry D. Kelley, Jr.

Date: 05/27/2025, 2025

EXHIBIT A
DESCRIPTION OF RAILYARDS, EAST OF 7TH LAND AND STADIUM LAND

Order No.: FSSE-0102400287

For APN/Parcel ID(s): 002-0010-074-0000

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

All that real property situated in the City of Sacramento, County of Sacramento, State of California and being a portion of Parcel 2 as described in that certain Grant Deed Recorded October 17, 2018 in Book 20181017, Page 0799, Sacramento County Official Records, and being a portion of the remainder parcel as shown on the final map entitled "The Railyards Unit No. 2", filed in Book 409 of Maps, Page 1, said County Records. More particularly described as follows:

Beginning at the intersection of 7th Street and North 'B' Street as shown on record of Survey Filed July 1, 2004 in Book 66 of Surveys, Page 15, Sacramento County Official Records. Said point lying on the North boundary of said Parcel 2; thence along the boundary of said Parcel 2, common with the boundary of said remainder parcel the following 22 courses:

1. Thence South 71° 36' 52" East, 616.79 feet;
2. Thence South 56° 40' 59" East, 155.27 feet;
3. Thence South 47° 19' 40" East, 75.74 feet;
4. Thence to the right along the arc of a 296.67 foot radius, non-tangent curve, concave to the Southwest, having a radial bearing of North 35° 28' 18" East, a central angle of 15° 33' 22", and an arc length of 80.55 feet;
5. Thence South 38° 58' 10" East, 61.00 feet;
6. Thence to the right along the arc of a 296.57 foot radius, tangent curve, concave to the Southwest, having a central angle of 08° 09' 56", and an arc length of 42.27 feet;
7. Thence South 30° 48' 14" East, 55.84 feet;
8. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
9. Thence South 37° 23' 00" East, 14.72 feet;
10. Thence South 38° 59' 32" East, 10.00 feet;
11. Thence South 40° 35' 03" East, 14.72 feet;
12. Thence to the left along the arc of a 371.79 foot radius, tangent curve, concave to the Northeast, having a central angle of 06° 34' 46", and an arc length of 42.69 feet;
13. Thence South 47° 09' 49" East, 20.41 feet;
14. Thence to the left along the arc of a 372.24 foot radius, tangent curve, concave to the Northeast, having a central angle of 08° 20' 43", and an arc length of 54.22 feet;
15. Thence South 18° 25' 08" West, 37.18 feet;
16. Thence South 38° 51' 44" East, 185.20 feet;
17. Thence South 71° 36' 14" East, 609.61 feet;
18. Thence South 18° 28' 51" West, 342.82 feet to a point on the North boundary of Parcel B, as described in Document Recorded December 28, 2006, in Book 20061228, Page 1681, Sacramento County Official Records;
19. Thence along the Northerly boundary of said Parcel B, North 71° 31' 30" West, 93.07 feet;
20. Thence continuing along last said boundary, to the left along the arc of a 1,370.00 foot radius tangent curve, concave to the South, having a central angle of 29° 45' 03", and an arc length of 711a.37 feet;
21. thence continuing along last said boundary, South 78° 43' 28" West, 1,371.35 feet;
22. thence continuing along last said boundary, to the left along the arc of a 500.00 foot radius, tangent curve, concave to the South, having a central angle of 08° 32' 54", and an arc length of 74.60 feet to a point on the centerline of said 7th Street;

Thence along said centerline of 7th Street, to the right along the arc of a 8,500.00 foot non tangent curve, having a radial bearing of North 72° 47' 18" West, a central angle of 04° 57' 30", and an arc length of 735.58 feet; thence continuing along said centerline of 7th Street, North 22° 10' 12" East, 241.12 feet;

thence continuing along said centerline of 7th Street, to the left along the arc of a 8,500.00 foot radius, tangent curve, having a central angle of $03^{\circ} 39' 34''$, and an arc length of 542.89 feet; thence continuing along said centerline of 7th Street, North $18^{\circ} 30' 38''$ East, 155.59 feet to the point of beginning.

Shown as Parcel 1 on that certain document entitled "Certificate of Compliance For Lot Line Adjustment" recorded July 19, 2019, in Book 20190719, Page 0343, of Official Records.

EXHIBIT B
MASTER TRANSACTION DOCUMENTS

Comprehensive Project Agreement
Agreement for Deferral of Development Fees
Team Non-Relocation Agreement
Agreement of Purchase and Sale (Lots 40 and 44 Railyards)
Master Funding Agreement for Railyards EIFD
Partial Assignment and Assumption Agreement
Funding Obligations Agreement
Master Lease for Digital Billboards (DRV)
Master Lease for Digital Billboards (Indomitable)
Purchase Agreement (East of 7th Parcel)

Unlocking the Economic Impact of the Sacramento Railyards

Engine for the Revitalization
of Downtown and the Region

May 28, 2025

PREPARED BY

Stantec Urban Places

Roger Weber, Urban Places Sector Leader, USA



SAC RAILYARDS 1862

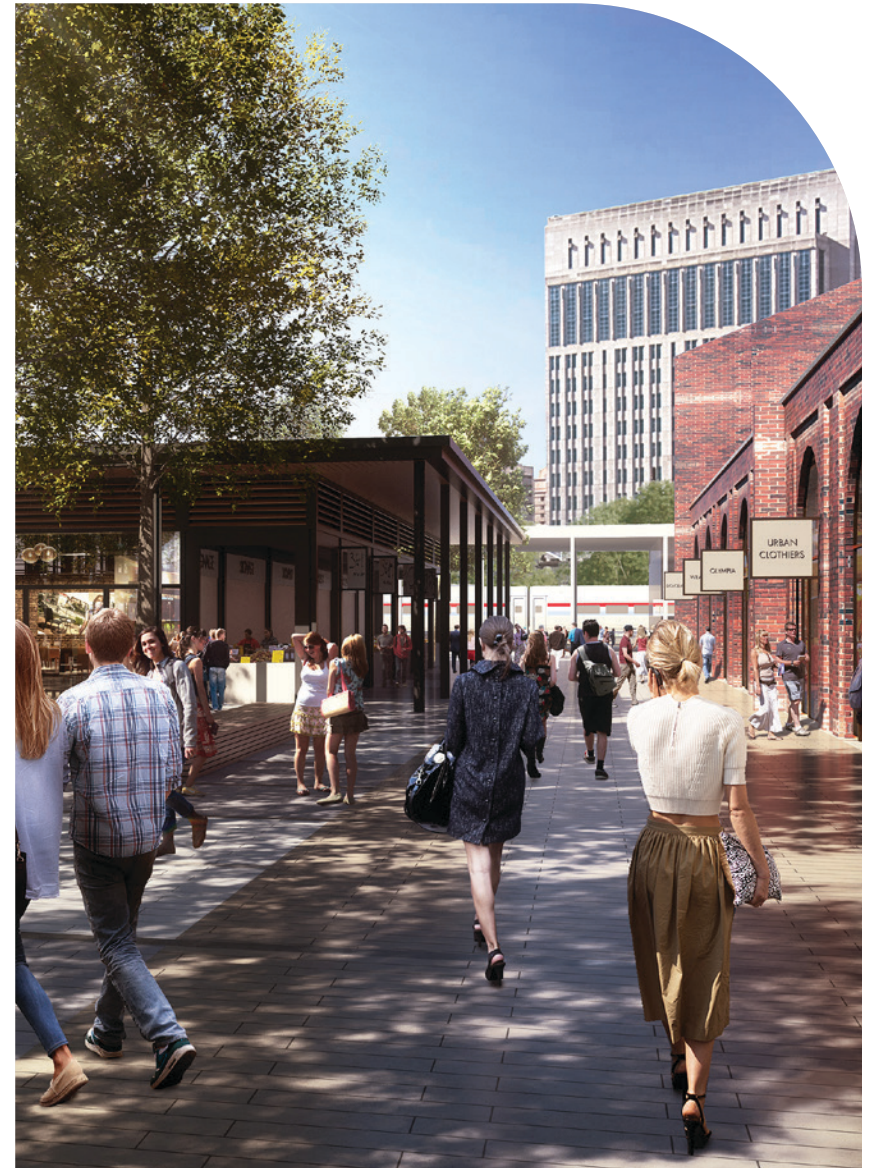




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The Potential of the Sacramento Railyards

A Transformational Project for Sacramento's Next Century

FOR OVER 150 YEARS, the Sacramento Railyards symbolized innovation and connectivity as the transcontinental railroad's western terminus. At its heart was the Central Shops, a bustling industrial complex where skilled artisans crafted and maintained Southern Pacific railcars within iconic buildings like the Paint Shop, Boiler Shop, and Rolling Shop. While operations ceased by the end of the 20th century, the 244-acre site retains a rich legacy, with eight preserved industrial buildings offering a unique opportunity for adaptive reuse and revitalization.

Today, the Railyards is poised for transformation into one of the largest urban infill projects in the United States. Comparable in scale to downtown Sacramento, the redevelopment will introduce housing, commercial hubs, green spaces, and landmarks like Kaiser Permanente's medical campus, a soccer stadium, and a live entertainment venue. By preserving the Central Shops' architecture and integrating sustainable urban design, the project will honor its heritage while fostering creativity and connectivity.

Guided by transit-oriented development and environmental stewardship, the Railyards will revitalize downtown Sacramento into a cultural, commercial, and community hub of the growing metropolitan area, aligning with the Sacramento Area Council of Governments' Blueprint for compact development, sustainability, and connectivity. The project will seamlessly integrate downtown, the River District, and surrounding neighborhoods while promoting walkability, transit-oriented design, and sustainable urban practices. By transforming historic assets into cultural and commercial hubs, the Railyards will celebrate Sacramento's industrial heritage while fostering economic activation, mobility, and environmental resilience.

At completion, the Railyards will be a marquee project for the City of Sacramento, State of California and a national model for urban Brownfield redevelopment. Its adaptive reuse of historic structures, public space investments, and its integrated mix of housing, commercial hubs and entertainment venues will help position Sacramento as a leader in sustainable urban growth, attracting businesses, residents, and visitors.

This document was prepared by Stantec to explore the projected economic impacts of the Sacramento Railyards redevelopment, detailing the potential of projects proposed as part of the Master Plan alongside projected long-term benefits across employment growth, fiscal revenues, business expansion, and infrastructure investments. These insights are based on the Economic Impact Analysis (EIA), a comprehensive study quantifying projected impacts across sectors prepared by Economic and Planning Systems, Inc. (EPS).

Driving Principles of the Railyards Transformation

1 RE-ESTABLISH DOWNTOWN AS SACRAMENTO'S CULTURAL, COMMERCIAL AND COMMUNITY HUB

Downtown Sacramento, once the heart of the region from the Gold Rush to its designation as California's capital, saw its vitality diminished by suburban sprawl and decentralization in the late 20th century. The 2007 Railyards Specific Plan sparked a resurgence with developments such as the Golden 1 Center and Downtown Commons, the 700 block of K Street, and urban mixed-use projects along the 16th Street corridor, bringing new housing, businesses and cultural energy to the area. The Railyards will build upon this momentum, introducing public spaces, cultural destinations, and economic investments that will reinforce downtown's role as the region's premier destination for cultural and community engagement.

2 REINFORCE DOWNTOWN AS A REGIONAL TRANSPORTATION HUB

The Railyards will strengthen Sacramento's role as a critical multimodal transportation nexus. Anchored by the Sacramento Intermodal Transportation Facility (SITF), the district will integrate light rail, passenger rail, freight rail, bus services, and future high-speed rail, ensuring seamless connectivity across the region. Strategic street extensions and improved transit corridors will expand circulation and provide non-motorized connections to key landmarks, reinforcing the city's commitment to sustainable, multimodal transportation.



3 REINFORCE DOWNTOWN AS A MAJOR EMPLOYMENT CENTER

Despite being the region's principal employment hub, downtown Sacramento currently captures only around a third of the region's Class A office market. The Railyards redevelopment aims to strengthen downtown's competitive position by fostering employment growth in industries such as healthcare, business services, hospitality, and entertainment. The introduction of high-density office space, mixed-use developments, and district-wide economic investments will generate thousands of new jobs, ensuring downtown remains a vibrant business hub.

DRIVING PRINCIPLES

4 REINFORCE DOWNTOWN AS A PLACE TO LIVE

The Railyards' development of 6–10k housing units, including up to 600 affordable homes, will create a diverse residential mix to accommodate varied income levels and lifestyles. Medium- to high-density residential areas will incorporate street-level retail and commercial uses, fostering a vibrant, walkable environment. With world-class amenities and 30+ acres of parks and open spaces, the Railyards will provide a dynamic live-work-play environment, reinforcing downtown as a thriving and inclusive place.

5 COMPLETE THE CENTRAL CITY'S CIRCULATION SYSTEM

The Railyards spans an area equivalent to 60 city blocks, with only 7th Street currently providing north-south connectivity. As a result, major corridors like 12th and 16th Streets experience congestion as they route traffic through neighborhoods such as Alkali Flat. The redevelopment will create new connections between the Central City, the River District, and Railyards Boulevard and increase connectivity to West Sacramento and Natomas. Sacramento's expanded circulation system will significantly improve traffic distribution while ensuring pedestrian and bicycle-friendly accessibility throughout downtown.

6 PRESERVE THE AREA'S HISTORIC AND CULTURAL RESOURCES

A defining principle of the Railyards transformation is preserving Sacramento's industrial heritage, particularly through the rehabilitation of the Sacramento Valley Station and Central Shops complex. Historic structures will be reimagined as cultural and commercial anchors, offering retail, dining, and public spaces that honor the city's rich rail history while energizing downtown.

7 CREATE AN ATTRACTIVE AND DISTINCTIVE URBAN PLACE

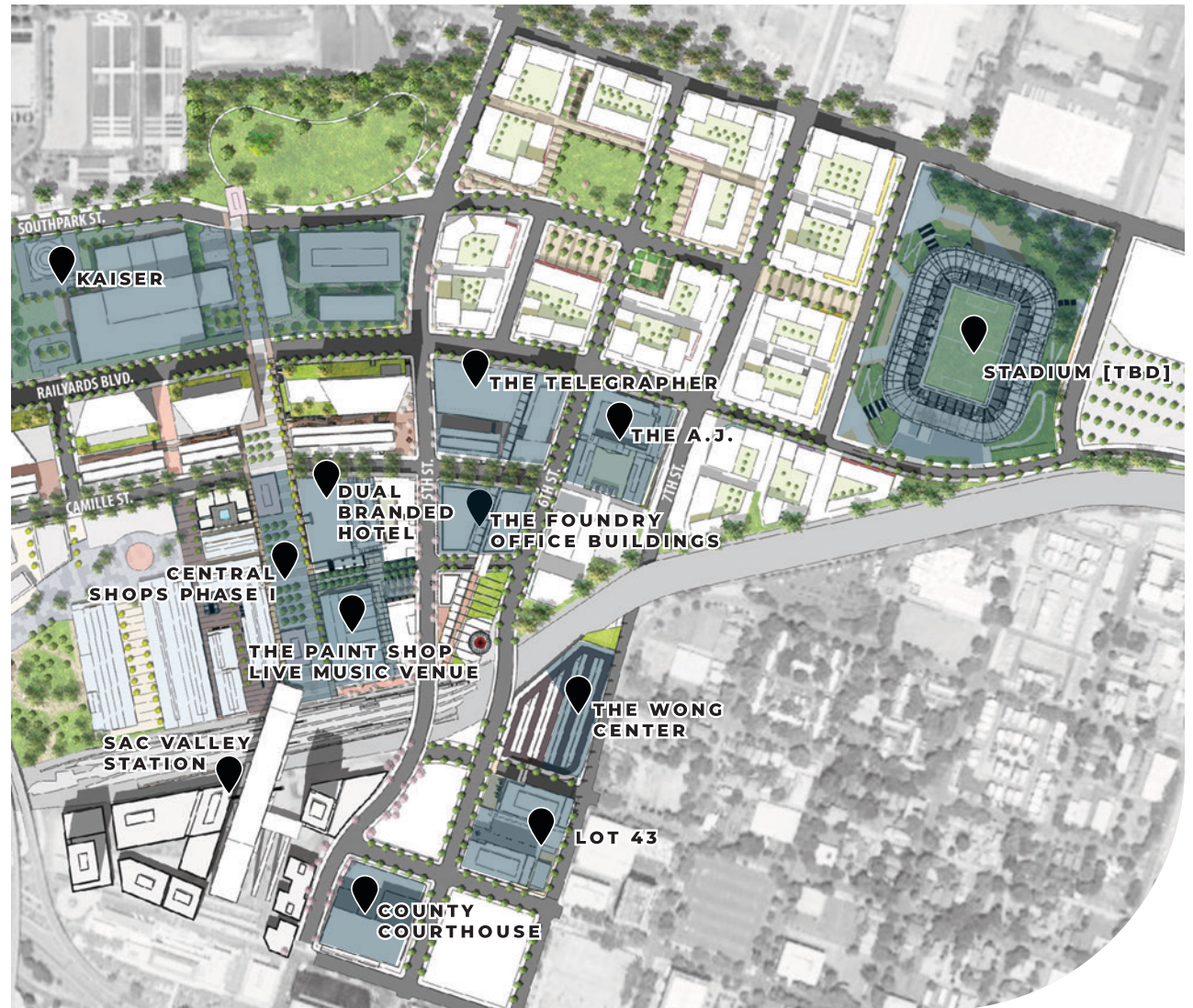
The project's design extends Central City's grid system into the Railyards, seamlessly connecting a previously isolated industrial site to surrounding neighborhoods and the River District. The design imagines pedestrian-friendly streetscapes with wide sidewalks, active ground-floor uses, well-designed open spaces, and quality building materials that reflect Sacramento's character. Through thoughtful placemaking and strategic investments, the redevelopment will elevate Sacramento's identity as a dynamic and connected urban center.



Core Projects

TO DATE THIS TRANSFORMATIVE REDEVELOPMENT HAS ALREADY ACHIEVED SIGNIFICANT MILESTONES, including the nearing completion of the Sacramento Courthouse, construction of Kaiser Permanente's 18-acre medical campus, and ongoing investments in the Sacramento Republic FC Soccer Stadium and the Paint Shop entertainment venue. The Wong Center senior affordable housing project, with 150 units, and The AJ residential complex, offering 345 units (including 69 affordable units), are already complete.

Inspired by the guiding principles shaping the Sacramento Railyards transformation, additional strategic moves and key projects will drive the redevelopment forward. Through these infrastructure enhancements, mixed-use developments, and transit-oriented investments, the Railyards redevelopment will create a thriving, connected, and resilient urban district.



The Infrastructure for Sustainable Redevelopment

Anchored by the **SACRAMENTO INTERMODAL TRANSPORTATION**

FACILITY (SITF), the Railyards will prioritize multimodal access and foster a shift toward sustainable, community-centered urban planning.

The historic **SOUTHERN PACIFIC DEPOT** will be rehabilitated as a northern extension of the SITF, preserving its architectural integrity while serving as civic space.

STREET GRID IMPROVEMENTS include extensions of 5th, 6th, and 10th Streets into the Railyards, creating a cohesive grid system that enhances connectivity between the Central City, the River District, and Railyards Boulevard.

RAILYARDS BOULEVARD, serving as a key arterial route, will also connect to the new I Street Bridge, linking to West Sacramento and the energized riverfront.

The **7TH STREET CORRIDOR** will be expanded to accommodate enhanced light rail service, creating a transit-priority boulevard that supports the future Downtown/Natomas/Airport light rail line. This extension will seamlessly link Sacramento International Airport to downtown, with the Truxel Bridge serving as a critical connection point, strengthening regional mobility and access.

The future **I STREET BRIDGE** will strengthen mobility for motorists, bicyclists and pedestrians, and promote economic development by creating new access to the Railyards on the Sacramento side as well as better access to West Sacramento and the Sacramento River waterfront.

The master plan integrates **30+ ACRES OF PARKS, PLAZAS, AND PUBLIC SPACES** to create vibrant opportunities for community engagement while prioritizing connectivity and sustainability.

PEDESTRIAN AND BICYCLE PATHWAYS

will offer non-motorized connections to the Sacramento Valley Station, the riverfront, and open spaces.

The adoption of the **CENTRAL BUSINESS DISTRICT (C-3) ZONE** will support a mix of office, retail, and entertainment uses, enabling the development of high-density, high-rise office buildings, as well as mixed-use prototypes with integrated residential and retail components.

Major Development Initiatives

The Sacramento Railyards redevelopment is anchored by transformative projects, each playing a critical role in revitalizing the site and reinforcing downtown Sacramento's economic vitality. These projects will collectively establish the Railyards as a thriving mixed-use district, attracting businesses, residents, and visitors while strengthening the city's identity as a hub of innovation and culture.



State Park Assets & Open Space Investments

A COMMITMENT TO SUSTAINABILITY & PUBLIC ENGAGEMENT

A key pillar of the Railyards redevelopment is its emphasis on green infrastructure and public amenities, ensuring that Sacramento's rapid expansion prioritizes livability and accessibility. The State Park Assets & Open Space Investments are designed to:

Create **OVER 30 ACRES OF PARKS AND PLAZAS**, providing essential green spaces for recreation and community events.

INCREASE PROPERTY VALUES and attract investment, reinforcing sustainable urban growth.

Enhance the region's **MULTIMODAL TRANSIT CONNECTIVITY**, integrating walking and biking trails with key transportation nodes.

Serve as a **REGIONAL ATTRACTION**, promoting Sacramento's environmental stewardship and public space activation.

Integrated alongside up to 10k units of new housing and up to 600 affordable units, commercial, retail and hotel developments as part of a truly mixed-use district, these anchor investments enhance downtown's livability, ensuring that the Railyards serves not just as an economic engine, but as a thriving urban destination for residents and visitors alike. These strategic urban investments, multimodal connectivity, and historic preservation advance Sacramento's position as a national leader in sustainable urban growth, ensuring lasting economic resilience and cultural vitality for generations to come.



Sacramento Republic FC Soccer Stadium A PREMIER SPORTS & ENTERTAINMENT DESTINATION

With up to 22k seats, the Sacramento Republic FC Soccer Stadium will serve as a marquee destination for professional soccer and large-scale entertainment events. It will drive year-round activation, providing a state-of-the-art experience for soccer fans, while also supporting concerts, festivals, and community events.

PHASE 1 will feature 12k seats, an open-air design, and a wide concourse integrating retail, concessions, and event operations. The VIP entrance, located on 8th Street, will ensure premium experiences for guests, alongside dedicated plazas enhancing pedestrian access.

PHASE 2 is designed for future expansion, increasing capacity to approximately 22k seats while adding a canopy roof for shade and weather protection. Additional enhancements include expanded hospitality spaces, premium suites, and upgraded support facilities for players, media, and operations.

The stadium's placement prioritizes multimodal access, with proximity to light rail, pedestrian corridors, and bicycle infrastructure. Designed as a modern, multipurpose venue, it will catalyze adjacent mixed-use development, with surrounding residential and commercial spaces supporting a vibrant district beyond game days. It will also enhance downtown connectivity, linking visitors to nearby transit hubs, retail corridors, and public spaces. The stadium plays a pivotal role in urban activation, reinforcing Sacramento's identity as a premier sports city while creating lasting economic benefits.

CORE PROJECTS

The Central Shops Adaptive Reuse HISTORIC PRESERVATION MEETS MODERN INNOVATION

The Central Shops, a 19th-century hub of railcar production and maintenance, will become a cultural and commercial focal point, weaving together history and modern activity. Anchored by the Paint Shop building, this mixed-use hub will feature eateries, retail shops, art galleries, and entertainment venues. The adaptive reuse strategy prioritizes historic preservation while incorporating new infrastructure to support local and regional economic activation.

The Paint Shop Entertainment Venue will serve as a cornerstone for this revitalization, hosting over 90 concerts and 18 special events annually. With a maximum capacity of 4,000 attendees, the venue will drive foot traffic, business activity, and investment throughout the district.

Public access to these restored spaces, alongside the creation of Central Shops Plaza, will honor Sacramento's industrial past while energizing the area with retail, dining, and entertainment options. Adaptive reuse will preserve iconic landmarks like the water tower, reinforcing the area's identity with a connection to its storied history. The redevelopment will include:



424K SF OF MIXED-USE SPACE, including restaurants, boutique retail, event venues, offices, cultural spaces, and co-working spaces within the Paint Shop Entertainment Venue, the Boiler Shop, Erecting Shop, and Transfer Table Pavilion.

A COMPLETED PEDESTRIAN TUNNEL TO SACRAMENTO VALLEY STATION, reinforcing multimodal accessibility, along with a seamless connection to the Kaiser Medical Campus and residential development, integrating the Shops into a walkable district.

This redevelopment represents one of the largest adaptive reuse projects in California, elevating Sacramento's historic character while supporting long-term economic growth, tourism, and sustainable urban development.



17,500 SF OF RETAIL SPACE AND 6,350 SF OF OFFICE SPACE in the initial phase, ensuring diverse business and employment opportunities.

100K SF OF PEDESTRIAN PLAZA SPACE, activating public areas and improving connectivity.

ARTS AND COMMUNITY PROGRAMMING, strengthening Sacramento's cultural fabric.

1,000 SURFACE PARKING SPACES dedicated to event and retail use.

CORE PROJECTS



Kaiser Permanente Medical Campus HEALTHCARE & ECONOMIC RESILIENCE

The Kaiser Permanente Medical Campus is set to become Sacramento's largest healthcare investment, solidifying the Railyards as a hub for regional medical services and high-quality employment. The campus will:

Feature a **657,500 SF HOSPITAL** and Hospital Support Building (173,400 sf) designed to accommodate growing healthcare demands.

Support **ADDITIONAL HEALTHCARE-RELATED OFFICE SPACE**, attracting medical professionals and reinforcing Sacramento's position as a healthcare innovation center.

Deliver comprehensive healthcare services to an estimated **HUNDREDS OF THOUSANDS OF PATIENTS ANNUALLY**, improving accessibility and advancing regional health outcomes

Stimulate **SECONDARY ECONOMIC BENEFITS**, with patients, employees, and visitors generating additional spending in surrounding commercial areas.

As a permanent economic anchor, the Kaiser Medical Campus plays a fundamental role in ensuring long-term stability, job growth, and essential health services for the Sacramento region.

Economic Benefits

Unlocking Regional and Citywide Growth

THE RAILYARDS REDEVELOPMENT IS MORE THAN AN URBAN

TRANSFORMATION. It is an economic engine that will drive lasting growth for Sacramento and the broader region. Through new employment opportunities, increased business activity, and major infrastructure investments, the project will establish the Railyards as a critical catalyst for economic expansion and cornerstone of regional growth and prosperity for decades to come. The latest Economic Impact Analysis (EIA) highlights substantial benefits across multiple sectors, including job creation, increased fiscal revenues, and long-term regional vitality, reinforcing the project's value in shaping Sacramento's future.

Among its findings, by buildout, the redevelopment is projected to generate 23,947 total jobs, including 13,563 on-site, with an overall annual wage impact of \$2.1 billion and economic output reaching \$4.44 billion across Sacramento County. One-time construction impacts will be equally significant, supporting 39,066 total jobs (26,602 direct) with \$3.09 billion in wages and an economic output exceeding \$8.2 billion. Anchored by the Sacramento Intermodal Transportation Facility (SITF), the Railyards fosters a shift toward sustainable, community-centered urban planning. This transformation exemplifies how legacy land can drive economic vitality, environmental stewardship, and social inclusivity, establishing Sacramento as a leader in smart growth and equitable redevelopment.

TOTAL EMPLOYMENT IMPACT:

13,563 direct on-site jobs, spanning sectors such as healthcare, retail, hospitality, and professional services.

23,947 total jobs, including indirect and induced effects, supported throughout Sacramento County

ANNUAL WAGES & ECONOMIC OUTPUT:

\$2.11 billion in annual wages across Sacramento County, strengthening the local workforce.

\$4.44 billion in economic output, fueling regional business activity and consumer spending. This includes \$2.49 billion from business operations and employment and an additional \$1.96 billion, fueled by supplier demand and increased consumer spending.

Project Highlights

Sacramento Republic FC Soccer Stadium

The FC Stadium will drive economic activity, tourism, and long-term business investment. As a multi-purpose venue, the stadium may attract over **1 MILLION VISITORS ANNUALLY**, reinforcing Sacramento's role as a regional entertainment hub while generating significant employment and fiscal benefits. Beyond match days, the stadium will serve as a year-round activation site, hosting concerts, festivals, and community events, supporting hospitality, retail, and transportation industries throughout downtown Sacramento. The latest economic projections highlight the stadium's impact across one-time construction activity, annual operations, job creation, and commercial growth, demonstrating its long-term contribution to Sacramento's economy. In total:

TOTAL SEATING CAPACITY: Phase 1 at 12,000 seats, expandable to 20,000 seats in Phase 2.

ONE-TIME CONSTRUCTION IMPACT: \$240.5 million in total economic output, supporting 1,159 total jobs, including 800 direct construction jobs.

ANNUAL OPERATIONS IMPACT: Supports 49 direct stadium jobs and 71 total jobs, generating \$4 million in wages and \$7.2 million in annual economic output.

EVENT USERSHIP: Expected to bring over 1 million annual visitors, boosting hotel occupancy, restaurant activity, and retail sales.

PLAZA & PUBLIC SPACE ACTIVATION: The southwest, southeast, and Supporters Plaza will encompass approximately 6 acres of open space, hosting music festivals, community events, and outdoor experiences.



ECONOMIC BENEFITS

Central Shops Adaptive Reuse

The adaptive reuse of historic railyard structures, particularly within the Central Shops District, will generate significant economic benefits. The Paint Shop Event Venue alone is expected to create hundreds of direct and indirect employment opportunities, ranging from hospitality and event staff to retail and business operations supporting the venue's activities. Event-related spending from concert attendees and visitors will stimulate local business growth, increasing demand for restaurants, hotels, and retail establishments throughout the Railyards and surrounding areas. Additionally, the expansion of supporting public infrastructure—such as new roadways (Telegrapher Avenue, Stanford Street, Stevens Street) and enhanced pedestrian corridors—will further facilitate long-term economic activity, ensuring that businesses can thrive alongside the evolving mixed-use district. In total:

The Paint Shop Event Venue will host *108 events annually*, including *over 90 concerts* and *18 special events*, with a maximum capacity of *3,600 attendees per event*, contributing significant economic impact.

The first phase of adaptive reuse, *17,500 square feet of retail* and *6,350 square feet of office space*, will drive business investment and commercial activity.

The district will support *1,682 total jobs*, including *1,359 direct positions*, reinforcing Sacramento's cultural and retail workforce.

The project will generate *\$63.3 million* in annual wages and *\$157.8 million* in economic output, reinforcing Sacramento's cultural and retail landscape.

1,000 temporary parking spaces and new roadways (Telegrapher Avenue, Stanford Street, Stevens Street) will improve access and connectivity.

The adaptive reuse of these structures will create a major cultural and visitor attraction, blending history with modern retail and dining experiences.



ECONOMIC BENEFITS

Kaiser Permanente Medical Campus

The Kaiser Permanente medical campus will serve as a major healthcare and employment anchor within the Railyards, driving economic growth, job creation, and expanded healthcare access for Sacramento and the broader region. Its development will reinforce Sacramento's status as a healthcare hub, attracting investment and fostering long-term workforce stability.

The hospital development will directly support *3,100 jobs*, with a total employment impact of *5,961 jobs* throughout Sacramento County.

It will generate *\$668.4 million* in wages and *\$1.39 billion* in annual economic output, solidifying Sacramento's status as a healthcare hub.

This medical campus will enhance healthcare access, attract additional investment in health-related industries, and contribute to long-term job growth.



Open Space & Infrastructure Investments

Investments in state park assets and infrastructure will generate economic activity through tourism, construction, and long-term urban resilience.

One-time construction impacts from state park and open space investments will generate \$12.1 million in economic output, supporting 96 indirect jobs and 19 induced jobs.

One-time construction impacts from infrastructure investments will generate \$124.3 million in economic output, supporting 788 indirect jobs and 160 induced jobs.

One-Time Construction Impacts

Before the Railyards is fully operational, the construction phase will serve as a major short-term economic driver, stimulating job creation and investment. These figures highlight the economic stimulus effect that the Railyards will provide even before operations begin, supporting thousands of workers and businesses.



EMPLOYMENT IMPACT:

39,066 total jobs supported during construction, including 26,602 *direct on-site jobs*.

\$3.09 billion total paid in wages, benefiting workers across the construction supply chain.

Significant workforce opportunities across the construction supply chain.

ECONOMIC OUTPUT FROM CONSTRUCTION:

\$8.2 billion in total economic output, representing one of the largest development investments in Sacramento's history.

Major infrastructure improvements advancing transit, utilities, and public space enhancements.

Regional Economic Benefits

Beyond its direct impact on downtown, the Railyards redevelopment will generate economic activity across the broader region, reinforcing Sacramento's role as a hub for Northern California's economy.

BUSINESS EXPANSION & INVESTMENT

The introduction of new commercial and office space will attract companies looking to tap into Sacramento's growing economy, bringing more employers and corporate investments to the region.

The Railyards West development, with 6.3 *million square feet* of office and retail space, will enhance Sacramento's competitive edge, attracting businesses that drive long-term job growth.

The Sacramento Valley Station expansion will enhance regional connectivity, supporting business relocation and workforce accessibility.

The Kaiser Permanente Medical Campus will anchor Sacramento's healthcare sector, attracting additional investment in health-related industries.

TOURISM & ENTERTAINMENT ECONOMY

The Sacramento Republic FC Soccer Stadium will bring over 1 million annual visitors, increasing local tourism and boosting hotel occupancy, restaurant activity, and retail sales.

The revitalized Central Shops will serve as a major cultural and visitor attraction, blending history with modern retail and dining experiences.

FISCAL BENEFITS

Property Taxes: Rising property values across the site will bolster local property tax revenues, creating sustainable funding streams for public services.

Sales Taxes: New commercial and retail activity is anticipated to drive a significant uptick in sales tax collections, supporting infrastructure and community programs.

HOUSING & WORKFORCE STABILITY

The development of up to 10,000 housing units and up to 600 affordable units will help alleviate Sacramento's housing shortage and retain workforce talent.

Increased housing options near job centers will reduce commute times, enhance productivity, and contribute to a more balanced regional economy.

The residential component will generate \$271.1 million in annual economic output, supporting local businesses and services.

Alignment with Citywide Vision Plans and Policies

Ensuring Long-Term Success

The Sacramento Railyards redevelopment is more than a major investment—it is a direct response to the city’s priorities for sustainable growth, economic resilience, and equitable urban development. The Railyards redevelopment aligns with key citywide policies and planning documents that provide a comprehensive framework for growth, including:

2025 GENERAL PLAN: Promotes sustainable development, community connectivity, and economic vitality.

SUSTAINABILITY MASTER PLAN: Prioritizes environmental stewardship through energy efficiency, greenhouse gas reductions, and water conservation.

SMART GROWTH PRINCIPLES: Advocates for efficient land use, transit-oriented development, and reduced suburban sprawl.

BICYCLE AND PEDESTRIAN MASTER PLANS: Emphasize non-motorized transportation options and safe, accessible pathways throughout the Central City.

Advancing Sustainability and Climate Resilience

Sacramento has committed to reducing greenhouse gas emissions, expanding multimodal transit, and enhancing urban greening through its Climate Action Plan. The Railyards aligns with these priorities by:

PRIORITIZING TRANSIT-ORIENTED DEVELOPMENT, anchored by the Sacramento Intermodal Transportation Facility (SITF).

DEVELOPING OVER 30 ACRES OF PARKS AND OPEN SPACES, reinforcing Sacramento’s urban cooling strategy and biodiversity initiatives.

ENCOURAGING INFILL AND MIXED-USE DENSITY, reducing reliance on single-occupancy vehicles and promoting walkability.

MAXIMIZING SUSTAINABLE DEVELOPMENT PRACTICES, including energy-efficient building designs, renewable energy use, and advanced stormwater management systems.

INCORPORATING GREEN INFRASTRUCTURE like drought-tolerant landscaping, permeable surfaces, and water reuse systems.

Addressing Housing Affordability and Inclusivity

The Sacramento Housing Element outlines the city’s strategy to expand affordable and market-rate housing. The Railyards plays a pivotal role by:

Delivering up to **10K HOUSING UNITS AND UP TO 600 AFFORDABLE UNITS**, alleviating housing shortages near employment centers.

CREATING A DIVERSE RESIDENTIAL MIX, ensuring accessibility for households across income levels.

ENHANCING LIVE-WORK CONNECTIVITY, including encouraging vertical mixed-use housing integrated with retail and commercial spaces alongside accessible urban amenities, supporting a balanced urban environment for residents, workers, and businesses.

Strengthening Regional Mobility and Transit Networks

Sacramento’s Vision Zero strategy and transit expansion efforts emphasize connectivity, safety, and accessibility. The Railyards supports these objectives by:

STRENGTHENING TRANSIT INFRASTRUCTURE and reinforcing Sacramento’s role as a regional transportation hub through the Sacramento Intermodal Transportation Facility (SITF), supporting light rail, bus, and future high-speed rail, reducing congestion and improving accessibility to key employment hubs.

EXTENDING AND ENHANCE THE DOWNTOWN CIRCULATION SYSTEM by completing streets such as 5th, 6th, and 10th Streets to improve connectivity with the River District.

ENHANCING PEDESTRIAN AND BIKE-FRIENDLY PATHWAYS, prioritizing walkability across the district.

Catalyzing Economic Development and Business Growth

The Sacramento General Plan prioritizes job creation, business expansion, and private-sector investment—all central to the Railyards redevelopment. The project will do this by:

SUPPORTING MAJOR ECONOMIC ANCHORS, including the Kaiser Permanente Medical Campus, Sacramento Republic FC Soccer Stadium, and the revitalized Central Shops.

DRIVING JOB GROWTH ACROSS DIVERSE INDUSTRIES, providing 13,563 direct on-site jobs and 23,947 total jobs across the region.

ATTRACTING CORPORATE AND RETAIL INVESTMENT, strengthening Sacramento's economic competitiveness.

Strengthening Community Character and Urban Design

The Railyards advances planning priorities to strengthen community character and urban design by:

CREATING A MIXED-USE URBAN ENVIRONMENT with vibrant public spaces, cultural attractions, and active ground-level uses.

DESIGNING URBAN PARKS AND CIVIC GATHERING SPACES around key landmarks like the stadium and Central Shops Plaza, creating focal points for community events.

EXTENDING SACRAMENTO'S HISTORIC STREET GRID into the Railyards to ensure seamless integration with downtown and surrounding districts.

ADVANCING CULTURAL AND HISTORIC PRESERVATION by protecting and rehabilitating historic resources, including the Central Shops and Sacramento Valley Station, to preserve the area's identity and heritage.

INTEGRATING PUBLIC ART, interpretive displays, and storytelling elements to celebrate the site's rich history.

Financing the Transformation

The Role of EIFD in Unlocking the Railyards' Potential

The Sacramento Railyards is the city's most ambitious urban redevelopment project, with transformative milestones already achieved. Realizing the full potential of the Railyards redevelopment requires strategic and sustainable financing mechanisms that can ensure long-term success while maintaining fiscal responsibility. At the core of the Railyards' financial strategy, the Enhanced Infrastructure Financing District (EIFD) is a critical tool that enables Sacramento to fund essential public infrastructure improvements at the scale required for this redevelopment without burdening taxpayers with new levies.

Initially established as the Stadium Area EIFD, the EIFD is now poised for expansion to encompass the entire 244-acre Railyards Specific Plan Area. This expansion is essential to fully realize the vision of a vibrant, connected urban district.

What is the EIFD?

The EIFD captures a portion of future property tax growth within the district, known as "tax increment", and reinvests it into funding current public infrastructure needs. This approach allows investment in vital projects without increasing property taxes or imposing additional financial burdens on residents. For large-scale developments like the Railyards, EIFDs provide the flexibility to address critical public infrastructure such as transit facilities, utility systems, housing affordability, and expansive public spaces. The funding facilitated by EIFDs creates a foundation for a cohesive, connected community that blends cultural, residential, and commercial uses seamlessly.



Why EIFD Expansion Matters

Expanding the EIFD beyond the Stadium Area EIFD to encompass the entire 244-acre Railyards Specific Plan Area strengthens its ability to fund essential improvements across the entire site. Doing so will divide the site into two sections known as “Railyards East”, retaining the original boundaries, and “Railyards West”, comprising the new additions. This expanded framework captures incremental property tax revenues to fund essential improvements across the entire site. The expanded framework will support:

TRANSIT CONNECTIVITY,

including upgrades to the Sacramento Intermodal Transportation Facility, improving mobility and accessibility.

ROADWAY & CIRCULATION

IMPROVEMENTS, including enhancing connections between downtown Sacramento and neighboring districts.

AFFORDABLE HOUSING

INITIATIVES, supporting diverse income levels including up to 600 affordable units, reinforcing inclusive urban growth.

PUBLIC SPACES &

SUSTAINABILITY, investing in parks, plazas, and green spaces to foster community connectivity and recreational opportunities.

By leveraging future revenues, the EIFD reduces upfront financial barriers, ensures long-term project feasibility, and drives Sacramento’s most transformative redevelopment forward.

Why an EIFD is Essential for the Railyards

The Railyards’ success depends on these major upfront infrastructure investments, including roads, public transit connections, utilities, and site remediation. Traditional municipal funding methods, such as general obligation bonds or direct appropriations, are often insufficient for projects of this scale. The EIFD provides an alternative approach that aligns with Sacramento’s vision for equitable, sustainable growth by:

LEVERAGING FUTURE TAX INCREMENT REVENUES

instead of requiring new taxes.

FUNDING ESSENTIAL INFRASTRUCTURE

at the district level, ensuring long-term viability.

REDUCING IMMEDIATE FISCAL PRESSURES on the city, allowing Sacramento to allocate existing funds to other priorities.

Key Tools Afforded by the EIFD

TAX INCREMENT CAPTURE

Redirects future property tax growth to finance immediate infrastructure needs.

BOND ISSUANCE

Secures upfront funding backed by future tax increment revenues.

FLEXIBLE FINANCING WITHOUT NEW TAXES

Offers sustainable funding solutions without raising property taxes.

DIRECT INVESTMENT IN INFRASTRUCTURE

Supports roads, utilities, transit systems, parks, and open spaces.

HOUSING DEVELOPMENT SUPPORT

Facilitates affordable housing projects and promotes inclusivity.

SUSTAINABILITY

Funds green infrastructure, historical preservation and transit-oriented developments.

The Enhanced Infrastructure Financing District (EIFD) is not just a financing tool—it is an investment in Sacramento’s future.

Long-Term Benefits

By reinvesting tax increment revenues directly into infrastructure, the EIFD stimulates private development, attracts investment, and enhances public services. With the EIFD in place, critical infrastructure investments can advance, driving economic growth across sectors. The latest Economic Impact Analysis (EIA) highlights these benefits, demonstrating the transformative impact the Railyards will have on job creation, fiscal revenues, and long-term regional prosperity.

By expanding the EIFD, Sacramento ensures that infrastructure investments keep pace with development needs, supporting housing affordability, job growth, mobility enhancements, and public space improvements. This financing strategy solidifies the Railyards as a model for sustainable urban transformation, reinforcing Sacramento’s position as a leader in equitable and forward-thinking development.

Proof Testing Success

National Case Studies in Achieving Civic Transformation

The Sacramento Railyards redevelopment is a bold and transformative urban investment, but it is not without precedent. Across the United States, cities have successfully revitalized former industrial sites, turning them into thriving mixed-use districts that enhance economic resilience, improve mobility, and create vibrant public spaces. By examining national case studies, Sacramento can apply proven strategies to ensure the success of its Railyards project.

National District Redevelopment Case Studies



Jeff Perry, special to the Denver Business Journal - <https://www.bizjournals.com/denver/print-edition/2014/05/02/cover-story-union-station-stands-out-as-denvers.html>

CASE STUDIES

Denver Union Station DENVER, COLORADO

SCOPE & DEVELOPMENT TIMELINE

42-acre redevelopment; completed in 2014

CORE GOALS & URBAN CHALLENGES

The Denver Union Station project sought to transform an aging, underutilized rail hub into a vibrant, multimodal transportation center integrated with surrounding mixed-use development. The challenge was to balance historic preservation with modern transit infrastructure while catalyzing economic growth in the downtown core.

FUNDING & FINANCING MECHANISMS

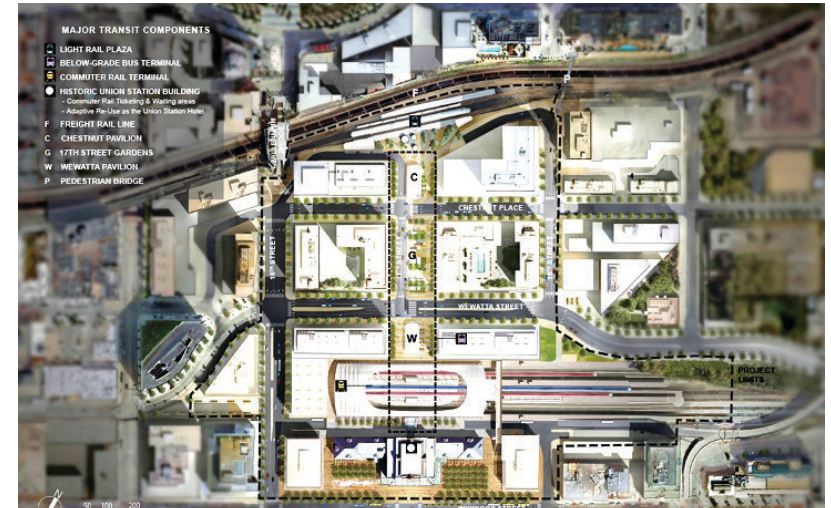
The project was largely funded through Tax Increment Financing (TIF), capturing future property tax growth to cover upfront infrastructure costs. Federal grants and private-sector investments further supported transit expansion and commercial development, ensuring the station served as both a regional gateway and an anchor for urban revitalization.

OUTCOMES & LESSONS LEARNED

Union Station now functions as Denver's primary transit hub, seamlessly connecting light rail, commuter rail, and bus services. The redevelopment spurred over \$5 billion in adjacent private investment, transforming the surrounding area into a thriving district with office space, retail, residential developments, and hospitality venues. The adaptive reuse of the historic station into a boutique hotel and retail hub ensured the site retained its architectural and cultural significance while integrating modern functionality.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

The SITF shares key parallels with Union Station, serving as a transit focal point within a larger redevelopment effort. Sacramento can replicate Denver's success by strategically positioning SITF as an anchor for mixed-use development, leveraging EIFD financing in a manner similar to Denver's TIF approach, and applying adaptive reuse principles to the Central Shops, transforming them into an active commercial and cultural district.



Denver Union Station-SOM - <https://inhabitat.com/som-unveils-sweeping-bus-concourse-for-denvers-redeveloped-union-station/denver-union-station-som-14/>

CASE STUDIES

Philadelphia 30th Street Station District PHILADELPHIA, PENNSYLVANIA

SCOPE & DEVELOPMENT TIMELINE

A 175-acre redevelopment project centered around 30th Street Station, planned for completion by 2050.

CORE GOALS & URBAN CHALLENGES

The redevelopment of 30th Street Station is designed to transform the surrounding district into a transit-oriented hub while reconnecting fragmented neighborhoods. As one of the busiest rail stations in the country, the challenge has been to modernize rail infrastructure while integrating new commercial, residential, and public spaces into a cohesive urban framework.

FUNDING & FINANCING MECHANISMS

The project utilizes federal transportation funding, local investment, and tax increment-like mechanisms to support improvements in infrastructure and public spaces. Public-private partnerships have been critical in ensuring phased development that aligns with long-term citywide transit and economic growth strategies.

OUTCOMES & LESSONS LEARNED

The plan for 30th Street Station includes enhancements to multimodal transit access, a significant expansion of office and residential space, and new pedestrian-friendly urban corridors. By combining historic preservation with modern development, the district is set to become a key economic driver, generating thousands of jobs and strengthening connections between Center City and the University City district.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Railyards shares many parallels with 30th Street Station, particularly in its goal of leveraging a major transportation hub to anchor a broader mixed-use district. The project underscores the importance of phased implementation that aligns with infrastructure readiness and market demand. Similarly, Sacramento can ensure the Sacramento Intermodal Transportation Facility (SITF) serves as a catalyst for integrated transit-oriented growth, incorporating commercial and residential development while reinforcing multimodal accessibility throughout downtown.



Philadelphia 30th Street Station District Plan - SOM
<https://www.som.com/projects/philadelphia-30th-street-station-district-plan/>

CASE STUDIES

Mission Bay

SAN FRANCISCO, CALIFORNIA

SCOPE & DEVELOPMENT TIMELINE

A 303-acre mixed-use redevelopment initiated in the late 1990s, now nearing completion.

CORE GOALS & URBAN CHALLENGES

Mission Bay was designed to transform former industrial land and rail yards into a dense, transit-oriented community. The project aimed to address San Francisco's housing shortages while integrating institutional anchors, such as the UCSF Medical Center, to create a sustainable district with a mix of residential, commercial, and research-oriented developments. Balancing affordability, infrastructure investment, and long-term economic viability was critical to its success.

FUNDING & FINANCING MECHANISMS

The redevelopment relied heavily on Tax Increment Financing (TIF) to fund infrastructure and environmental remediation, ensuring upfront investment without placing financial strain on taxpayers. Public-private partnerships also played a role, allowing institutional anchors like UCSF to contribute directly to the

district's success while complementing city-led development efforts.

OUTCOMES & LESSONS LEARNED

Mission Bay successfully delivered 6,400 housing units, including a substantial portion of affordable housing, alongside 3.4 million square feet of commercial space and 49 acres of parks. The integration of UCSF Medical Center as an economic anchor reinforced the district's stability, ensuring long-term workforce growth and business investment. However, affordability concerns and the challenge of balancing private-sector involvement with equitable development remain ongoing considerations.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Railyards redevelopment shares many key similarities with Mission Bay, particularly in its goal of integrating institutional anchors—such as Kaiser Permanente's medical campus—into a broader mixed-use district. The Railyards can apply Mission Bay's lessons by

leveraging EIFD funding in a similar manner to TIF, ensuring upfront infrastructure investment while maintaining flexibility for long-term housing and commercial development. Additionally, strategic partnerships with medical and research institutions will be essential in securing lasting economic stability while fostering a dynamic, transit-oriented urban core.



Via Surface Design Inc

CASE STUDIES

Atlanta Beltline ATLANTA, GEORGIA

SCOPE & DEVELOPMENT TIMELINE

A 22-mile multi-use trail and transit corridor encircling downtown Atlanta, initiated in the early 2000s and still undergoing phased development.

CORE GOALS & URBAN CHALLENGES

The Atlanta Beltline was designed to improve mobility, spur economic development, and connect 45 neighborhoods through an integrated network of trails, transit, and parks. The challenge was balancing urban revitalization with affordability, ensuring that development did not displace existing communities while fostering long-term investment and growth.

FUNDING & FINANCING MECHANISMS

The project was funded through a Tax Allocation District (TAD), Atlanta's equivalent of Tax Increment Financing (TIF), which reinvests future property tax growth into infrastructure. Federal grants, private donations, and a Special Service District (SSD) further supplemented funding gaps, ensuring project continuity and expansion.

OUTCOMES & LESSONS LEARNED

The Beltline has generated over \$7 billion in private investment, creating thousands of jobs while significantly expanding green space and transit infrastructure. However, affordability and displacement concerns remain key challenges, highlighting the need for proactive housing policies to maintain inclusive growth.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Railyards redevelopment similarly seeks to integrate transit, public spaces, and mixed-use development into a cohesive urban framework. Lessons from the Beltline emphasize the importance of leveraging tax increment financing (EIFD) for infrastructure, ensuring phased implementation aligns with long-term planning, and balancing revitalization with housing affordability to prevent displacement.



Atlanta BeltLine Inc. - <https://www.bizjournals.com/atlanta/news/2025/01/10/murphy-crossing-sale-beltline-termination.html>

CASE STUDIES

Over-the-Rhine CINCINNATI, OHIO

SCOPE & DEVELOPMENT TIMELINE

A historic 110-block neighborhood undergoing phased revitalization since the early 2000s.

CORE GOALS & URBAN CHALLENGES

The Over-the-Rhine (OTR) redevelopment aimed to transform one of the nation's most historically significant yet distressed urban neighborhoods. The project prioritized historic preservation, housing revitalization, and economic activation while balancing concerns over affordability and community displacement.

FUNDING & FINANCING MECHANISMS

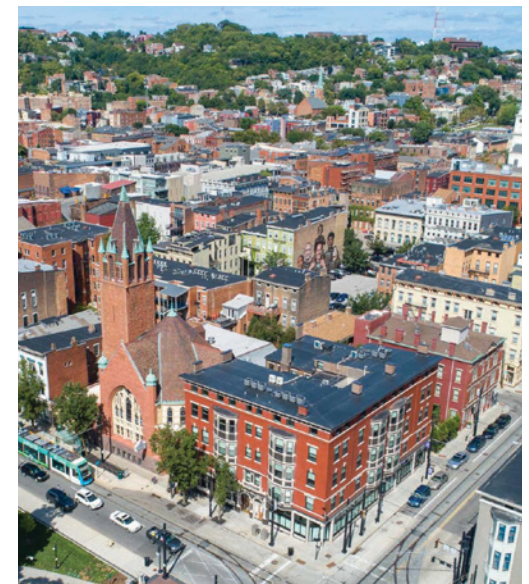
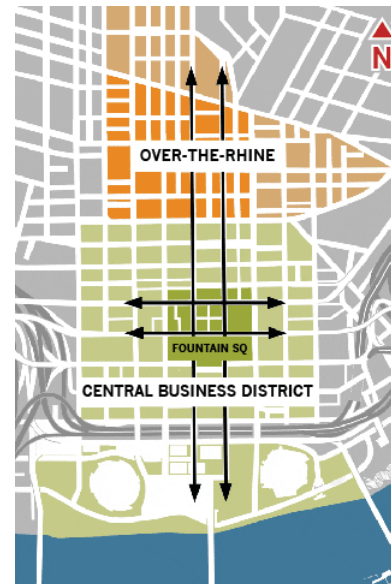
The initiative was supported by tax increment-like mechanisms, federal grants, and private investment coordinated through the Cincinnati Center City Development Corporation (3CDC). Community engagement played a critical role in guiding redevelopment efforts, ensuring historic assets were preserved while encouraging economic growth.

OUTCOMES & LESSONS LEARNED

Over-the-Rhine saw substantial improvements in historic restoration, adaptive reuse, and infrastructure investment, leading to hundreds of new housing units, vibrant retail corridors, and renewed public spaces such as Washington Park. However, challenges emerged around housing affordability and balancing market-driven development with equitable community outcomes.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Railyards shares key similarities with Over-the-Rhine, particularly in its adaptive reuse of historic industrial structures within a broader redevelopment plan. The Railyards can apply lessons from OTR by ensuring its historic Central Shops are preserved as active commercial and cultural spaces, leveraging EIFD financing to support sustainable revitalization while maintaining affordability for diverse communities. Thoughtful phasing and community engagement will be essential in balancing economic activation with equitable urban development.



<https://www.3cdc.org/old-site/where-we-work/> (left); Travis Estell - <https://www.cnu.org/publicsquare/2024/04/25/restorative-urbanism-over-rhine> (right)

Stadium-Centered Communities

HOW SPORTS ANCHORS DRIVE ECONOMIC & URBAN ACTIVATION



<https://info.gtn.com/gtn-giants-game>

Oracle Park SAN FRANCISCO, CA

SCOPE & DEVELOPMENT TIMELINE

A waterfront stadium developed in 2000 as the home of the San Francisco Giants, serving as a catalyst for mixed-use growth in the surrounding South Beach and Mission Bay areas.

CORE GOALS & URBAN CHALLENGES

More than a ballpark, Oracle Park was envisioned as an anchor for urban revitalization along San Francisco's waterfront. The challenge was ensuring the stadium contributed to year-round economic activity beyond baseball season, integrating seamlessly with nearby commercial and residential development while strengthening transit connectivity.

FUNDING & FINANCING MECHANISMS

Unlike many professional sports venues, Oracle Park was financed entirely through private funding, making it a unique model for stadium-centered economic development. Additional investments in transit and surrounding commercial spaces were supported by public-private partnerships and local infrastructure funding, ensuring accessibility and long-term economic viability.

OUTCOMES & LESSONS LEARNED

Oracle Park helped transform the South Beach and Mission Bay districts, catalyzing investment in office space, retail, residential developments, and waterfront activation. The stadium's integration with public transit—via regional rail (Caltrain), light rail (Muni), and ferry service—helped mitigate traffic congestion and reinforced its role as a walkable urban destination. Beyond sports, the venue has hosted concerts, corporate events, and community gatherings, ensuring sustained economic activity.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Republic FC soccer stadium aims to serve a similar role in anchoring mixed-use growth within the Railyards. Lessons from Oracle Park emphasize the importance of transit integration, ensuring the stadium is well-connected to regional systems. Leveraging adjacent commercial and residential development will also be essential in making the Railyards a dynamic, year-round destination beyond match days. Similar to how Oracle Park navigated private financing, a well-balanced public-private funding strategy can support Sacramento's stadium-centered redevelopment while reinforcing the district's economic sustainability.

CASE STUDIES

Audi Field

WASHINGTON, D.C.

SCOPE & DEVELOPMENT TIMELINE

A soccer-specific stadium and mixed-use development for D.C. United, completed in 2018.

CORE GOALS & URBAN CHALLENGES

Audi Field was designed to provide D.C. United with a permanent stadium while serving as a catalyst for economic growth in the Buzzard Point neighborhood. The challenge was integrating a sports venue into a broader urban revitalization strategy, ensuring year-round activation and avoiding the underutilization often seen in single-purpose stadium districts.

FUNDING & FINANCING MECHANISMS

The stadium was financed through a combination of private investment and city-backed funding for infrastructure improvements. Unlike many publicly subsidized venues, Audi Field's development placed a significant financial responsibility on the club and its ownership, reducing taxpayer burden while leveraging city incentives to support accessibility and surrounding public spaces.

OUTCOMES & LESSONS LEARNED

Audi Field revitalized Buzzard Point, driving investment in residential, retail, and hospitality developments while reinforcing connections to nearby Navy Yard. Its success underscores the importance of integrating stadium projects into larger mixed-use developments rather than treating them as standalone venues. However, challenges remain in ensuring continued

activation beyond match days and maintaining public accessibility amid ongoing neighborhood transformation.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Republic FC stadium shares many parallels with Audi Field, particularly in its role as a centerpiece for broader mixed-use redevelopment. The Railyards can apply key lessons by ensuring that the stadium is fully integrated into a multi-functional district, leveraging EIFD financing to support surrounding infrastructure while fostering year-round activation through events, retail, and transit-oriented accessibility. Strong coordination between public agencies and private investors will be essential in sustaining long-term economic and community benefits.



<https://populous.com/projects/dc-united-stadium>

Adaptive Reuse

LESSONS FOR TRANSFORMING HISTORIC INDUSTRIAL SPACES



<https://pixelrayphotography.com/3d-model/flour-mill-lofts-denver-co/skinned/>

Flour Mill Lofts DENVER, COLORADO

SCOPE & DEVELOPMENT TIMELINE

A historic flour mill repurposed into industrial-style lofts, with redevelopment completed in 2000.

CORE GOALS & URBAN CHALLENGES

The Flour Mill Lofts project aimed to transform a deteriorating industrial structure into a modern residential community while preserving its architectural integrity. The challenge was balancing historic preservation with contemporary urban living, ensuring the adaptive reuse maintained the building's character while integrating modern amenities.

FUNDING & FINANCING MECHANISMS

The redevelopment was privately funded, with additional support from historic preservation incentives. The project leveraged Denver's broader urban renewal efforts, ensuring alignment with LoDo's revitalization and the city's push for adaptive reuse of industrial spaces.

OUTCOMES & LESSONS LEARNED

The Flour Mill Lofts successfully retained the building's original industrial aesthetic while introducing high-end residential units with open floor plans, exposed brick, and large windows. The project demonstrated the viability of repurposing historic structures for modern use, reinforcing Denver's commitment to preserving architectural heritage while fostering urban density. However, challenges included navigating preservation regulations and ensuring financial feasibility within a competitive real estate market.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Railyards redevelopment shares key parallels with the Flour Mill Lofts, particularly in its adaptive reuse of historic industrial buildings. The Railyards can apply lessons from this project by ensuring the Central Shops are preserved as active commercial and residential spaces, leveraging historic tax credits and EIFD financing to support sustainable revitalization. Thoughtful design strategies will be essential in maintaining architectural integrity while integrating modern functionality, reinforcing the district's appeal as a dynamic urban destination.

CASE STUDIES

The Source

DENVER, COLORADO

SCOPE & DEVELOPMENT TIMELINE

Adaptive reuse of an 1880s iron foundry into a 25,000 SF artisan market hall, completed in 2013, with a second phase adding a boutique hotel and additional retail space in 2018.

CORE GOALS & URBAN CHALLENGES

The Source was designed to transform a vacant industrial building into a vibrant marketplace, fostering local businesses and revitalizing Denver's River North (RiNo) district. The challenge was balancing historic preservation with modern functionality while ensuring the project contributed to long-term economic activation in the area.

FUNDING & FINANCING MECHANISMS

The redevelopment was supported by Tax Increment Financing (TIF) through the Denver Urban Renewal Authority, which helped fund structural repairs and infrastructure upgrades. Private investment played a significant role in securing tenants and expanding the project's footprint, reinforcing its role as a commercial and hospitality hub.

OUTCOMES & LESSONS LEARNED

The Source successfully repurposed the historic iron foundry into a thriving artisan market, featuring restaurants, breweries, and specialty retailers. Its expansion into a boutique hotel further strengthened its role as a destination within RiNo, attracting both local visitors and tourists. The project demonstrated the value of adaptive reuse in urban revitalization,

though challenges included maintaining affordability for small businesses and ensuring long-term sustainability amid rising property values.

APPLICABILITY TO SACRAMENTO'S RAILYARDS

Sacramento's Railyards redevelopment shares key parallels with The Source, particularly in its adaptive reuse of historic industrial structures. The Railyards can apply lessons from this project by ensuring the Central Shops are repurposed as an active commercial and cultural hub, leveraging EIFD financing to support infrastructure improvements while fostering a mix of local businesses. Thoughtful tenant selection and phased development will be essential in maintaining vibrancy and long-term economic viability.



<https://denver.eater.com/venue/1296/the-source>



A Vision for Sacramento's Future

THE SACRAMENTO RAILYARDS REDEVELOPMENT IS MORE THAN AN AMBITIOUS URBAN PROJECT—it is a catalyst for the city's future, driving sustainable growth, economic resilience, and community vitality. By harnessing innovative financing tools such as the Enhanced Infrastructure Financing District (EIFD) and integrating principles of connectivity, inclusivity, and environmental stewardship, the Railyards will redefine Sacramento's urban core, creating a dynamic mixed-use district that enhances mobility, strengthens neighborhoods, and attracts long-term investment.

With key milestones already achieved and transformative impacts ahead, stakeholders must act now to finalize the EIFD expansion, ensuring that infrastructure investments keep pace with development needs. This expansion will accelerate critical transit improvements, housing accessibility, and public space investments, establishing the Railyards as a regional economic engine and a national model for smart urban redevelopment.

The path forward is clear: coordinated efforts across public and private sectors are essential to unlocking the district's full potential. By advancing the EIFD framework, aligning funding priorities, and pushing development momentum forward, Sacramento can solidify its leadership in equitable, sustainable urban transformation—setting a bold precedent for cities nationwide.

By taking decisive action today, the Railyards project will not only shape Sacramento's skyline but define its legacy for generations to come.



PREPARED BY

Roger Weber, Urban Places Sector Leader, USA
Stantec Urban Places
Stantec Consulting Services Inc.

Appendix

MEMORANDUM

To: Sacramento Republic Football Club and Downtown
Railyard Ventures

From: Jamie Gomes and Tom Martens

Subject: Railyards Economic Impact Analysis

Date: May 23, 2025

The Economics of Land Use



Economic and Planning Systems, Inc. (EPS) has been retained by the Sacramento Republic Football Club (SRFC) and Downtown Railyard Ventures (DRV) to estimate the economic impact of the proposed Railyards development, a planned mixed-use urban development adjacent to Downtown Sacramento.

Development of the eastern portion of the Railyards is being led by SRFC. The eastern portion of the Railyards will include a new SRFC stadium, along with several mixed use/residential towers over podium parking and commercial space.

Development of the western portion of the Railyards is being led by DRV. The western portion of the Railyards will include the Sacramento Valley Station, a Kaiser Permanente hospital plus associated buildings, a retail-dining destination within historic railyard structures, multifamily residential, affordable residential, office and hotel uses.

This memorandum displays the economic impact analysis for the eastern and western portions separately, as well as for the combined Railyards development overall.

*Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

Summary of Findings

Economic impacts include ongoing annual impacts from the operation of the planned development with the Railyards (modeled at buildout) and the one-time impacts from construction of the Railyards. The ongoing and one-time economic impacts are presented separately.

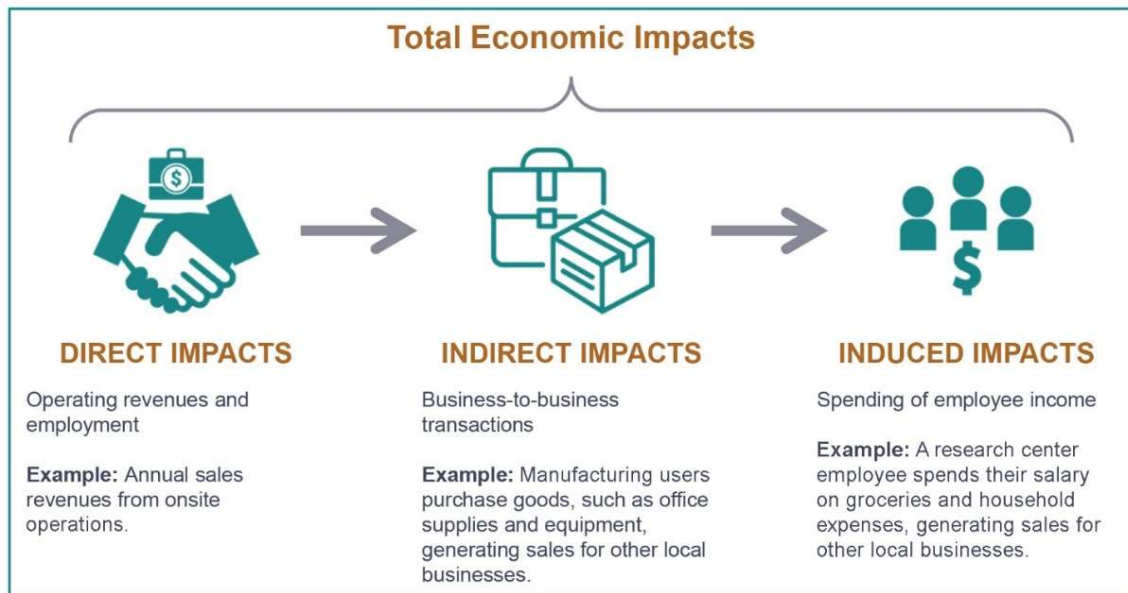
The direct activity occurring at Railyards (both the ongoing activity after completion and one-time construction activity) will generate additional economic activity throughout the local economy, resulting in the multiplier effects described below.

Overview of Economic Multiplier Effects

The direct economic activity in Railyards will generate additional indirect economic effects in the surrounding region through business-to-business activities. In addition, on-site employees and households residing in the residential components will generate induced economic activity in the surrounding region through household spending. For this study, the larger region analyzed for economic multiplier effects is Sacramento County.

Figure 1 summarizes the definition of direct, indirect, and induced economic multiplier effects.

Figure 1 Economic Multiplier Effects



Source: Economic & Planning Systems, Inc.

Ongoing Impacts from Operations

At buildout, the Railyards is estimated to support approximately **13,500** on-site jobs across the different uses. Throughout Sacramento County, the total number of jobs supported is estimated at nearly **24,000**, including on-site employment. The total countywide annual economic output, including indirect and induced impacts, is estimated to be **\$4.4 billion**.

Table 1 Ongoing Economic Impact Summary

Area/Use	Estimated On-Site Employment	Total Direct, Indirect, and Induced Effects		
		Employment	Wages	Economic Output
Railyards Total	13,563	23,947	\$2,113.4 M	\$4,440.0 M
Railyards East				
Stadium	49	71	\$4.0 M	\$7.2 M
Commercial/Retail	992	1,227	\$46.2 M	\$115.2 M
Residential - Households	-	1,054	\$69.6 M	\$199.8 M
Residential - Prop. Mngmt.	56	72	\$3.1 M	\$33.8 M
Hotel	90	120	\$6.5 M	\$18.0 M
East Subtotal	1,187	2,543	\$129.5 M	\$374.0 M
Railyards West				
Hospital	3,100	5,961	\$668.4 M	\$1,393.7 M
Hospital-Office	572	985	\$112.8 M	\$191.9 M
Residential - Households	-	1,429	\$94.4 M	\$271.1 M
Affordable - Households	-	69	\$4.5 M	\$13.5 M
Residential - Prop. Mngmt.	82	106	\$4.6 M	\$49.5 M
Office	6,895	10,681	\$1,009.2 M	\$1,915.1 M
Hotel	368	491	\$26.7 M	\$73.5 M
Central Shops	1,359	1,682	\$63.3 M	\$157.8 M
West Subtotal	12,376	21,404	\$1,983.9 M	\$4,066.0 M

Source: Implan; EPS.

As illustrated in **Figure 2** through **Figure 4** below, Railyards West is expected to generate a significant share of the estimated economic impact due to the presence of the hospital and commercial spaces to support onsite employment.

Figure 2 Railyards Ongoing Economic Output

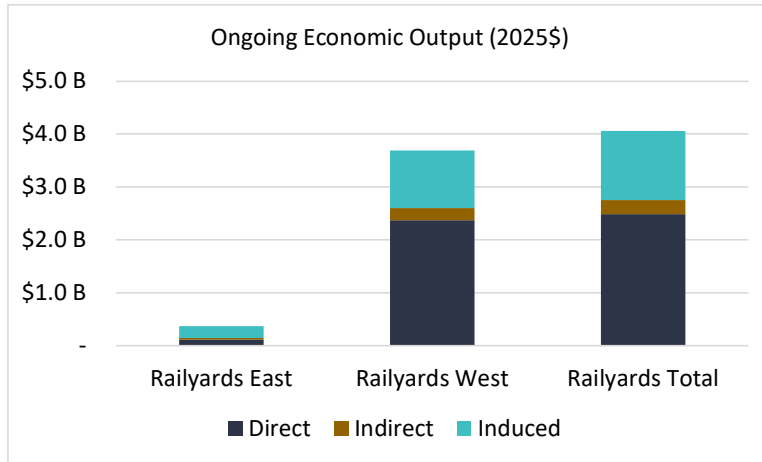


Figure 3 Railyards Ongoing Employment Effects

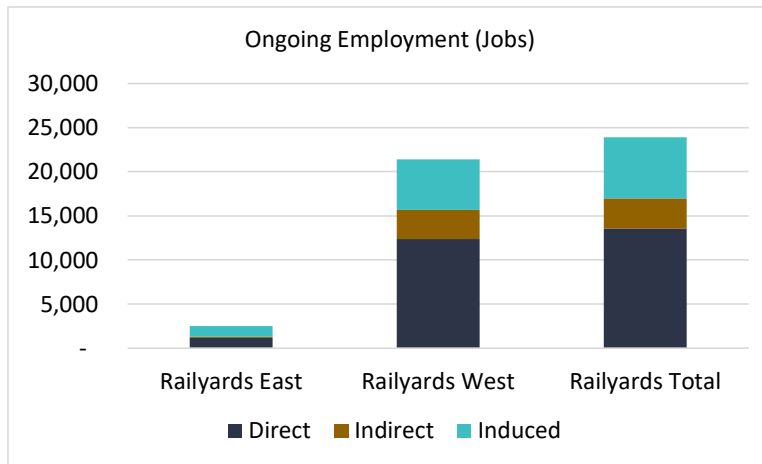
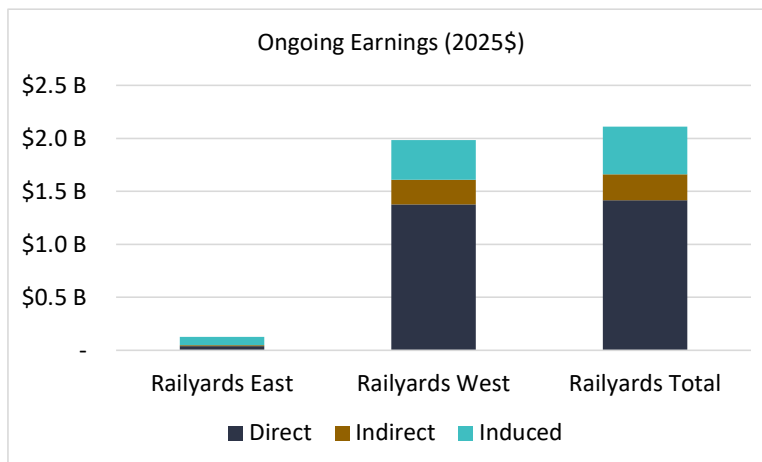


Figure 4 Railyards Ongoing Earnings Effects



The ongoing impacts by effect illustrated in the figures above are summarized in **Table 2** below.

Table 2 Ongoing Economic Impacts by Effects

Area/Effect	Economic Impact		
	Employment	Wages	Economic Output
Railyards East			
Direct	1,187	\$39.6 M	\$116.5 M
Indirect	162	\$11.3 M	\$31.1 M
Induced	1,194	\$78.7 M	\$226.4 M
East Subtotal	2,543	\$129.5 M	\$374.0 M
Railyards West			
Direct	12,376	\$1,378.4 M	\$2,371.2 M
Indirect	3,288	\$233.0 M	\$233.0 M
Induced	5,739	\$372.4 M	\$1,086.0 M
West Subtotal	21,404	\$1,983.9 M	\$3,690.3 M
Railyards Total			
Direct	13,563	\$1,418.0 M	\$2,487.7 M
Indirect	3,451	\$244.3 M	\$264.1 M
Induced	6,933	\$451.1 M	\$1,312.4 M
Railyards Total	23,947	\$2,113.4 M	\$4,064.2 M

Source: Implan; EPS.

One-Time Impacts from Construction

Construction of Railyards is estimated to support a total of about **39,000** annual jobs¹ within Sacramento County, as detailed in **Table 3**. About **26,000** of the annual jobs would be directly supported by on-site construction activity (see **Table 4**), while the remainder would result from related business-to-business spending and household spending of the wages earned throughout the area. The total economic output from Railyards construction is **\$8.2 billion**.

Table 3 One-Time Economic Impact Summary

Area/Use	Estimated Construction Spending	Total Direct, Indirect, and Induced Effects		
		Employment	Wages	Economic Output
Railyards Total	\$5,463.3 M	39,066	\$3,087.9 M	\$8,206.2 M
Railyards East				
Stadium	\$146.0 M	1,159	\$100.8 M	\$240.5 M
Podium-Garage	\$129.5 M	1,028	\$89.4 M	\$213.3 M
Podium-Commercial	\$124.0 M	830	\$64.8 M	\$177.6 M
Residential	\$980.0 M	6,448	\$496.8 M	\$1,433.3 M
Hotel	\$68.8 M	460	\$35.9 M	\$98.5 M
Infrastructure	\$40.1 M	254	\$22.5 M	\$56.6 M
Open Space	\$2.4 M	15	\$1.3 M	\$3.3 M
East Subtotal	\$1,490.7 M	10,194	\$811.6 M	\$2,223.1 M
Railyards West				
Hospital	\$657.5 M	6,641	\$533.5 M	\$1,160.8 M
Hospital-Garage	\$43.1 M	342	\$29.7 M	\$70.9 M
Hospital-Plant	\$65.0 M	567	\$45.4 M	\$105.4 M
Hospital-Office	\$102.9 M	688	\$53.8 M	\$147.4 M
Residential	\$1,329.3 M	8,747	\$673.8 M	\$1,944.2 M
Affordable Residential	\$105.0 M	691	\$53.2 M	\$153.6 M
Office	\$827.4 M	5,535	\$432.4 M	\$1,184.9 M
Hotel	\$281.1 M	1,880	\$146.9 M	\$402.5 M
Central Shops	\$382.4 M	2,558	\$199.9 M	\$547.6 M
Garage	\$42.6 M	338	\$29.4 M	\$70.2 M
Infrastructure	\$124.3 M	788	\$69.8 M	\$175.7 M
Open Space	\$12.1 M	96	\$8.3 M	\$19.9 M
West Subtotal	\$3,972.6 M	28,872	\$2,276.2 M	\$5,983.1 M

Source: Implan; EPS.

As illustrated in **Figure 5** through **Figure 7** below, the larger footprint of Railyards West is expected to generate a significant share of the estimated economic impact from construction.

¹ Economic impact modeling estimates employment over a one-year timeframe, with each job supported during the construction phase equaling one year of employment. Therefore, if the total construction period lasts 5 years, the average number of jobs in any given year would be the total divided by 5 (20% of the total).

Figure 5 Railyards One-Time Economic Output

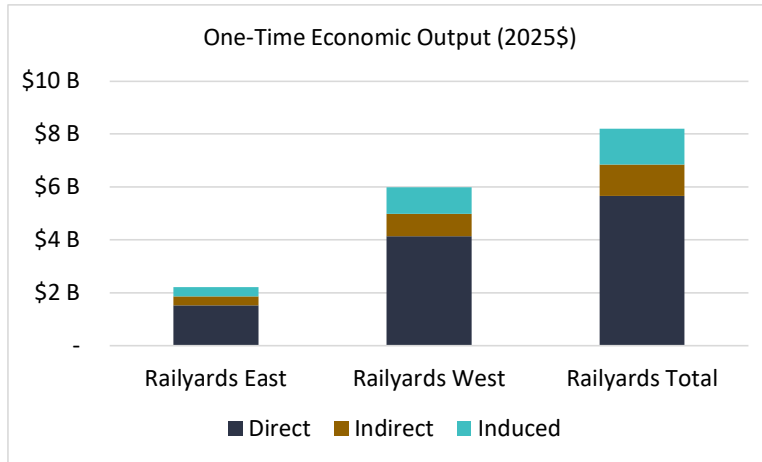


Figure 6 Railyards One-Time Employment Effects

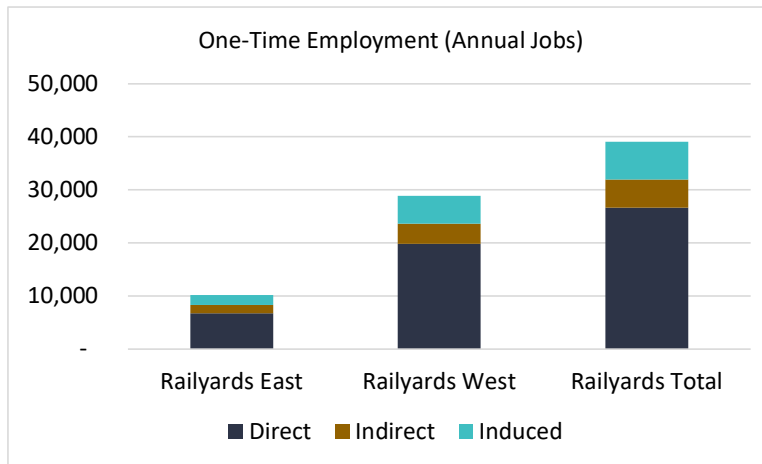
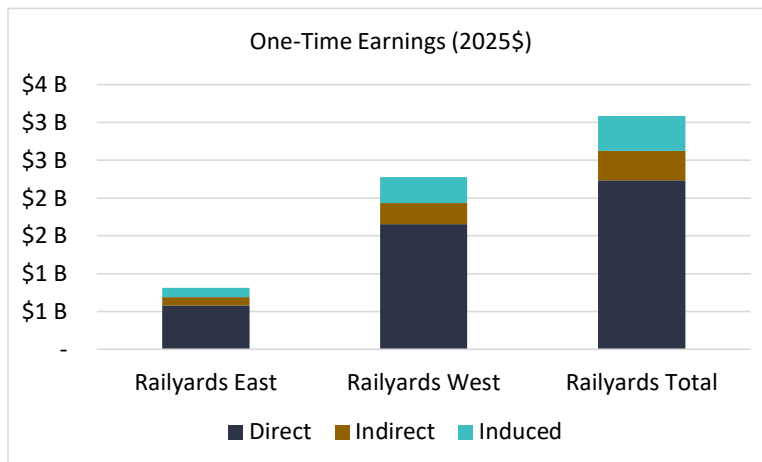


Figure 7 Railyards One-Time Earnings Effects



The One-Time impacts by effect illustrated in the figures above are summarized in **Table 4** below.

Table 4 One-Time Economic Impacts by Effects

Area/Effect	Economic Impact		
	Employment	Wages	Economic Output
Railyards East			
Direct	6,744	\$578.2 M	\$1,530.5 M
Indirect	1,570	\$112.3 M	\$337.7 M
Induced	1,880	\$121.1 M	\$354.9 M
East Subtotal	10,194	\$811.6 M	\$2,223.1 M
Railyards West			
Direct	19,857	\$1,657.7 M	\$4,141.0 M
Indirect	3,737	\$278.0 M	\$844.3 M
Induced	5,277	\$340.6 M	\$997.8 M
West Subtotal	28,872	\$2,276.2 M	\$5,983.1 M
Railyards Total			
Direct	26,602	\$2,235.8 M	\$5,671.5 M
Indirect	5,308	\$390.3 M	\$1,182.0 M
Induced	7,157	\$461.7 M	\$1,352.7 M
Railyards Total	39,066	\$3,087.9 M	\$8,206.2 M

Source: Implan; EPS.

Notes Regarding Approach

Assumptions regarding construction costs and on-site employment have been developed in conjunction with DRV and SRFC or rely on assumptions included in the previously completed fiscal impact analysis. While the assumptions have been deemed reasonable, independent market research to verify assumptions has not been completed as part of this analysis.

Appendix

Appendix Table 1	Program and Construction Cost Estimates
Appendix Table 2	One-Time Construction Economic Multiplier Calculations
Appendix Table 3	One-Time Construction Economic Impact Multipliers
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Appendix Table 7	Stadium Employment Estimate

Appendix Table 1
Railyards Economic Impact Analysis
Program and Construction Cost Estimates

Area/Use	Quantity	Units	Cost/Unit	Soft Cost Adjustment	Hard Cost/Unit	Total Cost	Implan Construction Sector Multipliers Used	Input Type	Divisor
East									
Stadium (w/FF&E)	1.00	total	\$146,000,000	na	\$146,000,000	\$146,000,000	Construction of Other New Nonresidential Structures	Industry Output	Per \$1,000,000
Podium-Garage	3,700	spaces	\$35,000	na	\$35,000	\$129,500,000	Construction of Other New Nonresidential Structures	Industry Output	Per \$1,000,000
Podium-Commercial	310,000	sq ft	\$400	na	\$400	\$124,000,000	Construction of New Commercial Structures	Industry Output	Per \$1,000,000
Residential	2,800	units	\$350,000	na	\$350,000	\$980,000,000	Construction of New Multifamily Residential Structures	Industry Output	Per \$1,000,000
Hotel (w/FF&E)	250	rooms	\$275,000	na	\$275,000	\$68,750,000	Construction of New Commercial Structures	Industry Output	Per \$1,000,000
Infrastructure	na	na	\$47,155,009	15%	\$40,081,758	\$40,081,800	Construction of New Highways and Streets	Industry Output	Per \$1,000,000
Open Space	1.19	ac	\$2,782,514	15%	\$2,365,137	\$2,365,100	Construction of New Highways and Streets	Industry Output	Per \$1,000,000
East Subtotal						\$1,490,696,900			
West									
Hospital (w/FF&E)	657,500	sq ft	\$1,000	na	\$1,000	\$657,500,000	Construction of New Healthcare Structures	Industry Output	Per \$1,000,000
Hospital-Garage	1,230	spaces	\$35,000	na	\$35,000	\$43,050,000	Construction of Other New Nonresidential Structures	Industry Output	Per \$1,000,000
Hospital-Plant	32,500	sq ft	\$2,000	na	\$2,000	\$65,000,000	Construction of New Power and Communication Structures	Industry Output	Per \$1,000,000
Hospital-Office	171,500	sq ft	\$600	na	\$600	\$102,900,000	Construction of New Commercial Structures	Industry Output	Per \$1,000,000
Residential	3,798	units	\$350,000	na	\$350,000	\$1,329,300,000	Construction of New Multifamily Residential Structures	Industry Output	Per \$1,000,000
Affordable Residential	300	units	\$350,000	na	\$350,000	\$105,000,000	Construction of New Multifamily Residential Structures	Industry Output	Per \$1,000,000
Office	2,068,500	sq ft	\$400	na	\$400	\$827,400,000	Construction of New Commercial Structures	Industry Output	Per \$1,000,000
Hotel (w/FF&E)	1,022	rooms	\$275,000	na	\$275,000	\$281,050,000	Construction of New Commercial Structures	Industry Output	Per \$1,000,000
Central Shops	424,905	sq ft	\$900	na	\$900	\$382,414,500	Construction of New Commercial Structures	Industry Output	Per \$1,000,000
Garage	1,218	spaces	\$35,000	na	\$35,000	\$42,630,000	Construction of Other New Nonresidential Structures	Industry Output	Per \$1,000,000
Infrastructure	na	na	\$146,286,808	15%	\$124,343,787	\$124,343,800	Construction of New Highways and Streets	Industry Output	Per \$1,000,000
Open Space	40.75	ac	\$14,185,002	15%	\$12,057,251	\$12,057,300	Construction of Other New Nonresidential Structures	Industry Output	Per \$1,000,000
West Subtotal						\$3,972,645,600			
Railyards Total						\$5,463,342,500			

Source: Indomitale; Machete; DRV; EPS.

Appendix Table 2
Railyards Economic Impact Analysis
One-Time Construction Economic Multiplier Calculations

Area/Use	Multiplier Input (Construction Cost)	Multiplier Output								
		Direct Employ- ment	Direct Income	Direct Output	Indirect Employ- ment	Indirect Income	Indirect Output	Induced Employ- ment	Induced Income	Induced Output
East										
Stadium	\$146,000,000	800	\$76,135,448	\$167,111,753	128	\$9,790,997	\$29,698,876	231	\$14,907,991	\$43,678,557
Podium-Garage	\$129,500,000	710	\$67,531,099	\$148,225,836	114	\$8,684,480	\$26,342,496	205	\$13,223,184	\$38,742,282
Podium-Commercial	\$124,000,000	575	\$46,893,388	\$124,000,000	104	\$8,209,408	\$25,138,173	150	\$9,706,028	\$28,437,467
Residential	\$980,000,000	4,155	\$343,676,092	\$980,000,000	1,137	\$78,704,319	\$235,354,977	1,156	\$74,395,602	\$217,969,934
Hotel	\$68,750,000	319	\$25,999,358	\$68,750,000	58	\$4,551,587	\$13,937,495	83	\$5,381,366	\$15,766,741
Infrastructure	\$40,081,800	175	\$16,950,914	\$40,081,800	28	\$2,226,588	\$6,819,764	52	\$3,326,935	\$9,747,505
Open Space	\$2,365,100	10	\$1,000,220	\$2,365,100	2	\$131,384	\$402,413	3	\$196,312	\$575,169
East Subtotal	\$1,490,696,900	6,744	\$578,186,519	\$1,530,534,489	1,570	\$112,298,762	\$337,694,194	1,880	\$121,137,420	\$354,917,655
West										
Hospital	\$657,500,000	4,892	\$413,881,575	\$803,292,018	513	\$39,781,735	\$123,630,803	1,236	\$79,825,188	\$233,877,944
Hospital-Garage	\$43,050,000	236	\$22,449,528	\$49,275,075	38	\$2,887,003	\$8,757,100	68	\$4,395,815	\$12,879,191
Hospital-Plant	\$65,000,000	411	\$34,513,129	\$73,435,785	50	\$4,077,406	\$12,051,989	105	\$6,791,877	\$19,899,363
Hospital-Office	\$102,900,000	477	\$38,913,948	\$102,900,000	86	\$6,812,484	\$20,860,629	125	\$8,054,438	\$23,598,511
Residential	\$1,329,300,000	5,636	\$466,172,071	\$1,329,300,000	1,542	\$106,756,788	\$319,242,216	1,569	\$100,912,321	\$295,660,646
Affordable Residential	\$105,000,000	445	\$36,822,438	\$105,000,000	122	\$8,432,606	\$25,216,605	124	\$7,970,957	\$23,353,922
Office	\$827,400,000	3,839	\$312,899,910	\$827,400,000	695	\$54,777,934	\$167,736,485	1,001	\$64,764,255	\$189,751,291
Hotel	\$281,050,000	1,304	\$106,285,376	\$281,050,000	236	\$18,606,887	\$56,976,480	340	\$21,999,026	\$64,454,436
Central Shops	\$382,414,500	1,774	\$144,618,640	\$382,414,500	321	\$25,317,714	\$77,525,821	463	\$29,933,273	\$87,700,804
Garage	\$42,630,000	234	\$22,230,508	\$48,794,343	38	\$2,858,837	\$8,671,665	67	\$4,352,929	\$12,753,540
Infrastructure	\$124,343,800	542	\$52,585,989	\$124,343,800	86	\$6,907,434	\$21,156,619	160	\$10,320,988	\$30,239,207
Open Space	\$12,057,300	66	\$6,287,589	\$13,800,798	11	\$808,582	\$2,452,659	19	\$1,231,165	\$3,607,161
East Subtotal	\$3,972,645,600	19,857	\$1,657,660,700	\$4,141,006,319	3,737	\$278,025,409	\$844,279,071	5,277	\$340,552,233	\$997,776,015
Railyards Total	\$5,463,342,500	26,602	\$2,235,847,218	\$5,671,540,808	5,308	\$390,324,171	\$1,181,973,265	7,157	\$461,689,653	\$1,352,693,671

Source: Indomitabile; Machete; DRV; EPS.

Appendix Table 3
Railyards Economic Impact Analysis
One-Time Construction Economic Impact Multipliers

Activity/Sectors	Input Type	Divisor	Direct Employ- ment	Direct Income	Direct Output	Indirect Employ- ment	Indirect Income	Indirect Output	Induced Employ- ment	Induced Income	Induced Output
Construction of New Healthcare Structures	Industry Output	Per 1,000,000	7.44	629,478	1,221,737	0.78	60,505	188,032	1.88	121,407	355,708
Construction of New Power and Communication Structures	Industry Output	Per 1,000,000	6.33	530,971	1,129,781	0.77	62,729	185,415	1.62	104,490	306,144
Construction of New Highways and Streets	Industry Output	Per 1,000,000	4.36	422,908	1,000,000	0.69	55,551	170,146	1.29	83,004	243,190
Construction of New Commercial Structures	Industry Output	Per 1,000,000	4.64	378,172	1,000,000	0.84	66,205	202,727	1.21	78,274	229,334
Construction of Other New Nonresidential Structures	Industry Output	Per 1,000,000	5.48	521,476	1,144,601	0.88	67,062	203,417	1.58	102,110	299,168
Construction of New Multifamily Residential Structures	Industry Output	Per 1,000,000	4.24	350,690	1,000,000	1.16	80,311	240,158	1.18	75,914	222,418

Source: Implan; EPS.

Appendix Table 4
Railyards Economic Impact Analysis
Ongoing Operations Economic Multiplier Inputs

Area/Use	Program		Multiplier Basis	Code	Implan Multiplier Sector Name	Input Assumptions		Multiplier Input
	Quantity	Units				Value	Description	
East								
Stadium	1.00	total	Industry Employment	na	Combination (See Appendix Table 6)	49	Employment	49
Commercial/Retail	310,000	sq ft	Industry Output	na	Combination (See Appendix Table 6)	\$294	Sales per Sq Ft [1]	\$91,176,471
Residential - Households	2,800	units	Households	10006	Households \$70-100K	\$82,000	Income per Household	\$229,600,000
Residential - Prop. Mngmt.	56	employ.	Industry Employment	430	Tenant Occupied Housing	56	Employees	56
Hotel	250	rooms	Industry Output	489	Hotels and Motels	\$48,545	RevPAR [2]	\$12,136,250
West								
Hospital	657,500	sq ft	Industry Employment	472	Hospitals	3,100	Total Projected Employment	3,100
Hospital-Office	171,500	sq ft	Industry Employment	465	Offices of Physicians	300	Square Feet per Employee	572
Residential - Households	3,798	units	Households	10006	Households \$70-100K	\$82,000	Income per Household	\$311,436,000
Affordable - Households	300	units	Households	10005	Households \$50-70K	\$53,000	Income per Household	\$15,900,000
Residential - Prop. Mngmt.	82	employ.	Industry Employment	430	Tenant Occupied Housing	82	Employees	82
Office	2,068,500	sq ft	Industry Employment	na	Combination (See Appendix Table 6)	300	Square Feet per Employee	6,895
Hotel	1,022	rooms	Industry Output	489	Hotels and Motels	\$48,545	RevPAR [2]	\$49,612,990
Central Shops	424,905	sq ft	Industry Output	na	Combination (See Appendix Table 6)	\$294	Sales per Sq Ft [1]	\$124,972,059

Source: Indomitabile; Machete; DRV; EPS.

[1] Taxable sales per square foot of \$250 / 85% assumed taxable sales.

[2] Revenue per Available Room calculated at \$190 ADR x 70% occupancy x 365 days.

Appendix Table 5
Railyards Economic Impact Analysis
Ongoing Operations Economic Multiplier Calculations

Area/Use	Multiplier Input	Multiplier Basis	Multiplier Output								
			Direct Employment	Direct Income	Direct Output	Indirect Employment	Indirect Income	Indirect Output	Induced Employment	Induced Income	Induced Output
East											
Stadium	49	Industry Employment	49	\$2,680,567	\$3,756,172	12	\$693,901	\$1,550,269	10	\$636,148	\$1,863,837
Commercial/Retail	\$91,176,471	Industry Output	992	\$30,481,206	\$69,894,826	127	\$8,727,776	\$24,766,715	108	\$6,993,984	\$20,491,519
Residential - Households	\$229,600,000	Households	-	-	-	-	-	-	1,054	\$69,602,188	\$199,844,836
Residential - Prop. Mngmt.	56	Industry Employment	56	\$1,936,556	\$30,718,446	8	\$716,456	\$1,654,733	8	\$495,296	\$1,451,161
Hotel	\$12,136,250	Industry Output	90	\$4,465,681	\$12,136,250	15	\$1,116,312	\$3,090,950	15	\$938,737	\$2,750,381
East Subtotal			1,187	\$39,564,010	\$116,505,694	162	\$11,254,446	\$31,062,666	1,194	\$78,666,354	\$226,401,735
West											
Hospital	3,100	Industry Employment	3,100	\$476,422,800	\$866,677,172	1,398	\$97,539,900	\$250,362,090	1,463	\$94,436,194	\$276,685,955
Hospital-Office	572	Industry Employment	572	\$84,185,678	\$113,116,429	156	\$11,962,260	\$30,013,203	258	\$16,629,903	\$48,723,521
Residential - Households	\$311,436,000	Households	-	-	-	-	-	-	1,429	\$94,410,397	\$271,075,246
Affordable - Households	\$15,900,000	Households	-	-	-	-	-	-	69	\$4,482,592	\$13,465,885
Residential - Prop. Mngmt.	82	Industry Employment	82	\$2,834,288	\$44,958,639	12	\$1,048,585	\$2,421,820	11	\$724,902	\$2,123,877
Office	6,895	Industry Employment	6,895	\$754,953,231	\$1,201,074,132	1,486	\$105,949,372	\$279,412,804	2,299	\$148,329,061	\$434,585,521
Hotel	\$49,612,990	Industry Output	368	\$18,255,702	\$49,612,990	63	\$4,563,484	\$12,635,803	60	\$3,837,557	\$11,243,559
Central Shops	\$124,972,059	Industry Output	1,359	\$41,779,410	\$95,802,132	174	\$11,962,825	\$33,946,777	149	\$9,586,384	\$28,086,932
East Subtotal			12,376	\$1,378,431,110	\$2,371,241,495	3,288	\$233,026,426	\$608,792,498	5,739	\$372,436,988	\$1,085,990,495
Railyards Total			13,563	\$1,417,995,119	\$2,487,747,188	3,451	\$244,280,872	\$639,855,164	6,933	\$451,103,342	\$1,312,392,229

Source: Indomitable; Machete; DRV; EPS.

Appendix Table 6
Railyards Economic Impact Analysis
Ongoing Annual Economic Impact Multipliers

Activity/Sectors	Assumed Share	Input Type	Divisor	Direct Employment	Direct Income	Direct Output	Indirect Employment	Indirect Income	Indirect Output	Induced Employment	Induced Income	Induced Output
Stadium Operation												
Commercial Sports (Excl. Racing)	60%	Industry Employment	Per 1,000	1,000.00	72,124,598	56,389,984	141.71	9,406,072	12,951,684	243.85	15,701,644	46,003,993
Promotion of Performing Arts and Sports	20%	Industry Employment	Per 1,000	1,000.00	24,111,642	126,774,668	577.09	30,663,537	83,757,456	154.23	9,939,564	29,121,722
Performing Arts Companies	10%	Industry Employment	Per 1,000	1,000.00	29,858,472	100,189,608	251.38	16,039,617	46,072,394	127.75	8,235,152	24,127,991
Other Amusements and Recreation	10%	Industry Employment	Per 1,000	1,000.00	36,225,085	74,486,899	118.95	7,809,405	25,083,925	116.28	7,501,884	21,979,573
Stadium Operation Consolidated Multipliers		Industry Employment	Per 1,000	1,000.00	54,705,443	76,656,575	237.48	14,161,252	31,638,134	201.56	12,982,603	38,037,497
Hospital Operation												
Hospitals	100%	Industry Employment	Per 1,000	1,000.00	153,684,774	279,573,281	450.82	31,464,484	80,761,965	472.04	30,463,288	89,253,534
Hospital Operation Multipliers		Industry Employment	Per 1,000	1,000.00	153,684,774	279,573,281	450.82	31,464,484	80,761,965	472.04	30,463,288	89,253,534
Medical Office Operation												
Offices of Physicians	100%	Industry Employment	Per 1,000	1,000.00	147,263,578	197,871,304	272.02	20,925,235	52,501,230	450.94	29,090,209	85,230,649
Medical Office Operation Multipliers		Industry Employment	Per 1,000	1,000.00	147,263,578	197,871,304	272.02	20,925,235	52,501,230	450.94	29,090,209	85,230,649
Retail Operation												
Restaurants Full Service	15%	Industry Output	Per 1,000,000	9.47	348,017	1,000,000	1.43	109,817	317,066	1.20	77,460	226,947
Restaurants Limited Service	15%	Industry Output	Per 1,000,000	8.34	268,902	1,000,000	1.66	120,220	367,589	1.03	66,581	195,074
All Other Food and Drinking Places	15%	Industry Output	Per 1,000,000	12.27	449,328	1,000,000	1.58	125,179	314,102	1.50	96,673	283,239
Retail General Merchandise	25%	Industry Output	Per 1,000,000	2.44	103,465	268,000	0.35	24,760	67,900	0.34	21,980	64,399
Personal Care Services	15%	Industry Output	Per 1,000,000	30.82	766,123	1,126,923	2.74	162,102	474,614	2.79	179,641	526,327
Miscellaneous Store Retailers	15%	Industry Output	Per 1,000,000	7.55	223,922	537,000	1.27	79,576	224,362	0.84	54,400	159,385
Retail Operation Consolidated Multipliers		Industry Output	Per 1,000,000	10.88	334,310	766,588	1.39	95,724	271,635	1.19	76,708	224,746
Hotel Operation												
Hotels and Motels	100%	Industry Output	Per 1,000,000	7.42	367,962	1,000,000	1.27	91,982	254,687	1.20	77,350	226,625
Hotel Operation Multipliers		Industry Output	Per 1,000,000	7.42	367,962	1,000,000	1.27	91,982	254,687	1.20	77,350	226,625
Office Operation												
Management of Companies and Enterprises	15%	Industry Employment	Per 1,000	1,000.00	122,873,846	238,762,697	377.60	27,544,709	82,512,951	400.74	25,855,226	75,752,537
Office Administrative Services	20%	Industry Employment	Per 1,000	1,000.00	81,829,628	88,342,214	155.21	11,318,289	27,584,301	254.90	16,439,950	48,167,003
Emp./Payroll State Government, Other Svcs	15%	Industry Employment	Per 1,000	1,000.00	154,752,196	170,840,048	0.00	0	0	399.99	25,817,647	75,642,378
Legal Services	10%	Industry Employment	Per 1,000	1,000.00	125,676,909	268,977,470	210.80	14,155,563	40,015,050	363.17	23,420,706	68,619,759
Accounting, Tax Prep, Bookkeeping, Payroll Service	10%	Industry Employment	Per 1,000	1,000.00	90,193,326	159,407,288	205.90	13,120,697	35,075,087	278.28	17,946,978	52,582,413
Architecture, Engineering, and Related Services	10%	Industry Employment	Per 1,000	1,000.00	125,008,776	234,098,739	289.30	22,197,543	54,626,338	398.67	25,707,540	75,319,912
Environmental and Other Technical Consulting Services	10%	Industry Employment	Per 1,000	1,000.00	113,310,199	194,771,690	359.48	26,539,365	62,983,008	384.78	24,812,825	72,698,500
Business Support Services	10%	Industry Employment	Per 1,000	1,000.00	60,641,017	93,605,696	213.39	13,694,354	33,602,233	199.21	12,848,280	37,643,858
Office Operation Consolidated Multipliers		Industry Employment	Per 1,000	1,000.00	109,492,854	174,194,943	215.57	15,366,116	40,523,974	333.50	21,512,554	63,029,082
Households \$50-70K												
Households \$50-70K	100%	Households	Per 1,000,000	0.00	0	0	0.00	0	0	4.37	281,924	846,911
Households \$50-70K Multipliers		Households	Per 1,000,000	0.00	0	0	0.00	0	0	4.37	281,924	846,911
Households \$70-100K												
Households \$70-100K	100%	Households	Per 1,000,000	0.00	0	0	0.00	0	0	4.59	303,145	870,404
Households \$70-100K Multipliers		Households	Per 1,000,000	0.00	0	0	0.00	0	0	4.59	303,145	870,404
Residential Property Management												
Tenant Occupied Housing	100%	Industry Employment	Per 1,000	1,000.00	34,581,354	548,543,673	151.18	12,793,861	29,548,799	137.35	8,844,577	25,913,581
Res. Property Management Multipliers		Industry Employment	Per 1,000	1,000.00	34,581,354	548,543,673	151.18	12,793,861	29,548,799	137.35	8,844,577	25,913,581

Source: Implan; EPS.

Appendix Table 7
Railyards Economic Impact Analysis
Stadium Employment Estimate

Events	Number of Events	Staff Per Event	Annual Staff Event Days	Estimated Average Staff Event Hours	Annual Staff Event Hours [1]
SRFC Regular Season	17	221	3,757	5.0	18,785
SRFC Special Games	1	241	241	5.0	1,205
SRFC Playoff Games	1	228	228	5.0	1,140
CONCACAF/Cup Games	2	304	608	5.0	3,040
US National Team Matches	1	221	221	5.0	1,105
Other Soccer Events	3	279	837	5.0	4,185
Concerts - Tier I	2	244	488	8.0	3,904
Concerts - Tier II	5	204	1,020	8.0	8,160
Community Events	5	102	510	5.0	2,550
Total	37	na	7,910	na	44,074
Assumed Annual Hours for Part Time Status [2]					1,200
Temp Event Part Time Employee Equivalent [3]					37
Plus Total Full Time Employees					12
Total Stadium Employment					49

Source: SRFC; ESA; EPS.

[1] Assumes 4.0 temp staff hours per event.

[2] 50 weeks x 24 hours per week.

[3] Total annual temp staff event hours divided by 1,400 hours.

Proposed Amended Railyards EIFD Project Areas

