



AGENDA

The City of Garden Grove as
Successor Agency
to the Agency for Community
Development

Tuesday,
May 8, 2018

6:30 PM

Community Meeting Center, 11300
Stanford Avenue, Garden Grove, CA
92840

Steven R. Jones
Chair
Kris Beard
Member, District 1
John R. O'Neill
Member, District 2
Thu-Ha Nguyen
Member, District 3
Patrick Phat Bui
Vice Chair, District 4
**Stephanie
Klopfenstein**
Member, District 5
Kim Nguyen
Member, District 6

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the Successor Agency, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The Successor Agency may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Successor Agency Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Successor Agency meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the Successor Agency are requested to complete a pink speaker card indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications," and should be limited to matters under consideration and/or what the Successor Agency has jurisdiction over. Persons wishing to address the Successor Agency regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the Successor Agency Members: After being called by the Chair, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Successor Agency. All remarks and questions should be addressed to the Successor Agency as a whole and not to individual Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Successor Agency shall be called to order by the Chair. If such conduct continues, the Chair may order the person barred from addressing the Successor Agency any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the Successor Agency on the same subject matter, the Chair may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Successor Agency's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

Open Session

6:30 PM

ROLL CALL: Member Beard, Member O'Neill, Member T. Nguyen, Member Klopfenstein, Member K. Nguyen, Vice Chair Bui, Chair Jones

1. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)

2. CONSENT ITEMS

(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Successor Agency Member.)

2.a. Receive and file minutes from the meeting held on April 24, 2018. *(Action Item)*

3. PUBLIC HEARINGS

(Motion to approve will include adoption of each Resolution unless otherwise stated.)

3.a. Adoption of a Resolution authorizing the sale of real property to the Orange County Transit District consisting of Assessor Parcel Numbers: 133-091-45, 133-111-43, and 133-123-02. *(Action Item)*

4. MATTERS FROM SUCCESSOR AGENCY CHAIR, MEMBERS AND DIRECTOR

5. ADJOURNMENT

The next Regular Meeting of the Successor Agency will be held on Tuesday, June 12, 2018, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,
Jones
Noes: (0) None

RECEIVE AND FILE MINUTES FROM THE MEETING HELD ON APRIL 10, 2018
(F: Vault)

It was moved by Member Beard, seconded by Member Klopfenstein that:

The minutes from the meeting held on April 10, 2018, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,
Jones
Noes: (0) None

WARRANTS

It was moved by Member Beard, seconded by Member Klopfenstein that:

The Regular Warrants 1578 through 1579, be approved as presented in the warrant register submitted that have been audited for accuracy and funds are available for payment thereof by the Finance Director.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,
Jones
Noes: (0) None

ADJOURNMENT

At 7:30 p.m., Chair Jones adjourned the meeting. The next Regular Successor Agency Meeting will be held Tuesday, May 8, 2018, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Lizabeth Vasquez
Deputy Secretary

In the Successor Agency's approved LRPMP the subject vacant parcels are listed as Items 50, 51 and 52 "Properties to be Sold": (i) Item 50 - a parcel near Chapman Avenue, approximately 69,696 square feet, APN 133-091-45; (ii) Item 51 - a parcel near Bixby Avenue, approximately 143,748 square feet (APN 133-111-43); and, (iii) Item 52 - a parcel near Brookhurst Street, approximately 15,889 square feet (APN 133-123-02).

Each of the Properties was originally acquired by the Former Agency from the Orange County Transportation Authority (predecessor to the OCTD) for redevelopment/economic development public purposes; however, due to dissolution the Properties must be sold by the Successor Agency. In compliance with the Dissolution Law, the Successor Agency intends to sell the Properties for not less than appraised value, which fair market value was determined by an independent appraiser, Lidgard and Associates, at One Million Five Hundred Thousand (\$1,500,000).

[1] All statutory references in this report are to the Dissolution Law unless otherwise stated. Further, under Section 34173(g), the Successor Agency is a separate public body and entity from the City of Garden Grove ("City").

DISCUSSION

Successor Agency and OCTD representatives have negotiated the terms of a *Purchase and Sale Agreement* ("PSA") for disposition of the Properties for a purchase price of \$1,500,000 for OCTD's future transit, public transportation purposes. The OCTD governing board has approved the PSA (Attachment 1); and, also agreed to allow the City of Garden Grove to improve and use a portion of the Properties for a bike path under a license agreement to be negotiated and entered into between the City and OCTD.

The salient deal points to the PSA include:

- "Final Approval Date" of the PSA means the date on which the Oversight Board approves the agreement in compliance with Sections 34179 and 34181 and in implementation of the LRPMP;
- All cash purchase price of \$1,500,000 to be paid by OCTD, as Buyer, to the Successor Agency for the Properties;
- Escrow will open five (5) days after Final Approval Date; and,
- Escrow will close within ninety (90) days.

In addition to the Successor Agency's review and action to approve the sale and authorize execution of the PSA by Resolution (Attachment 2), the contract will not be effective until considered and approved by the Oversight Board. Under the PSA, the Successor agrees to use good faith, commercially reasonable efforts to request Oversight Board consideration of and action on the PSA as soon as reasonably practical, but not later than sixty (60) days from the Date of Agreement. Further, the Successor Agency is required to give OCTD prompt notice once the Oversight Board takes action, and if approved, that will be the defined Final Approval Date. Buyer or Seller each have the right to terminate the PSA by written notice to the other at any time prior to the Final Approval Date, in which event the Initial Deposit would be returned to OCTD by the Successor Agency.

As required by the Dissolution Law, the proceeds of the sale (net costs of sale) will

be remitted by the Successor Agency to the Orange County Auditor-Controller for distribution to the affected taxing entities, including the City. The City's General Fund will be allocated approximately \$195,000 from such Auditor-Controller distribution. In connection with presenting the PSA to the Successor Agency, staff caused to published and posted a notice of public hearing, which public hearing will be conducted as a part of this agenda matter. If the Successor Agency approves the PSA, then the next step will be Oversight Board consideration and action also at a duly noticed, separate public hearing. Under Section 34181(f), the Oversight Board will review, consider and take action on the PSA, and, if approved, that date will be Final Approval Date. Further, Section 34191.5(f) provides that: "Actions to implement the disposition of property pursuant to an approved long-range property management plan [LRPMP] shall not require review by the department [DOF]." Therefore, the PSA is not subject to submittal to, or further review and approval by the DOF because the PSA carries out the DOF-approved LRPMP as part of the "Properties to be Sold" and DOF previously approved the LRPMP in compliance with the Dissolution Law, including Sections 34179, 34181 and 34191.4(c).

OCTD has agreed to allow the city to enter into a License Agreement for a bike path on a portion the right of way after OCTD escrow closes on this transaction.

FINANCIAL IMPACT

As noted, under the Dissolution Law, the affected taxing entitles will be allocated the net sale proceeds, including the City's share of approximately \$195,000 of the total proceeds.

RECOMMENDATION

It is recommended that the Successor Agency:

- Adopt the Successor Agency Resolution (Attachment 2) authorizing the sale of the Properties (APNs 133-091-45, 133-111-43 and 133-123-02) to the Orange County Transit District; and
- Authorize the Successor Agency Executive Director to execute and the Secretary to attest the PSA (Attachment 1) with minor modifications, if any, completed on behalf of the Successor Agency.

By: Greg Blodgett, Sr. Project Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
SA Resolution	5/4/2018	Resolution	5-8-18_SA_Resolution_Approving_Sale_of_PE_ROW__(LRPMP).docx
Agreement	5/3/2018	Backup Material	5-8-18_ROW_PSA_Agreement.pdf

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO.

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT APPROVING A PURCHASE AND SALE AGREEMENT
WITH THE ORANGE COUNTY TRANSIT DISTRICT IN ACCORDANCE WITH THE DOF-
APPROVED LONG RANGE PROPERTY MANAGEMENT PLAN AND THE
DISSOLUTION LAW

WHEREAS, the City of Garden Grove ("City") is a municipal corporation organized and operating under the laws of the State of California;

WHEREAS, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and is the successor entity to the now dissolved, former Garden Grove Agency for Community Development ("Former Agency"), which entity previously was a community redevelopment agency organized and existing under the Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL");

WHEREAS, all statutory references in this Resolution are to the California Health and Safety Code unless otherwise stated;

WHEREAS, the California Health and Safety Code, Division 24, Parts 1.8 (Section 34160, *et seq.*) and 1.85 (Section 34170, *et seq.*) (together, "Dissolution Law") sets forth the laws by which all California redevelopment agencies were dissolved and the process and requirements by which successor agencies are winding down the affairs of the former agencies;

WHEREAS, as of February 1, 2012, the Former Agency was dissolved by the Dissolution Law and as a separate public entity (under Section 34173(g)) the Successor Agency administers the enforceable obligations of the Former Agency and unwinds its affairs, all subject to the review and approval by a seven-member oversight board, which is this Oversight Board to the Garden Grove Agency for Community Development ("Oversight Board");

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues under Section 34188 thereof;

WHEREAS, Section 34191.5(b) requires the Successor Agency to prepare a "long-range property management plan" (also referred to herein as the "LRPMP") addressing the future disposition and use of all real properties of the Former Agency no later than six months following the DOF's issuance to the Successor Agency of a finding of completion under Section 34179.7;

WHEREAS, the Successor Agency received a Finding of Completion, and thereafter timely prepared its LRPMP, which LRPMP was approved by the Oversight Board and then by the DOF in a decision letter issued and dated as of March 7, 2014;

WHEREAS, the Successor Agency has negotiated the terms of a Purchase and Sale Agreement ("Agreement") with the Orange County Transit District ("OCTD" as "Buyer") for the sale of certain "Property" that consists of three separate parcels located in the City of Garden Grove as listed on the LRPMP as "Properties to be Sold":

- (i) Item 50 a vacant parcel near Chapman, approximately 69,696 square feet APN 133-091-45;
- (ii) Item 51 a vacant parcel near Bixby, approximately 143,748 square feet (APN 133-111-43);
- (iii) Item 52 a vacant parcel near Brookhurst, approximately 15,889 square feet (APN 133-123-02);

WHEREAS, the Agreement calls for the Successor Agency to sell the Property to the Buyer in its present condition, for the fair market value of the Property with the proceeds of sale to be distributed to the taxing entities under Section 34191.5(c)(2)(B);

WHEREAS, the purchase price for the Property under the Agreement is \$1,500,000, which is not less than the fair market value of the Property;

WHEREAS, the Successor Agency published notice on April 25, 2018 and May 2, 2018, of the proposed sale by the Agreement and has held a Public Hearing in accordance with Section 33431 of the CRL and, following the Public Hearing, the Successor Agency considered and by this Resolution desires to approve the Agreement and direct staff that the Agreement be submitted to the Oversight Board for its review, consideration and approval; and

WHEREAS, the sale of the Property to the Buyer under the Agreement complies with the CRL and the Dissolution Law and is in the best interests of the taxing entities.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The Successor Agency hereby approves the sale of the Property and approves the Agreement in substantially the form attached hereto as Attachment No. 1, which is fully incorporated by this reference. The Successor Agency Director and Secretary are authorized to execute and attest the Agreement with such revisions as the Director and Successor Agency legal counsel deem appropriate. The Successor Agency Director and his authorized designees are

authorized to take such actions as may be necessary or appropriate to implement the Agreement, including executing further instruments and agreements, issuing warrants, and taking other appropriate actions to perform the obligations and exercise the rights of the Successor Agency under the Agreement. A copy of the Agreement when fully executed and approved by the Oversight Board shall be placed on file in the office of the Successor Agency Secretary.

Section 3. The Chair of the Successor Agency shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

Section 4. The Successor Agency Director is hereby directed to transmit this Resolution and the Agreement to the Oversight Board under the Dissolution Law.

Section 5. The Secretary shall certify to the adoption of this resolution.

ATTACHMENT NO. 1
PURCHASE AND SALE AGREEMENT
[to be attached]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

SELLER:

**SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,
a public body**

BUYER:

**ORANGE COUNTY TRANSIT DISTRICT,
a public corporation of the State of California**

PROPERTY:

**Three (3) parcels of vacant property: Assessor
Parcel Numbers: 133-091-45, 133-111-43 and 133-
123-02 Garden Grove, California (commonly
referred to as a portion of the "P/E Right of Way
near Chapman/Bixby/Brookhurst"**

DATED AS OF:

May __, 2018

DEFINED TERMS

Date of Agreement:	May __, 2018
Seller/Successor Agency:	SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body
Seller's Address and Contact:	Successor Agency to the Garden Grove Agency for Community Development c/o Garden Grove City Hall 11222 Acacia Parkway P.O. Box 3070 Garden Grove, California 92840 Attention: Director
Successor Agency/ Seller's Counsel:	Celeste Stahl Brady Stradling Yocca Carlson & Rauth 660 Newport Center Drive, Suite 1600 Newport Beach, California 92660
Buyer:	ORANGE COUNTY TRANSIT DISTRICT, a public corporation of the State of California
Buyer's Address and Contact:	ORANGE COUNTY TRANSIT DISTRICT, a public corporation of the State of California c/o Orange County Transportation Authority 550 S. Main Street P.O. Box 14184 Orange, CA 92863-1584 Attention: Joe Gallardo, Manager, Real Property Department
Buyer's Counsel:	Rick E. Rayl Special Counsel NOSSAMAN LLP 18101 Von Karman Avenue, Suite 1800 Irvine, CA 92612 rrayl@nossaman.com T 949.833.7800 F 949.833.7878
Property:	Three parcels of vacant real property as described in the "Legal Description", <u>Exhibit A</u> , and in the "Grant Deed", <u>Exhibit B</u> , both attached hereto.
Purchase Price:	One Million Five Hundred Thousand Dollars (\$1,500,000)
Close of Escrow Date:	See Section 7.6; estimated Outside Closing Date (defined therein) is within ninety (90) days after Final Approval Date, i.e., action on the Agreement by the Oversight Board, if approved.

Title Company: First American Title Insurance Company
National Commercial Services
18500 Von Karman Avenue, Suite 600
Irvine, CA 92612
Attention: Vince Tocco/Linda Slavik
Office: 858.410.3886
Phone No.: 877.461.2094
E-Mail: vtocco@firstam.com
Order No. NCS-836815-SA1

Or other mutually agreed Title Officer from First American Title Insurance Company, National Commercial Services

Escrow Holder: First American Title Insurance Company
National Commercial Services
18500 Von Karman Avenue, Suite 600
Irvine, CA 92612
Attention: Patty Beverly
Office: 949.885.2465
Direct: 949.885.2473
Email: pbeverly@firstam.com

Or other mutually agreed Escrow Officer from First American Title Insurance Company, National Commercial Services

**Buyer's/Seller's
Broker(s):** None

List of Exhibits

- Exhibit A:** Legal Description of the Property
Exhibit B: Form of Grant Deed
Exhibit C: Form of Right of Entry Agreement

PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (“Agreement”) is dated for reference purposes as of the ___ day of _____, 2018 (“Date of Agreement”), and is being entered into by and between the **SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT** a public body (“Successor Agency” or “Seller”), which entity exists under Parts 1.8 and 1.85, Division 24 of the California Health and Safety Code, in particular Section 34173(g) (“Dissolution Law”), and the **ORANGE COUNTY TRANSIT DISTRICT**, a public corporation of the State of California, (“OCTD” or “Buyer”), for the acquisition by Buyer of certain real property described below.

RECITALS

A. Seller is the successor agency to the former Garden Grove Agency for Community Development and is required to dispose of the Property under Sections 34181 and 34191.5 of the Dissolution Law, and under the terms of the Long Range Property Management Plan prepared by the Seller and approved by the Oversight Board to the Garden Grove Agency for Community Development (“Oversight Board”), and thereafter approved by the State of California, Department of Finance (“DOF”).

B. This Agreement shall not be effective until considered and approved by the Oversight Board in compliance with the Dissolution Law. As used herein, “Final Approval Date” means the date on which the Oversight Board approves this Agreement under Health and Safety Code Sections 34179 and 34181 in implementation and furtherance of the Seller’s Long Range Property Management Plan (“LRPMP”). Seller shall use good faith, commercially reasonable efforts to request Oversight Board consideration of and action on this Agreement as soon as reasonably practical following the Date of Agreement, but not later than sixty (60) days from the Date of Agreement and shall use reasonable efforts to facilitate the Oversight Board’s review, consideration and action on this Agreement. Seller shall give OCTD, as Buyer, prompt notice once the Oversight Board takes action, and if approved, that the Final Approval Date has occurred. Buyer or Seller shall have the right to terminate this Agreement by written notice to the other at any time prior to the Final Approval Date, in which event the Initial Deposit shall be immediately returned to Buyer.

C. In the, now approved, LRPMP, Seller listed the subject three parcels that comprise the Property specifically as Items 50, 51 and 52 “Properties to be Sold”: (i) Item 50-a parcel near Chapman, approximately 69,696 square feet, APN 133-091-45; (ii) Item 51-a parcel near Bixby, approximately 143,748 square feet (APN 133-111-43); and, (iii) Item 52-a parcel near Brookhurst, approximately 15,889 square feet (APN 133-123-02) (together, the “Property”). The Successor Agency approved the LRPMP by resolution, then the Oversight reviewed and approved the LRPMP and thereafter the LRPMP along with the Successor Agency and Oversight Board resolutions were submitted to the DOF for review and approval under the Dissolution law, including without limitation Sections 34179, 34181, 34191.4(c).

D. The DOF approved the Successor Agency’s LRPMP by a decision letter issued and dated by the DOF as of March 7, 2014 and received by the Successor Agency on March 7, 2014; and, therefore, the net proceeds from this transaction (net costs of sale) will be remitted by the Successor Agency to the Orange County Auditor-Controller for distribution to the taxing entities all under the statutory requirements of the Dissolution Law.

E. On _____, 2018, the Successor Agency conducted a duly noticed public hearing regarding the proposed sale of the subject Property under this Agreement and after such hearing the Successor Agency considered, took action and approved this Agreement and authorized its transmittal to the Oversight Board.

F. In furtherance thereof, the Successor Agency will be presenting this Agreement to the Oversight Board after the Date of Agreement at a duly noticed meeting pursuant to the requirements of Section 34181(f) at which the Oversight Board will review, consider and take action on this Agreement, and, if approved, this approval date shall be defined and referred to as the “Final Approval Date” as the term is used in this Agreement because Section 34191.5(f) provides that: “Actions to implement the disposition of property pursuant to an approved long-range property management plan shall not require review by the department [DOF].” Therefore, this Agreement is not subject to submittal to, or further review and approval by the DOF because this Agreement carries out the LRPMP for the Property as “Properties to be Sold” and DOF approved that LRPMP in accordance with the Dissolution Law, including without limitation Sections 34179, 34181 and 34191.4(c).

NOW, THEREFORE, the Successor Agency agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Successor Agency upon the terms and for the consideration set forth in this Agreement as follows:

1. Agreement to Sell and Purchase. Successor Agency is the owner in fee simple interest of the that certain vacant real property consisting of three (3) parcels designated by Orange County Assessor Parcel Numbers (“APNs”): 133-091-45, 133-111-43 and 133-123-02 (“Property”) located in the City of Garden Grove (“City”), County of Orange, State of California. The Property has been commonly referred to as a portion of the “P/E Right of Way near Chapman/Bixby/Brookhurst”; and, the Property is more particularly and legally described in Exhibit “A” attached hereto and fully incorporated by reference. As used in this Agreement, the term “Property” means (a) all of Successor Agency’s right, title and interest to the Property; and (b) any approvals from any governmental agency or quasi-governmental agency, department, board, commission, having oversight to the conveyance of the Property. The term “Final Approval Date” means the date on which the Oversight Board has considered, taken action and approved this Agreement in accord with Health and Safety Code Sections 34179 and 34181.

2. Purchase Price. The purchase price of the Property is One Million Five Hundred Thousand Dollars (\$1,500,000) hereinafter referred to as the “Purchase Price”. The Purchase Price is not less than the fair market value of the Property.

3. Conveyance of Title and Possession. Successor Agency agrees to convey by grant deed (“Grant Deed”) to Buyer fee simple title to the Property, free and clear of all recorded and unrecorded liens, encumbrances, assessments, easements, leases, taxes and other title or survey matters (“Exceptions”) except such matters which are acceptable to the Buyer, in its sole and absolute discretion, following Buyer’s review of the Report (defined below) as provided in this Section 3. The Grant Deed, substantially in the form of attached as Exhibit “B” and fully incorporated by this reference will be the instrument to convey and grant the Property to OCTD. Within fifteen (15) calendar days following the of the Final Approval Date, Successor Agency shall cause First American Title Company (“Title Company”) to deliver to Buyer a preliminary title report or commitment (“Report”) with respect to the title to the Property, together with legible copies of documents creating the Exceptions set forth in the Report. Buyer shall have twenty (20) days from

its receipt of the Report within which to give written notice to Successor Agency of Buyer's reasonable approval or disapproval of any of such Exceptions. Buyer's failure to give written approval of the Report within such time limit shall be deemed Buyer's approval of the Exceptions set forth in the Report. If Buyer notifies Successor Agency of any Exceptions in the Report that are disapproved by Buyer, Successor Agency shall have the right, but not the obligation, within thirty (30) days after receiving Buyer's written notice, to remove any disapproved Exceptions or provide assurances or endorsements satisfactory to Buyer, acting in its sole and reasonable discretion, that such disapproved Exception(s) will be removed on or before the Closing at Successor Agency's sole cost; provided however, if the Successor Agency informs Buyer that it will not remove or cause removal at its expense of one or more non-monetary exceptions that are disapproved by Buyer, then Buyer may elect to terminate this Agreement as provided hereinafter. The foregoing notwithstanding, all monetary liens and encumbrances are disapproved regardless of whether Buyer provides affirmative notice of disapproval. If Successor Agency cannot or does not elect to remove or provide assurances with respect to any of the disapproved Exceptions within that 30-day period, Buyer shall have the right, within twenty (20) days following written notice by Successor Agency to Buyer of such election, to either give Successor Agency and the Escrow Holder written notice that Buyer elects to proceed with the purchase of the Property subject to the disapproved Exceptions or to give Successor Agency written notice that Buyer elects to terminate this Agreement, and in such case, the parties will split the cost of all of Escrow Holder's and Title Company's cancellation charges and fees. Buyer shall have the right to approve or disapprove, in its sole, reasonable discretion, any Exceptions reported by the Title Company after Buyer has approved the condition of title for the Property. Successor Agency shall not voluntarily or knowingly create any new Exceptions to title following the Date of Agreement.

4. Title Insurance Policy. Escrow Holder shall, following recording of the Grant Deed, provide Buyer with a standard owner's CLTA (or extended coverage ALTA, at the request of Buyer) policy of title insurance in the amount of the Purchase Price, issued by the Title Company, together with any endorsements and additional coverage requested by Buyer, showing fee simple title to the Property vested in Buyer, subject only to the Exceptions set forth in Section 3 approved by Buyer and the printed exceptions and stipulations in the policy. Successor Agency shall pay the portion of the premium that would be charged for a CLTA (standard coverage) owners title insurance policy ("Owner's Policy") in the amount of the Purchase Price, and Buyer shall pay all additional costs for an ALTA (extended coverage) title insurance policy ("Extended Policy") if Buyer elects to receive such a policy and for any other additional costs, including the costs of any endorsements and additional coverage, not otherwise Successor Agency's responsibility under Section 3 above.

5. Escrow. Within five (5) business days of the Final Approval Date, Buyer and Successor Agency shall open an escrow ("Escrow") in accordance with this Agreement with First American Title Company ("Escrow Holder"). This Agreement, together with the escrow instructions prepared by Escrow Holder and executed by Buyer and Successor Agency, constitutes the joint escrow instructions of Buyer and Successor Agency, and the Escrow Holder to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this Escrow on or before the Outside Closing Date set forth in Section 7.6 hereof; provided, however, Buyer shall not be obligated to waive any of its rights, conditions or contingencies under this Agreement in order to close the Escrow.

5.1 Grant Deed. Successor Agency shall execute and deliver into the Escrow the Grant Deed, substantially the form of Exhibit "B". Buyer agrees to deposit, or cause its lender to

deposit, the Purchase Price upon the Close of Escrow. Buyer and Successor Agency agree to deposit with Escrow Holder any additional instruments as may be necessary to complete this transaction.

5.2 Insurance. Insurance policies are not to be transferred, and Successor Agency may cancel its own policies concurrent with or after the Close of Escrow.

5.3 Escrow Account. All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other escrow trust account in any state or national bank doing business in the State of California. All disbursements shall be made by check from such account.

6. Tax Adjustment Procedure. Escrow Holder shall pay and charge Successor Agency for any unpaid delinquent property taxes and/or penalties and interest thereon, if any, and for any delinquent assessments or bonds against the Property. Escrow Holder shall prorate property taxes and assessments for the current fiscal year, if any, as of the Closing Date.

7. Escrow Holder Authorization. Escrow Holder is authorized to, and shall:

7.1 Fees, Charges and Costs Borne by Successor Agency. Successor Agency shall bear and Escrow Holder shall discharge on Successor Agency's behalf out of the sums payable to Successor Agency hereunder all costs and expenses associated with the Owner's Policy as set out in Section 4, one-half of Escrow Holder's fee and any additional costs and charges customarily charged to sellers in accordance with common escrow practices in Orange County.

7.2 Fees, Charges and Costs Borne by Buyer. Buyer shall bear and Escrow Holder shall discharge on Buyer's behalf out of the sums deposited by Buyer the fee for recordation of the Grant Deed, any costs and expenses with the Extended Policy (if applicable) as set out in Section 4, one-half of Escrow Holder's fees and any additional costs and charges customarily charged to buyers in accordance with common escrow practices in Orange County.

7.3 Disbursement. Disburse funds, record the Grant Deed and deliver the title policy to Buyer when the conditions to the Close of Escrow have been fulfilled (or waived in writing) by Buyer and Successor Agency.

7.4 Close of Escrow. The terms "Close of Escrow" and "Closing Date," if and where written in these instructions, shall mean the date the Grant Deed and other necessary instruments of conveyance are recorded in the office of the Orange County Recorder. Recordation of instruments delivered through this Escrow is authorized, if necessary or proper for the issuance of the policy of title insurance under Section 4 hereof.

7.5 Time Limits. All time limits within which any matter specified is to be performed may be extended by mutual agreement of the parties. Any amendment of or supplement to, any instructions must be in writing.

7.6 Time of the Essence. Escrow shall close ("Close of Escrow," "Close," or "Closing") within ten (10) days following the fulfillment and/or waiver of the conditions precedent set forth in Section 8, but in no event later than ninety (90) days after Final Approval Date on the Agreement by the Oversight Board ("Outside Closing Date"). Section 31 notwithstanding, the Outside Closing Date may be extended only for delays due to third party litigation against Successor

Agency or the City (or the Oversight Board) pertaining to approval of this Agreement. In the event the Closing does not occur on or before the Closing Date or Outside Closing Date, as applicable, either party that is not in Default hereunder shall be entitled to cancel Escrow, terminate this Agreement, and the Escrow Holder shall return to the depositor thereof all documents, instruments, and monies which were deposited hereunder. The foregoing shall not constitute an election of remedies for a non-defaulting party if the other party wrongfully fails to close Escrow.

7.7 Limitations on Escrow Holder Responsibility. Escrow Holder shall have no responsibility for performance or ensuring either party's performance of the provisions set forth in Sections 3, 4, 5, 6, 7, 9, 11, 12, 13, and 14 of this Agreement.

7.8 Tax Requirements. Escrow Holder shall prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

8. Conditions Precedent to Close of Escrow.

8.1 Buyer's Conditions Prior to Closing. Buyer's obligation to complete the purchase of the Property is subject to the satisfaction, or Buyer's affirmative written waiver in its sole and absolute discretion, of each of the following conditions:

a. Successor Agency shall have delivered through Escrow an executed and recordable Grant Deed sufficient to convey fee title to Buyer as set forth in Section 5.1.

b. Successor Agency shall have delivered through Escrow such other documents as are necessary to comply with Successor Agency's obligations under this Agreement.

c. Buyer shall have approved the condition of title to the Property under Section 3 hereof and the Title Company shall have committed to deliver to Buyer a title insurance policy as required by Section 4 hereof at or immediately after the Closing.

d. Buyer shall not have terminated this Agreement as permitted by the provisions of this Agreement.

e. Successor Agency shall not be in default of any of its obligations under the terms of this Agreement, and all representations of Successor Agency herein shall be true and correct as of the Closing.

f. The Final Approval Date shall have occurred no less than sixty (60) days following the Date of Agreement.

g. No government agency with jurisdiction, nor any court of competent jurisdiction, shall have directed the Successor Agency not to proceed with the Closing.

8.2 Successor Agency's Conditions Precedent to Closing. Successor Agency's obligation to complete the sale of the Property is subject to the satisfaction, or Successor Agency's affirmative written waiver in its sole and absolute discretion of each of the following conditions:

a. Buyer shall have delivered through Escrow the Grant Deed in recordable form, as set forth in Section 5.1.

b. Buyer shall not be in default of any of its obligations under the terms of this Agreement, and all representations of Buyer herein shall be true and correct as of the Close of Escrow.

c. Buyer shall have deposited with Escrow Holder immediately available funds in an amount equal to the Purchase Price and Buyer's share of title charges described in Section 4.

d. The Successor Agency shall not have terminated this Agreement as permitted by the provisions of this Agreement.

e. The Final Approval Date shall have occurred no less than sixty (60) days following the Date of Agreement.

f. No government agency with jurisdiction, nor any court of competent jurisdiction, shall have directed the Successor Agency not to proceed with the Closing.

g. Buyer shall have approved the condition of title to the Property under Section 3 hereof and the Title Company shall have committed to deliver to Buyer a title insurance policy as required by Section 4 hereof at or immediately after the Closing.

9. Permission to Enter on Premises. Under the terms and conditions of a "Right of Entry", substantially in the form of Exhibit "C", attached hereto and fully incorporated by this reference, to be entered into between Successor Agency and Buyer, Successor Agency will grant to Buyer, or its authorized agents, permission to enter upon the Property at all reasonable times prior to Close of Escrow for the purpose of making necessary or appropriate inspections, tests, surveys, assessments and reports of the Property, at Buyer's expense ("Tests"). Buyer shall indemnify, defend, and hold harmless Successor Agency and its officers, directors, shareholders, partners, employees, agents, and representatives from and against all claims, liabilities or damages, and including expert witness fees and reasonable attorney's fees and costs, caused by Buyer's activities with respect to or arising out of such testing, inspection, or investigatory activity on the Property. Nothing in this Section 9 imposes any liability or obligation on Buyer due to Buyer's discovery of the presence of hazardous materials during the course of Buyer's investigations. Buyer shall immediately report such discovery to the Successor Agency. Unless otherwise provided by law, Successor Agency and not Buyer shall have the obligation to report same to the appropriate regulatory agency(s).

10. Closing Statement. Successor Agency instructs Escrow Agent to release a copy of Successor Agency's closing statement to Buyer, and Buyer instructs Escrow Agent to release a copy of Buyer's closing statement to Successor Agency.

11. Possession and Disposition of Personal Property. Successor Agency shall, prior to the Close of Escrow, remove or otherwise dispose of all personal property, if any, that is located on the Property.

12. Warranties, Representations, and Covenants of Successor Agency. Successor Agency hereby warrants, represents, and/or covenants to Buyer that:

12.1 Successor Agency's Title. Until the Close of Escrow, Successor Agency shall not do anything that would materially impair Successor Agency's title to the Property or Buyer's right of possession, development, or use of the Property after the Close of Escrow consistent with this Agreement.

12.2 Conflict with Other Obligation. To Successor Agency's Actual Knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, covenants, conditions and restrictions, or other agreement or instrument to which Successor Agency or the Property may be bound subject to the Dissolution Law as provided herein.

12.3 Authority. Under Section 34173(g) of the Dissolution Law, Seller is a public entity separate from the City of Garden Grove and exists, operates and does business under and subject to the Dissolution Law; this Agreement and all documents executed by Seller are and at the time of Close of Escrow will be duly authorized, executed and delivered by Seller, are and at the time of Close of Escrow will be legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms.

12.4 Bankruptcy. Successor Agency is not the subject of a bankruptcy proceeding, and permission of a bankruptcy court is not necessary for Successor Agency to be able to transfer the Property as provided herein.

12.5 Governmental Compliance. Successor Agency has not received any notice from any governmental agency or authority alleging that the Property is currently in violation of any law, ordinance, rule, regulation or requirement applicable to its use and operation. If any such notice or notices are received by Successor Agency following the Final Approval Date, Successor Agency shall, within ten (10) days of receipt of such notice notify Buyer; Successor Agency then, at its option, may either elect to perform the work or take the necessary corrective action prior to the Close of Escrow or refuse to do so, in which case Successor Agency shall notify Buyer of such refusal and Buyer shall be entitled to either close Escrow with knowledge of such notice(s) or terminate this Agreement, and in such case the parties will split all of Escrow Holder's and Title Company's cancellation charges and fees.

12.6 Right to Possession. No person, firm, partnership or corporation has or will have the right to possess the Property or any portion of it as of the Date of Agreement or the Close of Escrow.

12.7 No Contracts Surviving Close of Escrow. There are no contracts or other agreements or obligations affecting or concerning the Property which will survive the Close of Escrow.

12.8 Change of Situation. Until the Close of Escrow, Successor Agency shall, upon learning of any material fact or condition that would cause any of the warranties and representations in the section not to be true as of the Close of Escrow, immediately give written notice of such fact or condition to Buyer.

13. Warranties, Representations, and Covenants of Buyer. Buyer hereby warrants, represents, and/or covenants to Successor Agency as follows:

13.1 Authority. Buyer is a public corporation of the State of California operating and doing business under the laws of the State of California; this Agreement and all documents executed by Buyer are and at the time of Close of Escrow will be duly authorized, executed and delivered by Buyer, are and at the time of Close of Escrow will be legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

13.2 Bankruptcy. Buyer is not the subject of a bankruptcy proceeding.

13.3 Change of Situation. Until the Close of Escrow, Buyer shall, upon learning of any fact or condition which would cause any of the warranties and representations in the section not to be true as of the Close of Escrow, immediately give written notice of such fact or condition to Successor Agency.

14. Condition of the Property.

14.1 Hazardous Materials. As used in this Agreement, the term “Hazardous Materials” shall mean any substance, material, or waste which is or becomes, regulated by any local governmental authority, the County of Orange, the State of California, any regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed under Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether, (ix) designated as “hazardous substances” under Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a “hazardous waste” under Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, et seq. (42 U.S.C. §6903) or (xi) defined as “hazardous substances” under Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, et seq.

14.2 Compliance with Environmental Laws. Subject to Section 14.3 below, Successor Agency represents and warrants that it does not have actual knowledge of, and that it has not received written notice from a governmental agency, that the Property is not in compliance with applicable laws and governmental regulations including, without limitation, applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including, but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environmental Quality Act, and the rules, regulations, and ordinances of the City of Garden Grove, the California Department of Health Services, the Regional Water Quality Control Board, the State Water

Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus.

14.3 As-Is Sale. The physical and environmental condition, possession and title of the Property is conveyed, and shall be delivered, from Successor Agency to Buyer in an “AS IS” condition, with no implied warranty by Successor Agency, including without limitation, as to the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Property for the development purposes intended hereunder.

Except as to a breach of Successor Agency’s express representations or warranties contained in Sections 12 and 14.2, Buyer hereby waives, releases and discharges forever Successor Agency and City and their respective elected officials, employees, volunteers, directors, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with the condition of the Property, any Hazardous Materials on or under the Property, or the existence of Hazardous Materials contamination due to the generation of Hazardous Materials from the Property, however they came to be placed there, except that arising out of the sole gross negligence or sole willful misconduct of Successor Agency or City or their respective elected officials, employees, volunteers, contractors, directors, officers, agents or representatives.

Buyer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

As such relates to this Section 14.3, Buyer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

Buyer’s Initials: _____

14.4 Approval of Physical Condition of the Property. Buyer shall have up to thirty (30) days from the Final Approval Date to inspect the Property in accordance with Section 9 and to either approve the condition of the Property or terminate this Agreement, in Buyer’s sole and absolute discretion; provided however, that Successor Agency may provide to Buyer earlier access to the Property to make such tests, if any, subject to the terms and requirements of a Right of Entry Agreement between the Successor Agency and Buyer. Any alteration or remediation of the Property deemed necessary by Buyer shall be performed by Buyer, at Buyer’s sole cost and expense, and only after the Closing.

15. Reserved.

16. No Brokers Retained by Parties; Representation and Indemnity re No Broker's Commission Due. Both Successor Agency and Buyer each represent that they have not retained a broker in connection with the sale of the Property. Each party hereby agrees to and does indemnify and hold the other party and their elected officials, officers, employees, agents, representatives and counsel harmless from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings against the other party that may be brought by any broker, agent or finder, licensed or otherwise, which a party has employed in connection with the transaction covered by this Agreement.

17. Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Successor Agency shall be deemed both a covenant and a condition and shall be a material consideration for Successor Agency's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Successor Agency shall be deemed a material default hereunder by such breaching party. Either party may specifically and expressly waive in writing any condition or portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, including Section 17.1, either party hereto, after expiration of the cure period specified in Section 20 below without cure thereof, may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

17.1 Liquidated Damages upon Buyer's Breach. IF BUYER DEFAULTS UNDER THIS AGREEMENT AS TO ITS OBLIGATION TO PURCHASE THE PROPERTY, AND PROVIDED SUCCESSOR AGENCY IS NOT ITSELF IN DEFAULT, SUCCESSOR AGENCY WILL BE RELEASED FROM ANY OBLIGATION TO SELL THE PROPERTY TO BUYER, SUCCESSOR AGENCY WILL HAVE RELEASED BUYER FROM ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF SUCH DEFAULT, AND BUYER WILL HAVE AGREED THAT SUCCESSOR AGENCY WILL BE ENTITLED TO RECEIVE FROM BUYER THE SUM OF TEN THOUSAND DOLLARS (\$10,000) ("LIQUIDATED DAMAGES"). THE RECEIPT OF SUCH PAYMENT WILL BE SUCCESSOR AGENCY'S SOLE REMEDY AND RESOURCE IN REGARD TO SUCH DEFAULT. THE PARTIES HAVE CONSIDERED THE AMOUNT OF DAMAGES WHICH SUCCESSOR AGENCY IS LIKELY TO INCUR IN THE EVENT OF A DEFAULT OR BREACH HEREUNDER BY BUYER AND THE PARTIES HAVE AGREED THAT THE LIQUIDATED DAMAGES IS A REASONABLE APPROXIMATION AND LIQUIDATION OF SUCCESSOR AGENCY'S POTENTIAL DAMAGES, CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE SUM TO THE RANGE OF HARM TO SUCCESSOR AGENCY THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. THE RECEIPT OF

SUCH AMOUNT BY SUCCESSOR AGENCY IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SUCCESSOR AGENCY UNDER THE CALIFORNIA CIVIL CODE AND WILL NOT BE DEEMED TO CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF THE CALIFORNIA CIVIL CODE OR ANY SIMILAR PROVISION. THE PAYMENT OF LIQUIDATED DAMAGES WILL BE IN LIEU OF ANY OTHER REMEDIES, DAMAGES, OR SUMS DUE OR PAYABLE TO SUCCESSOR AGENCY ARISING UNDER THIS AGREEMENT OR AT LAW OR EQUITY.

BUYER

SUCCESSOR AGENCY

18. Attorney's Fees. In the event any declaratory or other legal or equitable action is instituted between Successor Agency, Buyer and/or Escrow Holder in connection with this Agreement then, as between Buyer and Successor Agency, the prevailing party shall be entitled to recover from the losing party all of its reasonable costs and expenses, including court costs, reasonable attorneys' fees, expert witness fees, and all fees, costs and expenses incurred on any appeal, in collection of any judgment, and in any bankruptcy proceedings.

19. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party, or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, or delivered through another reasonably acceptable method, and addressed to the party for whom intended, as follows:

If to Successor Agency: Successor Agency to the Garden Grove Agency for
Community Development
11222 Acacia Parkway
P.O. Box 3070
Garden Grove, California 92840
Attention: Director

With a copy to: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Celeste Stahl Brady, Esq.

If to Buyer: Orange County Transit District
c/o Orange County Transportation Authority
550 S. Main Street
P.O. Box 14184
Orange, CA 92863-1584
Attention: Joe Gallardo, Manager, Real Property Department

With a copy to: Rick E. Rayl, Special Counsel
NOSSAMAN LLP
18101 Von Karman Avenue, Suite 1800
Irvine, CA 92612

Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

20. Breaches and Defaults. Subject to Enforced Delay, failure or delay by either party to perform any material term or provision of this Agreement (a “Breach”) following written notice and failure to cure as described hereafter constitutes a “Default” under this Agreement.

The nondefaulting party shall give written notice of any Breach to the party in Breach, specifying the Breach complained of by the nondefaulting party (“Notice of Default”). Delay in giving such Notice of Default shall not constitute a waiver of any Breach nor shall it change the time of Breach. Upon receipt of the Notice of Default, the party in Breach shall promptly commence to cure the identified Breach at the earliest reasonable time after receipt of the Notice of Default and shall complete the cure of such Breach not later than thirty (30) days after receipt of the Notice of Default, or if such Breach cannot reasonably be cured within such thirty (30) day period, then as soon thereafter as reasonably possible, provided that the party in Breach shall diligently pursue such cure to completion (“Cure Period”). Failure of the party in Breach to cure the Breach within the Cure Period set forth above shall constitute a “Default” hereunder.

Any failure or delay by either party in asserting any of its rights and remedies as to any Breach or Default shall not operate as a waiver of any Breach or Default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

21. Gender and Number. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

22. Entire Agreement. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understanding of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

23. Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

24. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.

25. Counterparts. This Agreement may be executed in counterparts, each of which when executed shall, regardless of the date of its execution and delivery, be deemed an original, and all counterparts together shall constitute one and the same instrument.

26. Invalidity of Provision. If any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or

unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

27. Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by Buyer and Successor Agency.

28. Time of Essence. Time is of the essence of each provision of this Agreement.

29. Binding Upon Successors. The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof.

30. Enforced Delay. In addition to specific provisions of this Agreement, performance by either party hereunder with respect to the Closing shall not be deemed to be a Breach, and all performance and other dates specified in this Agreement (excluding the Outside Closing Date, which shall be extended only as provided in Section 7.6) shall be extended where delays with respect to the Closing are due to litigation challenging the validity of this transaction or any element thereof or the rights of either party to engage in the acts and transactions contemplated by this Agreement, acts or omissions of the other party; acts or failure to act of the City or any public or governmental agency or entity (other than acts or failures to act of the Successor Agency which shall not excuse performance by the Successor Agency) (“Enforced Delay”). Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for a period reasonably attributable to the Enforced Delay and shall commence to run from the time of commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times and performance under this Agreement may also be extended in writing by the mutual agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement as of the Date of Agreement.

**SUCCESSOR AGENCY TO THE GARDEN
GROVE AGENCY FOR COMMUNITY
DEVELOPMENT**, a public body

By: _____
Scott Stiles, Director

ATTEST:

Successor Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth,
Successor Agency Counsel

[Signatures continue on next page]

[Signatures for Purchase and Sale Agreement continued from previous page]

BUYER:

ORANGE COUNTY TRANSIT DISTRICT,
a public corporation of the State of California

Darrell Johnson, Chief Executive Officer

APPROVED AS TO FORM:

Rick E. Rayl, Special Counsel
NOSSAMAN LLP

EXHIBIT "A"

LEGAL DESCRIPTION

That real property located in the City of Garden Grove, County of Orange, State of California, and described as follows:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, BEING A STRIP OF LAND 100.00 FEET IN WIDTH, BEING 50.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE CENTERLINE OF THAT CERTAIN PUBLIC ROAD NOW KNOWN AS CHAPMAN AVENUE, AS SHOWN ON A PLAT ATTACHED TO DEED TO LOS ANGELES INTER-URBAN RAILWAY COMPANY RECORDED NOVEMBER 14, 1905 IN BOOK 122, PAGE 252 OF DEEDS, RECORDS OF SAID ORANGE COUNTY, SAID POINT BEING SOUTH 89°59'20" WEST 1948.77 FEET FROM THE CENTERLINE INTERSECTION OF BROOKHURST STREET AND CHAPMAN AVENUE; THENCE SOUTH 53°12'09" EAST 2453.73 FEET TO A POINT ON THE CENTERLINE OF THAT CERTAIN PUBLIC ROAD NOW KNOWN AS BROOKHURST STREET, AS SHOWN ON A PLAT ATTACHED TO DEED TO THE LOS ANGELES INTER-URBAN RAILWAY COMPANY RECORDED MAY 24, 1906 IN BOOK 122, PAGE 346 OF DEEDS, RECORDS OF SAID ORANGE COUNTY.

THE SIDE LINES OF SAID STRIP SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE NORTHWESTERLY IN THE CENTERLINE OF SAID CHAPMAN AVENUE AND SOUTHEASTERLY IN THE CENTERLINE OF SAID BROOKHURST STREET.

End of Legal Description

Assessor Parcel Numbers: 133-091-45; 133-111-43; 133-122-02

EXHIBIT "B"

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

ORANGE COUNTY TRANSIT DISTRICT,
a public corporation of the State of California
c/o Orange County Transportation Authority
550 S. Main Street
P.O. Box 14184
Orange, CA 92863-1584
Attention: Clerk of the Board

This document is exempt from payment of a recording fee under Gov't Code §§6103 and 27383.

Documentary Transfer Tax: \$0
[Exempt: conveyance by a public entity to a public entity]

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The **SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic ("Grantor"), as successor in interest to the dissolved Garden Grove Agency for Community Development under Health and Safety Code Section 34173 (as "Grantor"), grants to the **ORANGE COUNTY TRANSIT DISTRICT**, a public corporation of the State of California (as "Grantee"), all of its respective rights, title, and interest in the real property hereinafter referred to as the "Property" in the City of Garden Grove, County of Orange, State of California, as more particularly described in Attachment 1 hereto and incorporated herein by this reference. The real property is hereinafter referred to as the "Property".

The Grantee herein covenants by and for itself, its successors and assigns, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the Grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

The Grantee further covenants that all deeds, leases and contracts relating to the Property shall contain the following prohibition against discrimination:

(a) **In deeds:** “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

(b) **In Leases:** “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(c) **In Contracts:** “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

[Signatures appear on following page.]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Grant Deed the day and year first set forth herein above.

GRANTOR

**SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public entity

By: _____
Scott Stiles, Director

ATTEST:

Secretary

GRANTEE:

ORANGE COUNTY TRANSIT DISTRICT,
a public corporation of the State of California

James G. Beil, Executive Director,
Capital Programs

APPROVED AS TO FORM:

Rick E. Rayl, Special Counsel
NOSSAMAN LLP

**CERTIFICATE OF ACCEPTANCE
(Grant Deed)**

This is to certify that the interests in real property conveyed under the foregoing Grant Deed dated as of _____, 2018 conveyed and granted by **SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, to the **ORANGE COUNTY TRANSIT DISTRICT**, a public corporation of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the OCTD under authority conferred by Resolution No. _____ of the Board of the OCTD adopted on _____, 2018 and the **ORANGE COUNTY TRANSIT DISTRICT** consents to recordation of such Grant Deed by its duly authorized officer.

Dated : _____

ORANGE COUNTY TRANSIT DISTRICT,
a public corporation of the State of California

James G. Beil, Executive Director, Capital Programs

ATTACHMENT NO. 1

PROPERTY DESCRIPTION

That real property located in the City of Garden Grove, County of Orange, State of California, and described as follows:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, BEING A STRIP OF LAND 100.00 FEET IN WIDTH, BEING 50.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE CENTERLINE OF THAT CERTAIN PUBLIC ROAD NOW KNOWN AS CHAPMAN AVENUE, AS SHOWN ON A PLAT ATTACHED TO DEED TO LOS ANGELES INTER-URBAN RAILWAY COMPANY RECORDED NOVEMBER 14, 1905 IN BOOK 122, PAGE 252 OF DEEDS, RECORDS OF SAID ORANGE COUNTY, SAID POINT BEING SOUTH 89°59'20" WEST 1948.77 FEET FROM THE CENTERLINE INTERSECTION OF BROOKHURST STREET AND CHAPMAN AVENUE; THENCE SOUTH 53°12'09" EAST 2453.73 FEET TO A POINT ON THE CENTERLINE OF THAT CERTAIN PUBLIC ROAD NOW KNOWN AS BROOKHURST STREET, AS SHOWN ON A PLAT ATTACHED TO DEED TO THE LOS ANGELES INTER-URBAN RAILWAY COMPANY RECORDED MAY 24, 1906 IN BOOK 122, PAGE 346 OF DEEDS, RECORDS OF SAID ORANGE COUNTY.

THE SIDE LINES OF SAID STRIP SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE NORTHWESTERLY IN THE CENTERLINE OF SAID CHAPMAN AVENUE AND SOUTHEASTERLY IN THE CENTERLINE OF SAID BROOKHURST STREET.

End of Legal Description

Assessor Parcel Numbers: 133-091-45; 133-111-43; 133-122-02

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 _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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

EXHIBIT “C”

FORM OF RIGHT OF ENTRY

(to be attached)