



City of Alameda California

April 11, 2017

Alameda Point Partners, LLC
c/o Trammel Crow Residential
Bruce Dorfman
39 Forrest Street, Suite 201
Mill Valley, CA 94941
bd@thompsondorfman.com

via email & FedEx

Re: **NOTICE OF DEFAULT IN ACCORDANCE WITH SECTION 17.4 OF THE DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF ALAMEDA AND ALAMEDA POINT PARTNERS DATED AUGUST 6, 2015.**

Dear Mr. Dorfman:

This notice is given pursuant to Section 17.4 of that certain Disposition and Development Agreement by and between the City of Alameda and Alameda Point Partners dated August 6, 2015, as amended by the First Amendment to Disposition and Development Agreement dated as of February 8, 2017 and effective as of March 9, 2017 and clarified by Operating Memoranda dated September 16, 2015, October 26, 2015 and March 6, 2017 (collectively the "DDA"). Capitalized terms used but not defined in this notice have the meanings set forth in the DDA.

The purpose of this notice is to notify Alameda Point Partners ("Developer") of the following failures to comply with material requirements of the DDA, which if not cured within thirty (30) days after receipt of this notice shall be "Developer Events of Default" under Section 17.4 of the DDA giving rise to the City's rights to exercise its remedies under the DDA including terminating the DDA.

The Developer has failed to meet the following requirements of the DDA:

- The Developer refused to accept conveyance from the City of the Phase 1 Transfer Property within the time and in the manner specified in Article 4 other than a failure of a conditions precedent set forth in Section 4.3(b).(Section 17.4(a)(1))
- The Developer failed to meet the Milestone Schedule with respect to the conveyance of the Phase 1 Transfer Property. (Section 17.4(a)(2))
- The Developer breached material provisions of the DDA. (Section 17.4(a)(8))

Office of the City Manager

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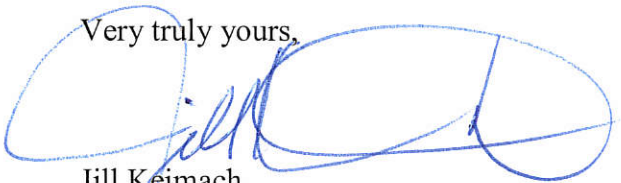
Pursuant to the First Amendment to the DDA escrow was required to close on the conveyance of the Phase 1 Transfer Property on or before April 11, 2017. Escrow did not close on the Phase 1 Transfer Property and the failure for escrow to close is the result of the Developer's failure to satisfy the City's conditions precedent to close of escrow set forth in Section 4.3(a) of the DDA despite the fact that all of the Developer's conditions precedent to the close of escrow set forth in Section 4.3(b) were satisfied. In particular the Developer failed to submit to the City a Phase Update financing plan as required pursuant to Section 3.1 of the DDA demonstrating sufficient funding for the total development costs of Phase 1. Additionally the Developer failed to submit, at least 30 days prior to the Phase 1 Closing Date of April 11, 2017, evidence of availability of funds for the acquisition of Phase 1 and the construction of the Phase 1 Infrastructure Improvements as required pursuant to Section 4.3(a)(6) of the DDA.

By specifying particular breaches and failures by the Developer under the DDA, this letter does not limit or waive the City's right subsequently to notify the Developer of other breaches or failures that may currently exist or that may arise in the future, and for which the City may obtain remedies under the DDA.

In accordance with Section 17.4(b) of the DDA, the Developer has thirty (30) days to cure the above identified breaches or failures from receipt of this notice. Failure to cure the above identified breaches and failures will result in the City exercising its remedies under the DDA pursuant to Section 17.4(b)(1) including terminating the DDA and retaining all amounts paid to the City by the Developer.

This letter does not limit or waive the City's other rights and remedies, including, without limitation, any other rights to terminate the DDA in accordance with its terms.

Very truly yours,




Jill Keimach
City Manager

JK:mk

cc: SRM Ernst Development Partners
Madison Marquette
Marc Stice
Jennifer Ott
Janet Kern
Andrico Pennick
Karen Tiedemann

Approved as to Form



Andrico Q. Penick 4/11/17
Assistant City Attorney