

LANDMARK COMPANIES LLC

February 15, 2017

Garden Grove Agency for Community Development
c/o Successor Agency to the Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, California 92842
Attention: Executive Director

Successor Agency to the Garden Grove Agency for Community Development
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Garden Grove, California 92842
Attention: Executive Director

Subject: Notice of Termination, Disposition and Development Agreement by and between the Garden Grove Agency for Community Development and Landmark Companies, LLC

Executive Director:

This letter is made by and on behalf of Landmark Companies, LLC ("Developer") as a party to that certain Disposition and Development Agreement dated as of January 4, 2007 by and between the Garden Grove Agency for Community Development ("Former Agency") and Developer (the "DDA"). Under the DDA, the ability of the Former Agency and the Developer to perform, with respect to the acquisition of an interest in land and subsequent development and operational activities, was premised upon the ability of the Former Agency to acquire from the Garden Grove Sanitary District ("District") an interest in certain real property (referred to in the DDA as the "Agency Parcels"). Due to a variety of circumstances that are not the fault of either party to the DDA, neither the Former Agency nor the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") was able to acquire the requisite interest in the Agency Parcels. As a result of that inability, the Agency's Conditions Precedent to the Sublease (as set forth in Section 204.1 of the DDA, including without limitation subsections (a), (d), (g), and (j)) have not been satisfied, and, in addition, the Developer's Conditions Precedent to the Sublease (as set forth in Section 204.2 of the DDA, including without limitation subsection (c) thereof) have not been satisfied. Developer has further determined, upon consultation with representatives of the Successor Agency that the Successor Agency will not be able to accomplish the acquisition of the requisite interest with the ability to sublease to the Developer.

As a result of the foregoing, and notwithstanding the diligent efforts of the parties to the DDA with respect thereto, it is not feasible for performance by either party (and, in the case of the Former Agency, the Successor Agency) to proceed under the DDA.

Under the DDA, the Developer has the right to terminate the DDA prior to the commencement of subleasing, as set forth in Section 503 of the DDA. Section 503 provides, in part:

“From the date the Developer submits written Notice of termination of this Agreement to the Agency and thereafter this Agreement shall be deemed terminated and there shall be no further rights or obligations between the parties with respect to the Agency Parcels the Parking Facility, or the Hotel Facility by virtue of or with respect to the Agreement, except for such rights that the Developer may have as a result of the Agency’s Default hereunder.” (capitalized terms not defined herein shall have the respective meanings set forth therefor in the DDA)

There being no defaults under the DDA, this writing constitutes final Notice of termination of the Agreement in all respects. This Notice, per Section 503 of the DDA, shall be immediately effective upon the earliest receipt thereof by the Successor Agency (whether by electronic means, mail, or hand delivery). For our record keeping purposes, Developer respectfully requests that Successor Agency return a copy of this Notice counter-signed by Successor Agency; however, this Notice is effective without regard to whether it is executed by Successor Agency.

Sincerely,



Landmark Companies, LLC, a California limited liability company
By: Mark B. David, President

Enclosure

cc: Stradling Yocca Carlson & Rauth, Attn: Thomas P. Clark, Jr.

ACKNOWLEDGMENT OF RECEIPT:

Successor Agency to the Garden Grove Agency for Community Development

By:
Its: Executive Director