

EXHIBIT A

RECORDING REQUESTED BY:

City of Santa Rosa

WHEN RECORDED RETURN TO:

City of Santa Rosa
Office of the City Clerk
100 Santa Rosa Avenue, Room 10
Santa Rosa, CA 95404

APN 010-066-015 and 010-066-016

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AGREEMENT

BETWEEN THE

**CITY OF SANTA ROSA,
a municipal corporation**

AND

**BLUE FOX PARTNERS,
a California general partnership**

FOR

**DOWNTOWN SANTA ROSA THEATER COMPLEX
85 SANTA ROSA AVENUE
SANTA ROSA, CALIFORNIA**

AGREEMENT

THIS AGREEMENT (hereinafter referred to as the "Agreement") is made and entered in the City of Santa Rosa, California on this ____ day of _____, 2017, by and between the City of Santa Rosa, a municipal corporation (hereinafter referred to as the "City") and Blue Fox Partners, a California general partnership (hereinafter referred to as "Blue Fox").

RECITALS

A. Blue Fox desires to remodel its movie theater complex, as identified in plans submitted to the Planning and Economic Development Department (hereinafter referred to as the "Remodeling Project") and holds a legal interest in certain real property consisting of approximately 30,000 square feet of land, located at 85 Santa Rosa Avenue in downtown Santa Rosa, which property is more particularly described in Exhibit "A" attached hereto and incorporated herein (hereinafter referred to as the "Property"). No permits for the Remodeling Project have been applied for or approved and such permits and approvals are subject to separate and independent review and approval and are not part of or contingent on this Agreement.

B. The City and Blue Fox entered into that certain Agreement dated as of August 17, 1999, and recorded under Document No 1999 109993 in the Official Records of Sonoma County, California on August 30, 1999, as amended by that certain First Amendment to Agreement dated as of October 15, 2002, and recorded under Document No 2003 054647 in the Official Records of Sonoma County, California on March 21, 2003 (hereinafter collectively referred to as the "Parking Agreement") to provide for parking for theater patrons at Garage No. 12, also known as the First Street Parking Garage, and also known as 555 1st Street, Santa Rosa, California, situated between Santa Rosa Avenue and B Street on the real property more particularly described in Exhibit "B" attached hereto and incorporated herein (hereinafter referred to as the "Garage"). The Parking Agreement terminates on February 29, 2020.

C. Blue Fox has requested that the City enter into a new agreement to provide parking for Property patrons at Garage.

D. Blue Fox has requested, that upon commencement of the Remodeling Project improvements, the City provide up to a total of ninety (90) minutes of parking at no cost to Property patron vehicles parked in the Garage. The ninety (90) no cost minutes shall be inclusive of any other no cost parking that may be provided by City policy to members of the general public at the Garage.

E. The City desires to assist the Property by providing no more than ninety (90) minutes of parking to Property patron vehicles at no charge, on the condition that the parties mutually agree to terminate the existing Parking Agreement and replace it with this Agreement.

F. The City desires the timely, efficient, orderly and proper development of the Remodeling Project.

G. The City and Blue Fox have reached agreement and desire to express herein an agreement that will facilitate development of the Remodeling Project subject to conditions set forth herein, which is intended to replace in full the existing Parking Agreement.

H. On _____, 2017, the City Council of the City adopted Resolution No. _____ approving this Agreement (hereinafter referred to as the “Effective Date”).

AGREEMENT

1. Description of the Property. The Property which is the subject of this Agreement is described in Exhibit “A” attached hereto and incorporated herein by this reference.

2. Interest of Blue Fox. Blue Fox has a legal or equitable interest in the Property in that it owns the Property in fee simple.

3. Relationship of the City and Blue Fox. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by the City and Blue Fox and that Blue Fox is not an agent of the City. The City and Blue Fox hereby disclaim the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Blue Fox joint venturers or partners.

4. Term.

4.1. Term. The term of this Agreement shall commence on the Effective Date and extend for fifteen (15) years thereafter, unless said term is otherwise terminated or modified by circumstances set forth in this Agreement.

4.2. Continued Effect. The expiration or termination of this Agreement shall not affect any right emanating from entitlements for the Property approved by the City prior to, concurrently with or subsequent to the Effective Date all of which shall continue in full force and effect. Any use or construction properly established during the term of this Agreement shall continue to be a lawful use or building after the expiration of the term hereof.

5. Use of Property.

5.1. Permitted Uses. The permitted uses of the Property and conditions of development applicable to the Property shall be those set forth in this Agreement, the Remodeling Project approvals and any amendments to this Agreement or the Remodeling Project approvals. In particular, the Property may be developed and used as approved in Conditional Use Permit and/or any other permits needed per new or modified uses of the building as set forth in plans on file in or to be filed with the City’s Department of Planning and Economic Development.

5.2. Parking for Project Patrons.

5.2.1 City Obligation to Provide Parking. Upon the issuance of all necessary building permits for the Remodeling Project and commencement of such construction (the date of which shall hereinafter be referred to as the “Start Date”), and continuing for the remainder of the Term, as long as the Property continues to be used as a movie theater complex, the City shall provide up to a total of ninety (90) minutes of free parking in the Garage for patrons of the Property with a validated parking ticket. Prior to the Start Date, the City shall continue to provide up to three (3) hours of free parking in the Garage to Property patron vehicles that have a properly validated parking ticket. Blue Fox shall be solely responsible to cover the costs of any necessary

parking validation equipment physically located on the Property, including any maintenance, repair, and replacement of any such equipment. Blue Fox shall be solely responsible for the costs of software configuration or hardware that may be required to enable parking validation for the Property; provided, however, that it is the intent of the parties that Blue Fox not be responsible for costs that are for the acquisition of the system as a whole nor for the City's general operation, but should only be those costs specific to the use of the system by the Property. The City shall have the right at any time during the Term to upgrade, modify and replace its parking validation system and Blue Fox shall reimburse the City for the cost to purchase, install, maintain, replace or upgrade a means of validating Property patrons' parking tickets; provided, however, that prior to any such upgrade, modification and/or replacement of the City's validation system the City shall in good faith consult with Blue Fox regarding any such changes and the cost and allocations of any such changes. The City shall not be responsible for any gap in parking validation services due to any failure of Blue Fox to reimburse the City for such costs, or for any failure to maintain or repair such equipment.

5.2.2 Use of the Garage and the City Hall Parking Lot. Blue Fox acknowledges that the Garage is a public facility owned by the City and operated for the public benefit. As such, public parking is on a first-come, first-serve basis, and subject to City parking policies, which may change from time to time. Nothing in this Agreement shall be construed to impede or interfere with the City's rights and ability to modify City parking operations within the City's parking system, which may include the Garage.

5.2.3 Operation of the Garage. Subject to the provisions of Paragraph 5.2.2, the City covenants and agrees that it will maintain and operate, in a normal and customary manner consistent with City operating procedures, the Garage for public parking purposes during the term of this Agreement. If the Garage is damaged or destroyed and the City elects not to repair or rebuild the Garage, the City will use reasonable efforts to accommodate Property patrons within the City's parking system. The City further covenants and agrees that it will sell no more than five hundred and fifty (550) monthly parking permits during the period ending one year from the Effective Date. During the term of this Agreement, the monthly parking permit limit may, in the City's sole discretion, be increased by no more than fifty (50) permits per year thereafter, to a maximum of seven hundred and fifty (750) monthly parking permits.

5.2.4 Blue Fox's Payment to the City for Parking. During the period of time prior to the Start Date, Blue Fox shall pay to the City the sum of FIVE THOUSAND SIX HUNDRED AND TWENTY-FIVE DOLLARS (\$5,625.00) per month plus the payment adjustment described in the following paragraph. Unless the Start Date comes first, the first monthly payment shall be due on March 1, 2018. Subsequent monthly payments shall be due in advance on the first of each following month. A late penalty charge of 15% of the invoice amount shall be imposed on Blue Fox in the event payment is not received by City by the 1st of the month in which it was due. Payments shall not be pro-rated.

The monthly payment shall be adjusted based on the year-over-year percentage change in the Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area, published by the United States Department of Labor, Bureau of Labor Statistics using an annual to annual comparison based on the month of February each year.

6. Amendment or Cancellation.

6.1 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto.

6.2 Administrative Amendments. Notwithstanding the provisions of Paragraph 6.1, above, any amendments to this Agreement which are administrative, as opposed to substantive, as determined in the City's reasonable discretion, may be made by written agreement made by Blue Fox and the City Manager.

6.3 Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be canceled in whole or in part only by the mutual consent of the City and Blue Fox or their successors in interest.

6.4 Termination for Failure to Complete Project Improvements. Blue Fox anticipates completion of the Remodeling Project within one year of the Effective Date. If the Start Date has not occurred by February 29, 2020, this Agreement shall automatically and without the requirement of notice be deemed terminated as of that date and, upon the request of either party, the parties shall execute a termination as provided in Section 17 below.

6.5 Termination for Failure to Operate Property. The rights and interests with respect to parking hereunder shall be limited and specific to those patrons of the movie theater complex located on the Property only so long as the Property continues to be operated as such. The rights shall not be transferrable to any other property or use. Should the use of the Property change at any time during the Term, this Agreement shall automatically and without the requirement of notice be deemed terminated as of that date and, upon the request of either party, the parties shall execute a termination as provided in Section 17 below. Should the use of the Property cease to be operated for a period of six months or longer, then this Agreement shall automatically and without the requirement of notice be deemed terminated as of that date and, upon the request of either party, the parties shall execute a termination as provided in Section 17 below, provided, however, that if such non-operation is due to disruption in use caused by an accident, catastrophe or natural disaster beyond the control of Blue Fox or its affiliates, then the non-operation shall not terminate the Agreement, provided that Blue Fox is taking all reasonable steps to recommence operation of the Property and does so within a reasonable period of time.

7. Default.

7.1. Other Remedies Available. Upon the occurrence of an event of default, the parties may pursue all other remedies at law or in equity which are not otherwise provided for in this Agreement, expressly including the remedy of specific performance of this Agreement.

7.2. Notice and Cure. Upon the occurrence of an event of default by either party, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days after service of such notice of default, the nondefaulting party may then commence any legal or equitable action to enforce its rights under this Agreement; provided, however, that if the default cannot reasonably be cured within such thirty (30) day period, the nondefaulting party shall refrain from any such legal or equitable action so long as the

defaulting party begins to cure such default within such thirty (30) day period and diligently pursues such cure to completion. Failure to give notice shall not constitute a waiver of any default.

7.3. Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, or similar bases for excused performance. If written notice of such delay is given to the other party within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing by the other party for the period of the enforced delay, or longer as may be mutually agreed upon.

7.4. Cumulative Rights. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation subject to the notice and cure provisions of Paragraph 7.2, above.

8. Estoppel Certificate. Either party may, at any time, and from time to time, request written notice from the other party requesting such party to certify in writing that, to the knowledge of the certifying party: (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the parties. The City Manager of the City shall be authorized to execute any certificate requested by Blue Fox.

9. Mortgagee Protection; Certain Rights of Cure.

9.1. Mortgagee Protection. This Agreement, at Blue Fox's option, shall be subordinate to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon all or any portion of the Property and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof (hereinafter referred to as a "Mortgage"). Notwithstanding such subordination, Blue Fox's rights under this Agreement shall not be disturbed if Blue Fox is not in default and so long as Blue Fox shall observe and perform all the provisions of this Agreement, unless this Agreement is otherwise terminated pursuant to its terms. If any mortgagee or trustee shall elect to have this Agreement prior to the lien of its Mortgage, and shall give notice thereof to the City, this Agreement shall be deemed prior to such Mortgage, whether this Agreement is dated prior or subsequent to the date of said Mortgage or the date of recording thereof. Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon, effective against and inure to the benefit of any person or entity, including any deed of trust beneficiary or mortgagee (hereinafter referred to as a "Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

9.2. Notice of Default to Mortgagee and Extension of Right to Cure. If the City receives notice from a Mortgagee requesting a copy of any notice of default given Blue Fox hereunder and specifying the address for service thereof, then the City shall deliver to such Mortgagee, concurrently with service thereon to Blue Fox, any notice given to Blue Fox with respect to any claim by the City that Blue Fox has committed an event of default. Each Mortgagee shall have the right during the same period available to Blue Fox to cure or remedy, or to commence to cure or remedy, the event of default claimed set forth in the City's notice and City shall accept performance by Mortgagee in the same manner as if performance had been tendered by Blue Fox. The City, through its City Manager, may extend the thirty (30) day cure period provided in paragraph 7.2, above, for not more than an additional sixty (60) days upon request of Blue Fox or a Mortgagee.

9.3. Amendments. If requested by a Mortgagee, the City agrees that this Agreement shall not be amended or mutually terminated without notice to and consent of the Mortgagee.

10. Severability. The unenforceability, invalidity or illegality of any provisions, covenant, condition or term of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

11. Transfers and Assignments.

11.1. Right to Assign. Blue Fox's rights hereunder may be transferred, sold or assigned in conjunction with the transfer, sale or assignment of all of the Property subject hereto at any time during the Term of this Agreement, provided that no transfer, sale or assignment of Blue Fox's rights hereunder shall occur without the prior written notice to City and approval by the City, which approval shall not be unreasonably withheld or delayed. The City shall consider the matter within sixty (60) days after Blue Fox's notice. Notwithstanding the foregoing, the City's approval shall not be required for any transfer, sale or assignment of a business equity interest to an entity in which Blue Fox or its principals own at least fifty percent (50%) of the ownership interest.

11.2. Release Upon Transfer. Upon the transfer, sale or assignment of Blue Fox's rights and interests hereunder pursuant to Paragraph 11.1, above, Blue Fox shall be released from the obligations under this Agreement, with respect to the Property transferred, sold or assigned, arising subsequent to the date of City approval of such transfer, sale or assignment (if required), provided, however, that any such transferee, purchaser or assignee has expressly assumed for the benefit of the City, all of the obligations of Blue Fox under this Agreement. In any event, the transferee, purchaser or assignee shall be subject to all the provisions hereof and shall provide all documents, certifications and other information to the City, as determined reasonably necessary by the City, prior to any approval.

12. Notices. All notices or other communications shall be in writing and served personally, by facsimile together with an original mailed the same day, or by First Class mail, postage prepaid, to the parties at the addresses and/or facsimile telephone numbers shown below, or as indicated by written notice of a change of address or facsimile number. All notices personally delivered shall be deemed given as of the date shown on the receipted copy, all notices delivered by facsimile shall be deemed given as of the date of transmission and all notices mailed shall be deemed given five days after mailing.

CITY

City of Santa Rosa
90 Santa Rosa Avenue
Santa Rosa, CA 95404
Attn: Chief Financial Officer
Fax: 707-543-3139

BLUE FOX

Blue Fox Partners
414 Aviation Boulevard
Santa Rosa, CA 95403-1069
Attn: Larry L. Wasem
Fax: 707-578-3140

13. Agreement is Entire Understanding; Termination and Replacement of Existing Parking Agreement. This Agreement constitutes the entire understanding and agreement of the parties concerning. Upon the Effective Date of this Agreement, the existing Parking Agreement shall terminate and be of no further force or effect and this Agreement shall replace the existing Parking Agreement in full.

14. Time of Essence. Time is of the essence in carrying out the provisions of this Agreement.

15. Incorporation of Recitals and Exhibits. The recitals to this Agreement are incorporated herein and are a part hereof. All the exhibits attached to this Agreement and all exhibits to the exhibits attached to this Agreement are incorporated herein as though set forth in full and shall be considered as a material part of the agreement of the parties hereto.

16. Counterparts. This Agreement may be executed simultaneously or in counterparts. In the latter event, each counterpart shall be deemed an original, but both counterparts together shall constitute the same agreement.

17. Recordation. The City shall record a copy of this Agreement within ten (10) days following the execution by all parties. All of the provisions, rights, terms, covenants and obligations hereunder shall be binding on the parties and their respective heirs, successors, assigns, representatives, lessees and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law, equity or any manner whatsoever. Upon the expiration or earlier termination of this Agreement, upon the request of either party hereunder, the parties shall execute a termination of this Agreement which the City shall record in the Official Records of Sonoma County in order to remove this Agreement from title to the Property and the Garage.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

"CITY"

CITY OF SANTA ROSA,
a municipal corporation

By: _____
Mayor

ATTEST:

By: _____
City Clerk

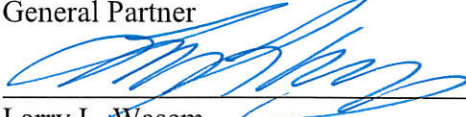
APPROVED AS TO FORM:


By: _____
City Attorney

"BLUE FOX"

BLUE FOX PARTNERS,
a California general partnership

By: BLUE FOX INVESTORS,
a California limited partnership,
General Partner

By: 
Larry L. Wasem,
General Partner

By: NORTHERN LIGHTS LTD., LLC,
a California limited liability company,
General Partner

By: 
Daniel F. Tocchini,
Managing Member

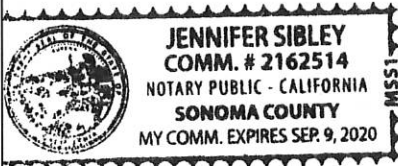
By: 
Amy A. Tocchini,
Managing Member

Attachments:
Exhibit A – Legal Description of the Property
Exhibit B – Legal Description of the Garage

A notary public or other officer completing this certificate 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 }
COUNTY OF SONOMA } SS

On September 11, 2017, before me, Jennifer Sibley,
Notary Public, personally appeared Larry L. Wasem, Daniel F. Tocchini and Amy
A. Tocchini, 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.



Executed 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.

(this area for official notarial seal)

Notary's Signature Jennifer Sibley

EXHIBIT "A"

DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SANTA ROSA, COUNTY OF SONOMA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 59, BLOCK 9, AS SHOWN ON MAP OF "SANTA ROSA, SONOMA COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER, IN BOOK 1 OF MAPS, PAGE 1, SONOMA COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID LOT 59, SOUTH 60° 30' 42" WEST, 16.62 FEET TO THE **TRUE POINT OF BEGINNING** OF THIS DESCRIPTION;

THENCE CONTINUING ALONG THE SOUTH LINE OF LOT 59 AND LOTS 49 AND 48, SOUTH 60° 30' 42" WEST, 152.33 FEET;

THENCE LEAVING SAID SOUTH LINE, NORTH 29° 33' 43" WEST, 190.24 FEET TO A POINT 40.00 FEET FROM THE CENTERLINE OF SECOND STREET;

THENCE PARALLEL TO SAID CENTERLINE, NORTH 60° 30' 19" EAST, 129.09 FEET TO THE BEGINNING OF A NON-TANGENT CURVE;

THENCE ALONG A NON-TANGENT CURVE TO THE LEFT WITH A RADIUS OF 20 FEET, FROM A TANGENT WHICH BEARS SOUTH 41° 01' 54" EAST, THROUGH A CENTRAL ANGLE OF 108° 39' 07", AN ARC DISTANCE OF 37.93 FEET TO A POINT 40.00 FEET FROM THE ORIGINAL CENTERLINE OF SANTA ROSA AVENUE;

THENCE PARALLEL TO SAID CENTERLINE, SOUTH 29° 38' 06" EAST, 99.30 FEET TO THE BEGINNING OF A TANGENT CURVE;

THENCE NO LONGER PARALLEL TO SAID CENTERLINE, ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 459.00 FEET, THROUGH A CENTRAL ANGLE OF 9° 44' 26", AN ARC DISTANCE OF 78.03 FEET TO THE **TRUE POINT OF BEGINNING** OF THIS DESCRIPTION.

SAID PARCEL IS A PORTION OF THE LANDS AS SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED IN THE OFFICE OF THE COUNTY RECORDER ON AUGUST 7, 1984, IN BOOK 360 OF MAPS, PAGE 21, SONOMA COUNTY RECORDS.

ASSESSOR'S PARCEL NO. 010-066-015

EXHIBIT "B"

DESCRIPTION OF GARAGE PROPERTY

ALL THAT REAL PROPERTY SITUATE IN THE CITY OF SANTA ROSA, COUNTY OF SONOMA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHERLY CORNER COMMON TO LOTS 46 AND 47, BLOCK 9, AS SHOWN ON MAP OF "SANTA ROSA, SONOMA COUNTY, CALIFORNIA," FILED IN BOOK 1 OF MAPS AT PAGE 1, SONOMA COUNTY RECORDS;

THENCE ALONG THE SOUTHERLY LINE OF LOTS 47 AND 48, BLOCK 9, NORTH 60°30'42" EAST 71.03 FEET;

THENCE LEAVING SAID LOT LINE NORTH 29°33'43" WEST 190.24 FEET;

THENCE NORTH 60°30'19" EAST 129.09 FEET TO THE BEGINNING OF A NON-TANGENT CURVE;

THENCE ON A 20.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT FROM A TANGENT WHICH BEARS SOUTH 41°01'54" EAST THROUGH A CENTRAL ANGLE OF 108°39'07" AN ARC DISTANCE OF 37.93 FEET TO A POINT 40.00 FEET FROM THE ORIGINAL CENTERLINE OF SANTA ROSA AVENUE;

THENCE PARALLEL TO SAID CENTERLINE NORTH 29°38'06" WEST 23.29 FEET TO THE SOUTH LINE OF SECOND STREET;

THENCE ALONG THE SOUTH LINE OF SECOND STREET SOUTH 60°30'19" WEST 454.68 FEET;

THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS 10.00 FEET THROUGH A CENTRAL ANGLE OF 90°03'59" AN ARC DISTANCE OF 15.72 FEET TO A POINT LYING 35.00 FEET FROM THE CENTERLINE OF "B" STREET;

THENCE PARALLEL TO THE CENTERLINE OF "B" STREET SOUTH 29°33'40" EAST 13.32 FEET TO THE BEGINNING OF A NON-TANGENT CURVE;

THENCE ALONG A NON-TANGENT CURVE TO THE LEFT WITH A RADIUS 20.00 FEET FROM A TANGENT BEARING SOUTH 89°32'45" EAST THROUGH A CENTRAL ANGLE OF 108°24'43" AN ARC DISTANCE OF 37.84 FEET;

THENCE NORTH 60°30'19" EAST 75.40 FEET;

THENCE SOUTH 29°33'43" EAST 156.86 FEET;

THENCE SOUTH 74°47'39" WEST 85.68 FEET;

THENCE SOUTH 82°34'47" WEST 23.75 FEET;

THENCE SOUTH 29°33'40" EAST 3.95 FEET TO THE BEGINNING OF A TANGENT CURVE;

THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS 25.00 FEET THROUGH A CENTRAL ANGLE OF 84°02'59" AN ARC DISTANCE OF 36.67 FEET TO A POINT OF REVERSE CURVATURE;

THENCE ON A CURVE TO THE RIGHT WITH A RADIUS 836.00 FEET THROUGH A CENTRAL ANGLE OF 3°54'06" AN ARC DISTANCE OF 56.93 FEET;

THENCE NORTH 70°17'26" EAST 158.25 FEET;

THENCE NORTH 60°30'43" EAST 0.28 FEET TO THE **POINT OF BEGINNING.**

EXCEPTING THEREFROM ALL THAT PORTION CONVEYED TO FIRST & SANTA ROSA, A GENERAL PARTNERSHIP, IN THAT CERTAIN QUITCLAIM DEED RECORDED ON SEPTEMBER 29, 1988, UNDER DOCUMENT NO. 88-082409, SONOMA COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERN CORNER OF THE PARCEL OF LAND CONVEYED BY DEED FROM TRANSAMERICA TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION, TO FIRST & SANTA ROSA, A GENERAL PARTNERSHIP, DATED MAY 7, 1984 AND RECORDED MAY 11, 1984, UNDER DOCUMENT NO. 84-031731, SONOMA COUNTY RECORDS;

THENCE SOUTH 70°02'44" WEST, 75.26 FEET;

THENCE NORTH 89°46'00" WEST, 35.49 FEET TO THE SOUTHERN LINE OF SAID PARCEL;

THENCE ALONG LAST SAID LINE, NORTH 82°34'47" EAST, 23.75 FEET; AND

NORTH 74°47'39" EAST, 85.68 FEET TO THE **POINT OF BEGINNING**.

ASSESSOR'S PARCEL NO. 010-066-016