

EXHIBIT "C"

1150 N. ALLEN / TRADEMARK DEVELOPMENT

KEY TERMS AND PROVISIONS OF DISPOSITION AND DEVELOPMENT AGREEMENT (August 4, 2008)

I. Owner/Developer

- The Developer is Trademark Development Company, LLC, a Pasadena based for-profit real estate Development Company.

II. Property

- The development site is located at 1150 N. Allen Avenue, Pasadena, California 91104 ("Property"). The Property's Assessor's Parcel No. is 5742-013-018. The site is 11,500 square feet and is improved with a vacant service station.
- The City of Pasadena acquired the Property in September 2005 for \$1,266,000 with State of California HELP funds, which funds are administered by the Pasadena Community Development Commission ("Commission").

III. Land Use Entitlements

- The existing zoning designation for the Property is "CL" (Commercial Limited) which utilizes RM-32 residential standards.
- The maximum allowable density on the Property is 8 dwelling units. However, the proposed development consists of only 6 residential units, two of which include commercial office space.
- Conditional Use Permit CUP #5091 was approved, providing for: a) Minor Conditional Use Permit to allow tandem parking in conjunction with a new mixed-use project; b) variance to allow tandem parking to be shared between a residential and non-residential use; c) Minor Variance to the required front yard setback along Brigden Road; and d) Variance to deviate from the required depth of 50 square feet to 25 square feet for a commercial use.

IV. Disposition of Property

- City shall convey Property to the Commission.

- Commission shall sell Property to the Developer at a consideration of \$47,000 (the residual land value).
- The Developer will be required to provide evidence of conventional construction financing for the project in a form acceptable to the Chief Executive Officer or her designee prior to the transfer of the Property.

V. Scope of Development

- Developer will demolish all existing improvements (consisting of a vacant service station) on the Property and develop a 4-unit residential/2-unit artisan loft ownership project consisting of four (4) affordable units and two (2) market rate units.

VI. Project Financing

- The current appraised value of the Property is \$915,000. The Commission will sell the Property to the Developer at a price equal to the residual land value which is estimated at \$47,000. The difference between these two amounts, \$868,000, represents the Commission's land write-down subsidy for the project.
- The four (4) affordable units shall be sold at moderate income affordable sales prices based on the City's Inclusionary standards.
- Subordinate liens shall be recorded against the each affordable unit to provide for Commission recapture of the \$868,000 land write-down from resale of the units.
- Commission shall share 50% of sales revenues in excess of established pro forma.
- The Project total development budget is:

Total Direct Costs	\$ 863,782
Total Indirect Costs	660,377
Total Financing Costs	118,122
Total Land Costs	46,709
Total Development Costs	\$1,688,990

- Developer "sources and uses" accounting of the project financing are:

Sources:

Sales Revenue (net of sales commission)	\$2,036,400
Conventional Construction Loan	1,524,158
Total Sources	\$3,560,558

Uses:

Land & Acquisition Costs	\$ 46,709
Direct Construction Costs	863,782
Indirect Costs	660,377
Construction Financing Costs	118,122
Sales Commission	82,678
Development Profit	264,372
Construction Loan Repayment	<u>1,524,158</u>
Total Uses	\$3,560,198

VII. Environmental Determination, Studies and Documentation

- Developer has conducted Phase 1 and Phase II environmental studies of the Property.
- Project shall comply with all applicable CEQA requirements.

VIII. Schedule of Performance

- Developer shall adhere to the performance elements identified in the DDA Schedule of Performance which includes commencement of construction no later than January 1, 2009 with construction completion to occur no later than December 31, 2009. Other performance elements shall be identified in the DDA Schedule of Performance.

IX. Equal Employment Opportunity/Local Hiring/Local Preference/Fair Housing

- Owner shall comply with all applicable City Equal Employment Opportunity policies.
- Owner shall comply with the City's First Source Hiring Ordinance.
- Owner shall implement the City's and Commission's Local Preference and Priority System Guidelines whereby, to the extent permissible under applicable state and federal law, people who live and/or work in the City of Pasadena shall have priority over other persons to rent affordable housing units which are supported or sponsored by the City of Pasadena or Pasadena Community Development Commission in whole or part.
- Owner shall comply with all Federal laws pertaining to Fair Housing, Equal Opportunity and Handicapped Accessibility.

X. Insurance

- Owner shall comply with all applicable City insurance requirements.

- Owner agrees to and shall indemnify the Commission and City from and against all claims and expenses arising from or in connection with the Owner, or its lessees, use of the Property or performance of the obligations under the terms of this Agreement.

XI. Affordable Housing Covenant Agreement; Restrictions on Mixed-Use Units

- An Affordable Housing Covenant Agreement shall run with the land for a minimum of 45 years for each of the four (4) moderate income affordable units. The Agreement shall include restrictions regarding income limits, principal place of residence, Commission first right of refusal for purchase, and non-discrimination provisions, among other things. Agency shall monitor the project's compliance with the Agreement.
- The two (2) mixed-use market rate units ("artisan loft units") shall be deed-restricted for commercial office use.