



44933 Fern Avenue, Lancaster, CA 93534  
Chair Elizabeth Brubaker, Vice Chairman Dr. David Vierra,  
Board Member Edward Knudson, Board Member Jodie Shepherd-Troth,  
Board Member Sandy Smith, Board Member Jim Vose,  
Board Member John Walker

## **LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD REGULAR MEETING AGENDA**

**Tuesday**

**March 20, 2018**

Meeting – **4:00 p.m.**

Council Chambers – Lancaster City Hall

The City Clerk hereby declares the agenda was posted  
by 5:00 p.m. on Friday, March 16, 2018  
at the entrance to the Lancaster City Hall Council Chambers.

### **CALL TO ORDER**

### **ROLL CALL**

Board Members: Knudson, Shepherd-Troth, Smith, Vose, Walker; Vice Chairman Vierra; Chair Brubaker

### **PLEDGE OF ALLEGIANCE**

### **AGENDA ITEMS TO BE REMOVED**

Sometimes it is necessary to remove items from the agenda. We apologize for any inconvenience this may cause you.

### **PUBLIC BUSINESS FROM THE FLOOR - AGENDIZED ITEMS**

Any person who would like to address the Lancaster Successor Agency Oversight Board on any agendized item is requested to complete a speaker card for the City Clerk and identify the agenda item you would like to discuss. Each person will be given an opportunity to address the Lancaster Successor Agency Oversight Board at the time such item is discussed. Speaker cards are available at the rear of the Council Chambers and your speaker card must be filled out **prior** to the agenda item being called. We respectfully request that you fill the cards out completely and print as clearly as possible. Following this procedure will allow for a smooth and timely process for the meeting and we appreciate your cooperation. ***Individual speakers are limited to three (3) minutes each.***

Consent Calendar items may be acted upon with one motion, a second and the vote. If you desire to speak on an item or items on the Consent Calendar, you may fill out one speaker card for the Consent Calendar. You will be given three minutes to address your concerns before the Lancaster Successor Agency Oversight Board takes action on the Consent Calendar.

**LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD  
REGULAR MEETING AGENDA  
TUESDAY, MARCH 20, 2018**

**MINUTES**

**M 1.** Adopt **Resolution No. OB 05-18**, approving the Lancaster Successor Agency Oversight Board Regular Meeting minutes of January 16, 2018.

**NEW BUSINESS**

**NB 1.** Sale of Land – APN 3128-003-908

Recommendation:

Adopt **Resolution No. OB 06-18**, approving the purchase and sale agreement for APN 3128-003-908, a vacant parcel located on the east side of 10<sup>th</sup> Street West north of Avenue K-8; and authorize the Executive Director or his designee to execute all related documents.

**EXECUTIVE DIRECTOR ANNOUNCEMENT**

**CITY CLERK ANNOUNCEMENT**

**PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS**

This portion of the agenda allows an individual the opportunity to address the Lancaster Successor Agency Oversight Board on any item ***NOT ON THE AGENDA*** regarding Board business and speaker cards must be submitted ***prior*** to the beginning of this portion of the Agenda. Please complete a speaker card for the City Clerk and identify the subject you would like to address. We respectfully request that you fill the cards out completely and print as clearly as possible. Following this procedure will allow for a smooth and timely process for the Lancaster Successor Agency Oversight Board meeting and we appreciate your cooperation. State law prohibits the Lancaster Successor Agency Oversight Board from taking action on items not on the agenda and your matter will be referred to the Executive Director. ***Individual speakers are limited to three (3) minutes each.***

**BOARD MEMBER COMMENTS**

**ADJOURNMENT**

Next Regular Meeting:

**Tuesday, April 17, 2018 - 4:00 p.m.**

**LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD  
REGULAR MEETING AGENDA  
TUESDAY, MARCH 20, 2018**

**MEETING ASSISTANCE INFORMATION**

In compliance with the Americans with Disabilities Act, this meeting will be held at a location accessible to persons with disabilities; if you need special assistance to participate in this meeting, please contact the City Clerk at (661)723-6020. Services such as American Sign Language interpreters, a reader during the meeting, and/or large print copies of the agenda are available. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting/event you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the City Clerk at (661)723-6020.

**AGENDA ADDENDUM INFORMATION**

On occasion items may be added after the agenda has been mailed to subscribers. Copies of the agenda addendum item will be available at the City Clerk Department and are posted with the agenda on the windows of the City Council Chambers. For more information, please call the City Clerk Department at (661) 723-6020.

All documents available for public review are on file with the City Clerk Department.

M 1
03/20/18
MVB

**LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD  
MEETING MINUTES  
January 16, 2018**

**CALL TO ORDER**

Chair Brubaker called the meeting to order at 4:03 p.m.

**ROLL CALL**

PRESENT: Board Members Shepherd-Troth, Smith, Walker, Chair Brubaker

ABSENT: Board Members Knudson, Vose, Vice Chairman Vierra

**STAFF**

MEMBERS: City Manager, City Attorney, Finance Director; City Clerk, Economic Development Manager

**PLEDGE OF ALLEGIANCE**

**AGENDA ITEMS TO BE REMOVED**

None

**M 1. MINUTES**

On a motion by Board Member Smith and seconded by Board Member Walker, the Lancaster Successor Agency Oversight Board voted to adopt **Resolution No. OB 01-18**, approving the Lancaster Successor Agency Oversight Board Regular Meeting minutes of October 17, 2017, by the following vote: 3-0-1-3; AYES: Smith, Walker, Brubaker; NOES: None; ABSTAIN: Shepherd-Troth; ABSENT: Knudson, Vose, Vierra

LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD  
MEETING MINUTES  
JANUARY 16, 2018

**NB 1. RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019**

The Finance Director presented the staff report for this item.

On a motion by Board Member Walker and seconded by Board Member Shepherd-Troth, the Lancaster Successor Agency Oversight Board adopted **Resolution No. OB 02-18**, approving the Recognized Obligation Payment Schedule for the period July 1, 2018 to June 30, 2019, by the following vote: 4-0-0-3; AYES: Shepherd-Troth, Smith, Walker, Brubaker; NOES: None; ABSTAIN: None; ABSENT: Knudson, Vose, Vierra

**NB 2. SUCCESSOR AGENCY ADMINISTRATIVE BUDGETS FOR THE PERIODS JULY 1, 2018 TO DECEMBER 31, 2018 AND JANUARY 1, 2019 TO JUNE 30, 2019**

The Finance Director presented the staff report for this item.

On a motion by Board Member Shepherd-Troth and seconded by Board Member Smith, the Lancaster Successor Agency Oversight Board adopted **Resolution No. OB 03-18**, approving the Successor Agency Administrative Budgets for the periods of July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019, as detailed in Attachments A & B, by the following vote: 4-0-0-3; AYES: Shepherd-Troth, Smith, Walker, Brubaker; NOES: None; ABSTAIN: None; ABSENT: Knudson, Vose, Vierra

**NB 3. SUBORDINATION AGREEMENT WITH ANTELOPE VALLEY MAZDA**

The Economic Development Manager presented the staff report for this item. The total amount of the loan is \$3.85 million; outstanding loan amount is \$1.1 million and Antelope Valley Mazda is current on all payments.

On a motion by Board Member Smith and seconded by Board Member Walker, the Lancaster Successor Agency Oversight Board adopted **OB 04-18**, authorizing the City Manager or his designee to enter into a subordination agreement with Antelope Valley Mazda, Inc. to allow for the installation of solar panels at the dealership site, by the following vote: 4-0-0-3; AYES: Shepherd-Troth, Smith, Walker, Brubaker; NOES: None; ABSTAIN: None; ABSENT: Knudson, Vose, Vierra

**EXECUTIVE DIRECTOR ANNOUNCEMENT**

The City Manager discussed the upcoming General Municipal Election and welcomed Economic Development Manager Chenin Dow who will be handling Successor Agency properties with Vern Lawson's retirement.

**CITY CLERK ANNOUNCEMENT**

None

**PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS**

None

**BOARD MEMBER COMMENTS**

None

LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD  
MEETING MINUTES  
JANUARY 16, 2018

**ADJOURNMENT**

Chair Brubaker adjourned the meeting at 4:12 p.m. and stated the next regular meeting of the Lancaster Successor Agency Oversight Board will take place on Tuesday, February 20, 2018 at 4:00 p.m.

PASSED, APPROVED and ADOPTED this 20<sup>th</sup> day of March, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
BRITT AVRIT, MMC  
City Clerk/Board Secretary  
Lancaster, CA

\_\_\_\_\_  
ELIZABETH BRUBAKER  
Chair  
Lancaster Successor Agency Oversight Board

STATE OF CALIFORNIA            }  
COUNTY OF LOS ANGELES    } ss  
CITY OF LANCASTER            }

CERTIFICATION OF MINUTES  
LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD

I, \_\_\_\_\_, \_\_\_\_\_ of the City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Lancaster Successor Agency Oversight Board minutes, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, CA on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(seal)

\_\_\_\_\_

RESOLUTION NO. OB 05-18

A RESOLUTION OF THE LANCASTER SUCCESSOR  
AGENCY OVERSIGHT BOARD APPROVING THE  
MEETING MINUTES OF JANUARY 16, 2018

WHEREAS, Health and Safety Code Section 34179 (e) states all actions taken by an oversight board shall be approved by resolution.

NOW THEREFORE, BE IT RESOLVED by the Lancaster Successor Agency Oversight Board, as follows:

SECTION 1. The Lancaster Successor Agency Oversight Board approves the January 16, 2018 Meeting Minutes attached hereto.

SECTION 2. The Successor Agency shall maintain this Resolution on file as a public record.

PASSED, APPROVED and ADOPTED this 20<sup>th</sup> day of March, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

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BRITT AVRIT, MMC  
City Clerk  
Lancaster, CA

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ELIZABETH BRUBAKER  
Chair  
Lancaster Successor Agency Oversight Board

STATE OF CALIFORNIA            }  
COUNTY OF LOS ANGELES       } ss  
CITY OF LANCASTER             }

CERTIFICATION OF RESOLUTION  
LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD

I, \_\_\_\_\_, \_\_\_\_\_ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. OB 05-18, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(seal)

\_\_\_\_\_



**STAFF REPORT**  
**Lancaster Successor Agency Oversight Board**

NB 1
03/20/18
MVB

Date: March 20, 2018

To: Chair Brubaker and Board Members

From: Chenin Dow, Economic Development Manager of the City of Lancaster

Subject: **Sale of Land – APN 3128-003-908**

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**Recommendation:**

Adopt **Resolution No. OB 06-18**, approving the purchase and sale agreement for APN 3128-003-908, a vacant parcel located on the east side of 10<sup>th</sup> Street West north of Avenue K-8; and authorize the Executive Director or his designee to execute all related documents.

**Fiscal Impact:**

The property will be sold for \$3.00 per square foot, yielding \$777,546 for the 5.95-acre parcel. As the property in question belongs to the Successor Agency to the former Lancaster Redevelopment Agency, these funds will be forwarded to Los Angeles County for disbursement to the affected taxing agencies.

**Background:**

The former Lancaster Redevelopment Agency purchased the parcel in question as part of an envisioned future commercial corridor. The City of Lancaster shares this vision for the long-term use of this site as a commercial property with the potential to create new jobs and sales tax revenue for the City and fellow taxing entities.

To date, the Successor Agency to the Lancaster Redevelopment Agency has received no offers from the private sector for the purchase of APN 3128-003-908. In keeping with the direction from the State of California to liquidate former Redevelopment Agency assets and in order to preserve this parcel for future commercial use as envisioned, the City of Lancaster is proposing to purchase the property. The value of this transaction is two-fold: for the Successor Agency, it liquidates a long-held asset, generating new revenue for the State of California and the affected taxing entities. For the City, it enhances control over an envisioned key commercial corridor of the community.

CD:te

**Attachments:**

Resolution No. OB 06-18  
Purchase and Sale Agreement  
Site Map

RESOLUTION NO. OB 06-18

A RESOLUTION OF THE LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE PURCHASE AND SALE AGREEMENT FOR APN 3128-003-908 A VACANT PARCEL LOCATED ON THE EAST SIDE OF 10<sup>TH</sup> STREET WEST AND NORTH OF AVENUE K-8; AND AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO EXECUTE ALL RELATED DOCUMENTS

WHEREAS, Health and Safety Code Section 34179 (e) states all actions taken by an oversight board shall be approved by resolution; and

WHEREAS, Health and Safety Code Section 34181 (e) states that the oversight board may approve any amendments to agreements between the dissolved redevelopment agency and any private parties if it finds that amendments would be in the best interests of the taxing entities; and

WHEREAS, in 2004, the Lancaster Redevelopment Agency acquired APN 3128-003-908 for the purpose of future commercial development to create new jobs and increase sales tax revenues; and

WHEREAS, the Successor Agency to the former Lancaster Redevelopment Agency is tasked with liquidating the former Agency's assets; and

WHEREAS, to date, the Successor Agency has received no offers from the private sector for the purchase of APN 3128-003-908; and

WHEREAS, the City of Lancaster wishes to purchase APN 3128-003-908 in order to preserve the parcel for future commercial use as envisioned; and

WHEREAS, the City of Lancaster has offered a sum of seven hundred seventy-seven thousand five hundred forty-six dollars (\$777,546) for the parcel.

NOW THEREFORE, BE IT RESOLVED by the Lancaster Successor Agency Oversight Board, as follows:

SECTION 1. The Lancaster Successor Agency Oversight Board approves the purchase and sale agreement for APN 3128-003-908 and authorizes the Executive Director or his designee to execute all related documents.

SECTION 2. The Successor Agency shall maintain this Resolution on file as a public record.

PASSED, APPROVED and ADOPTED this 20<sup>th</sup> day of March, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
BRITT AVRIT, MMC  
City Clerk  
Lancaster, CA

\_\_\_\_\_  
ELIZABETH BRUBAKER  
Chair  
Lancaster Successor Agency Oversight Board

STATE OF CALIFORNIA            }  
COUNTY OF LOS ANGELES       } ss  
CITY OF LANCASTER             }

CERTIFICATION OF RESOLUTION  
LANCASTER SUCCESSOR AGENCY OVERSIGHT BOARD

I, \_\_\_\_\_, \_\_\_\_\_ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. OB 06-18, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this \_\_\_\_\_ day of \_\_\_\_\_.

(seal)

\_\_\_\_\_

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

**SELLER:** Successor Agency to the Lancaster  
Redevelopment Agency

**BUYER:** City of Lancaster

**DATED:** \_\_\_\_\_, 2018

**(APN: 3128-003-908)**

## BASIC TERMS

Buyer: City of Lancaster, a municipal corporation

Buyer's Address: 44933 N. Fern Avenue  
Lancaster, California 93534  
Attention: Jason Caudle  
Tel.: (661) 723-6010  
Email: [jcaudle@cityoflanasterca.org](mailto:jcaudle@cityoflanasterca.org)

Closing Date (or Closing) Estimated to occur by thirty (30) calendar days after the Effective Date, but not later than the Outside Date

Grant Deed: A grant deed in the form of Exhibit B hereto

Effective Date: \_\_\_\_\_, 2018 [the date as of which this Agreement has been signed by representatives of both parties]

Escrow Holder: Chicago Title Company  
1058 West Avenue M-14, Suite C  
Palmdale, CA 93551  
Attention: Susie George, Escrow Manager  
Direct: (661) 273-0200; email: [SGeorge@ctt.com](mailto:SGeorge@ctt.com)  
(or another escrow holder mutually acceptable to Buyer and Seller)

Independent Consideration Amount: One Hundred Dollars (\$100.00)

Outside Date: Sixty (60) calendar days after the Effective Date; provided that such date may be extended with the written approval of Buyer and Seller, each acting at its discretion, which each acting through the Executive Director or City Manager, as applicable

Purchase Price: Seven Hundred Seventy-Seven Thousand Five Hundred and Forty-Six Dollars (\$777,546)

Real Property: That property described in Exhibit A hereto; the subject property is sometimes referred to as APN 3128-003-908

Seller: Successor Agency to the Lancaster Redevelopment Agency

Seller's Address: 44933 N. Fern Avenue  
Lancaster, California 93534  
Attention: Jason Caudle  
Tel.: (661) 723-6165  
Email: [jcaudle@cityoflanasterca.org](mailto:jcaudle@cityoflanasterca.org)

Title Company: Chicago Title Company  
1058 West Avenue M-14, Suite C

Palmdale, CA 93551  
Attention: Susie George, Escrow Manager  
Direct: (661) 273-0200; email: [SGeorge@ctt.com](mailto:SGeorge@ctt.com)  
(or another escrow holder mutually acceptable to Buyer and Seller)

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

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** (“Agreement”) is made and entered into as of \_\_\_\_\_, 2018 (the “Effective Date”) by and between Seller and Buyer.

**RECITALS**

**A.** Seller is the fee owner of that real property which is legally described on Exhibit A attached hereto and made a part hereof (the “Real Property”).

**B.** Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer has considered the offer by Seller and agrees to buy from Seller the Real Property, as more specifically described below.

**C.** Buyer has agreed to pay to Seller the Independent Consideration Amount as more fully set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

**1. Purchase and Sale.** Seller hereby agrees to sell the Real Property to Buyer, and Buyer hereby agrees to purchase the Real Property from Seller, on the terms and conditions set forth in this Agreement. The term Real Property is defined as the fee interest in the Real Property to be conveyed by a grant deed in the form of the Grant Deed. There are no occupants of the Real Property.

**2. Payment of Consideration.** As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price for the Real Property. Upon payment of the Purchase Price to Seller, the disposition of such moneys by Seller is a matter with which Buyer is not concerned.

**3. Escrow and Independent Consideration.**

(a) **Opening of Escrow.** For the purposes of this Agreement, the escrow (“Escrow”) shall be deemed opened (“Opening of Escrow”) on the date that Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Buyer and Seller shall use their best efforts to cause the Opening of Escrow to occur on or before five (5) business days after the Effective Date. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instruments shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Agreement, then the terms of this Agreement shall control. Without limiting the generality of the foregoing, no such instruments shall extinguish any obligations imposed by this

Agreement or any other agreement between Seller and Buyer. At the election of Buyer, the conveyance of the Real Property may be accomplished without use of an Escrow.

(b) **Independent Consideration.** (i) Within two (2) days after the Effective Date, Buyer shall pay to Seller the Independent Consideration Amount to be retained by Seller as non-refundable independent consideration but applicable to the Purchase Price. The Independent Consideration Amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement and Buyer holding the Real Property off the market for a period commencing as of the Effective Date and continuing until the Outside Date and for the rights and privileges granted to Buyer herein, including any and all rights granted to Buyer to terminate this Agreement under the circumstances provided for herein. Notwithstanding anything to the contrary contained in this Agreement, the Independent Consideration Amount shall be non-refundable in all events, except for (i) Seller's default hereunder, (ii) the failure of the Oversight Board of the Successor Agency to the Lancaster Redevelopment Agency (the "Oversight Board") to approve the sale of the Real Property as provided under this Agreement, and (iii) actions by the California Department of Finance ("DOF") which prevent the disposition of the Real Property to Buyer as provided under this Agreement. If the Closing occurs, a credit shall be applied to the Purchase Price based upon payment of the Independent Consideration Amount.

(c) **Closing.** For purposes of this Agreement, the "Closing" or "Closing Date" shall be the date the Grant Deed is recorded among the official land records of the County Recorder of the County of Los Angeles (the "Official Records"). Unless changed in writing by Buyer and Seller, the Closing shall occur on the Closing Date, or as soon thereafter as the conditions precedent to closing are satisfied pursuant to Sections 6 and 7 of this Agreement. The parties acknowledge that, if conditions precedent have been satisfied pursuant to Sections 6 and 7 of this Agreement prior to the Outside Date, the parties may proceed to a Closing that occurs prior to the Outside Date. If the Closing has not, for any reason, occurred by the Outside Date, then either Buyer or Seller may extend the time for the Closing or terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of such termination, then such termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party. Notwithstanding the foregoing portion of this Section 3, if the Closing occurs prior to delivery of a termination notice by either party, then neither party shall have the right to terminate this Agreement pursuant to this Section 3(c).

4. **[Reserved].**

5. **No Warranties as to Real Property.** The physical condition and possession of the Real Property, is and shall be delivered from Seller to Buyer in an "as is" condition, with no warranty expressed or implied by Seller. In addition, Seller makes no representations, warranties or assurances concerning the Real Property, its suitability for any particular use or with regard to the approval process for entitlements as to the Real Property.

6. **Buyer's Conditions Precedent and Termination Right.**

(a) **Conditions Precedent.** The Closing and Buyer's obligation to consummate the purchase of the Real Property under this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, "Buyer's Contingencies"), which are for Buyer's benefit only.



(i) Title Review. Within ten (10) calendar days after the Opening of Escrow, but in no event later than the sixtieth (60<sup>th</sup>) day after the Effective Date, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the "Report") describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the "Exceptions") set forth in the Report; provided that the cost of the Report shall be borne by Seller. Seller acknowledges that the Buyer's Title Policy shall include an endorsement against the effect of any mechanics' liens; Seller will provide such indemnity or other assurances as necessary to induce the Title Company to provide such endorsement. Prior to Closing, Buyer shall have approved in writing, in Buyer's sole discretion, any matters of title disclosed by the following (collectively, the "Title Documents"): (i) the Report; (ii) the Exceptions; and (iii) the legal description of the Real Property. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages, delinquent taxes and other monetary liens (but not the lien for any real property taxes or assessments not yet delinquent). The provisions of this subsection (i) are for Buyer's benefit and may be waived by Buyer.

(ii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment (by Seller) of the Title Company's premium, have agreed to issue to Buyer, a standard ALTA owner's policy of title insurance ("Buyer's Title Policy") in the amount of the greater of (i) the Purchase Price or (ii) such larger amount with respect to which the Title Company agrees to deliver its policy of title insurance (but not more than the appraised value of the Real Property) showing fee title to the Real Property vested solely in Buyer and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Real Property created by or with the written consent of Buyer; and (iv) those matters specifically approved in writing by Buyer. Buyer shall have the right, at its sole cost and expense, to obtain coverage beyond that offered by a standard ALTA policy (such as an owner's extended coverage ALTA policy); provided, however, that Buyer's ability to obtain such extended coverage shall not be a Buyer's Contingency and Buyer's obligations hereunder shall in no way be conditioned or contingent upon obtaining such extended coverage. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any endorsements and for any survey or other matters required by the Title Company for such extended coverage. The requirement for a Buyer's Title Policy is solely for the benefit of Buyer; Buyer may, at its option, waive the requirement of a Buyer's Title Policy as a condition of closing.

(iii) Delivery of Documents. Seller's delivery of all documents described in Section 8, below.

(iv) Title Company Confirmation. The Title Company shall have confirmed that it is prepared to issue the Buyer's Title Policy consistent with the provisions of this Agreement.

(v) Natural Hazard Report. Seller shall cause the Escrow Holder to provide to Buyer prior to closing the Natural Hazard Report described at Section 8(a)(iii) of this Agreement; provided that Seller shall bear the cost to prepare such Natural Hazard Report (the cost of which, if not paid in cash by Seller, shall be defrayed using a portion of the Purchase Price).

(vi) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(vii) Oversight Board and DOF Approval. The Oversight Board and, if required as a condition of the issuance of title insurance or by either party hereto, approval by DOF, shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement or the parties, acting through their respective chief executive officers, elect to so proceed.

(viii) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) Termination Right. Each of (i) and (ii) shall operate independently and each shall entitle Seller to terminate this Agreement, as follows:

(i) If the Independent Consideration Amount is not paid by Buyer to Seller by the Initial by the time set forth therefor in Section 3(b)(i) of this Agreement, then this Agreement shall terminate upon Seller giving notice thereof to Buyer;

(ii) If any of Buyer's Contingencies are not met by the Outside Date, and Buyer so informs Seller, Buyer may, by written notice to Seller, terminate this Agreement.

If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If the Agreement has not been terminated pursuant to (i) or (ii) of this Section 6(b) and Buyer has not terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Monday preceding the scheduled Closing ("Termination Notice Deadline"), then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as the items set forth in Sections 6(a)(i)-(xi) inclusive, prior to the Termination Notice Deadline, such Buyer's Contingencies shall be deemed to have been satisfied.

If this Agreement is terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees.

(c) Seller's Cure Right. Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of

the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

(i) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(d) Termination Right. Should any of Buyer's Contingencies not be met by the Outside Date, or if the Independent Consideration has not been delivered by Buyer to Seller by the time set forth therefor in Section 3(b), and Seller so informs Buyer, Buyer may, by written notice to Seller, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If Buyer has not terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Monday preceding the scheduled Closing ("Termination Notice Deadline"), then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms.

(e) Seller's Cure Right. Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

7. Seller's Conditions Precedent and Termination Right. The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following condition precedent ("Seller's Contingencies"), which are for Seller's benefit only:

(a) Completion of Title Review. Seller shall have received written confirmation from Buyer on or before Closing that Buyer has completed its review of title and that the condition of title satisfactory.

(b) Oversight Board and DOF Approval. The approval by the Oversight Board and DOF shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement unless the Title Company determines that such approval is not required in order for

the Title Company to insure title or the parties, acting through their respective chief executive officers, elect to so proceed.

(c) Delivery of Documents. Buyer's delivery of all documents described in Section 9(a), below.

Should any of Buyer's Contingencies not be met by the Outside Date and Buyer has so informed Seller, Seller may, by written notice to Buyer, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer.

**8. Seller's Deliveries to Escrow Holder**. The following provisions of this Section 8 pertain to the conduct of an escrow.

(a) Seller's Delivered Documents. At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) Deed. The Grant Deed.

(ii) FIRPTA/Tax Exemption Forms. The Transferor's Certification of Non-Foreign Status in the form attached hereto as Exhibit C (the "FIRPTA Certificate"), together with any necessary tax withholding forms, and a duly executed California Form 593-C, as applicable (the "California Exemption Certificate").

(iii) Hazard Disclosure Report. Unless earlier delivered to Buyer, Seller shall cause Escrow Holder to obtain and deliver to Buyer, at Seller's cost, a Natural Hazard Report as provided for under Sections 1102 and 1103 of the California Civil Code (the "Natural Hazard Report") before the Closing.

(iv) Possession of Real Property. Possession of the Real Property free of any tenancies or occupancy.

(v) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

(b) Failure to Deliver. Should any of Seller's Delivered Items not be timely delivered to Escrow, Buyer may, by written notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such notice provide Seller with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer. Under no circumstances shall Buyer have any responsibility to or duty to pay consultants or real estate brokers retained by Seller, Seller being solely responsible in connection with any such contractual arrangements of Seller.

9. **Buyer's Deliveries to Escrow.** At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following, each duly executed and acknowledged, by Buyer as appropriate ("Buyer's Delivered Items"):

(a) **Purchase Price.** The Purchase Price, less the Independent Consideration theretofore paid to Seller, and such additional funds as are necessary to pay Buyer's closing costs set forth in Section 10(b) herein. In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code, as evidenced by the delivery at Closing of the California Exemption Certificate duly executed by Seller, Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer for payment to the California Franchise Tax Board in accordance with Section 11(b) hereof. In the event Seller is not exempt from such withholding or does not otherwise deliver the California Exemption Certificate at Closing, Buyer shall execute and deliver three (3) originals of California Form 593 to Title Company at or immediately after Closing.

(b) **Change of Ownership Report.** One (1) original Preliminary Change of Ownership Report.

(c) **Final Escrow Instructions.** Buyer's final written escrow instructions to close escrow in accordance with the terms of this Agreement.

(d) **Authority.** Such proof of Buyer's authority and authorization to enter into this Agreement and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or the Title Company.

(e) **Further Documents or Items.** Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

10. **Costs and Expenses.**

(a) **Seller's Costs.** If the transaction contemplated by this Agreement is consummated, then Seller shall be debited for and bear the following costs: (i) costs and charges associated with the removal of encumbrances; (ii) Seller's share of prorations; (iii) the premium for the Buyer's Title Policy; (iv) documentary transfer taxes, if any (Escrow Holder being authorized by Buyer and Seller to determine such amount); and (v) costs, if any, allocable to Seller under this Agreement and costs for such services as Seller may additionally request that Escrow perform on its behalf (which foregoing items collectively constitute "Seller's Costs and Debited Amounts").

(b) **Buyer's Costs.** If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) the Escrow Holder's fee; (ii) Buyer's share of prorations, (iii) in the event Buyer elects to obtain an owner's extended coverage ALTA policy of title insurance, the excess premium for such policy (over the cost of a typical ALTA owner's policy that is not an extended coverage policy) and the cost for any survey required in connection with the delivery of an ALTA owner's extended coverage policy of title insurance; (iv) costs, if any, for such services as Buyer may additionally request that Escrow perform on its behalf; and (v) any costs associated with Buyer borrowing money in order to pay to Seller the Purchase Price (collectively, "Buyer's Costs and Debited Amounts").

(c) Generally. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby.

**11. Prorations; Withholding**. All revenues (if any) and expenses relating to the Real Property (including, but not limited to, property taxes, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date; provided that all delinquent taxes shall be satisfied at the expense of Seller. Not less than five (5) business days prior to the Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval (the "Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

**12. Closing Procedure**. When the Title Company is unconditionally prepared (subject to payment of the premium therefor) to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow in the manner and order provided below.

(a) Recording. Escrow Holder shall cause the Grant Deed to be recorded among the Official Records and obtain conformed copies thereof for distribution to Buyer and Seller. Alternatively, the in event Buyer elects to not utilize an escrow holder, Seller shall cause the Grant Deed to be recorded among Official Records.

(b) Disburse Funds. Escrow Holder shall debit or credit (as provided herein) all Buyer's Costs and Debited Amounts, Seller's Costs and Debited Amounts and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (as provided herein) shall be distributed by check payable to Seller unless Escrow Holder is instructed otherwise in writing signed by Seller (and, in such event, in accordance with such instructions).

(c) Documents to Seller. Escrow Holder shall deliver to Seller a conformed copy of the Grant Deed, and documents, if any, recorded on behalf of any lender, as duly recorded among the Official Records, and a copy of each other document (or copies thereof) deposited into Escrow by Buyer pursuant hereto.

(d) Documents to Buyer. Escrow Holder shall deliver to Buyer the original FIRPTA Certificate, the original California Exemption Certificate (as applicable), and a conformed copy of the Grant Deed as duly recorded among the Official Records, and each other document (or copies thereof) deposited into Escrow by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) Title Company. Escrow Holder shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) Closing Statement. Escrow Holder shall forward to both Buyer and Seller a separate accounting of all funds received and disbursed for each party.

(g) Informational Reports. Escrow Holder shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

(h) Possession. Possession of the Real Property shall be delivered to Buyer at the Closing.

**13. Representations and Warranties.**

(a) Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which are material inducements to Buyer to enter into this Agreement (and but for which Buyer would not have entered into this Agreement) and shall survive Closing:

(i) Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, having obtained the approval of the Oversight Board; provided that such authority may be subject to review by the California Department of Finance.

(ii) Subject to the approval, to the extent (if any) as may be applicable, of the California Department of Finance, all requisite action has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) Subject to the approval to the extent (if any) as may be applicable, of the California Department of Finance, the individual executing this Agreement and the instruments referenced herein on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Real Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the right of Seller to convey the Real Property. There are no claims which have been received by Seller that have not been disclosed to Buyer.

(vi) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing.

(vii) There are no leases or rental agreements in effect as to the Real Property.

(viii) Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

(xi) There are not as of the Effective Date, nor will there be as of the Closing, any written or oral leases or contractual right or option to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Real Property or any part thereof, and no person other than Buyer shall have any right of possession to the Real Property or any part thereof as of the Closing.

(xii) No person, excepting Seller, has possession or any rights to possession of the Real Property or portion thereof.

(b) Subsequent Changes to Seller's Representations and Warranties. If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(c) Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder), and all of which shall survive Closing:

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.



(ii) All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(d) Subsequent Changes to Buyer's Representations and Warranties. If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

#### **14. General Provisions.**

(a) Condemnation. If any material portion of the Real Property shall be taken or appropriated by a public or quasi-public authority exercising the power of eminent domain, Buyer shall have the right, at its option, to (i) terminate this Agreement or (ii) proceed with the purchase of the Real Property and receive all of the award or payment made in connection with such taking.

(b) Notices. All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Terms section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

(c) No Brokers. Neither Seller nor Buyer has retained any brokers or finders in connection with the purchase and sale of the Real Property.

(d) Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any 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, either party hereto 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.

(e) Remedies. Without limitation as to the availability of other remedies, this Agreement may be enforced by an action for specific enforcement.

(f) Time. Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(g) Counterparts; Facsimile Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

(h) Captions. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(i) No Third Party Beneficiaries. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(j) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(k) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(l) Applicable Law. This Agreement shall be governed by and construed in accordance with the local law of the State of California.

(m) Exhibits and Schedules. The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(n) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(o) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

[signatures begin on the following page]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first written above.

**“SELLER”**

**SUCCESSOR AGENCY TO THE LANCASTER REDEVELOPMENT AGENCY**, a public entity, corporate and politic

By: \_\_\_\_\_  
Mark V. Bozigian  
Executive Director

**“BUYER”**

**CITY OF LANCASTER**, a municipal corporation

By: \_\_\_\_\_  
Mark V. Bozigian  
City Manager

Acceptance by Escrow Holder:

\_\_\_\_\_ hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between the Successor Agency to the Lancaster Redevelopment Agency, a public entity, corporate and politic (“Seller”), and City of Lancaster (“Buyer”) and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: \_\_\_\_\_, 2018

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

[to come]

APN: 3128-003-908

**EXHIBIT B**

**DEED**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

City of Lancaster  
44933 N. Fern Avenue  
Lancaster, CA 93534  
Attn: Jason Caudle, Deputy City  
Manager

APN: 3128-003-908

[Space above for recorder.]

**DOCUMENTARY TRANSFER TAX**

\$ \_\_\_\_\_  
\_\_\_\_\_ computed on the consideration or value of  
property conveyed; OR  
\_\_\_\_\_ computed on the consideration or value less  
liens or encumbrances remaining at time of sale.

\_\_\_\_\_  
Signature of Declarant or Agent determining tax - Firm  
Name

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Lancaster Redevelopment Agency, a public entity, corporate and politic (“Grantor”), hereby grants to the City of Lancaster, a municipal corporation (“Grantee”) that certain real property located in the County of Los Angeles, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and covenants of record. The grant of title is subject to the provisions of that certain unrecorded agreement entitled “Purchase and Sale Agreement” by and between Grantor and Grantee dated as of \_\_\_\_\_, 2018; a copy of the Purchase and Sale Agreement is on file with the Grantee as a public record.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of \_\_\_\_\_, 2018.

**SUCCESSOR AGENCY TO THE LANCASTER  
REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name: Mark V. Bozigian  
Its: Executive Director

**ATTACHMENT NO. 1 TO GRANT DEED**

**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Los Angeles, described as follows:

[to come]

APN: 3128-003-908



**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property, if any, conveyed under the foregoing Grant Deed by the Successor Agency to the Lancaster Redevelopment Agency as to the following property:

Real property in the City of Lancaster, County of Los Angeles, State of California, described as follows:

[to come]

APN: 3128-003-908

is hereby accepted by the City Manager of the City of Lancaster on behalf of the City of Lancaster pursuant to authority conferred by Resolution No. \_\_\_\_\_ of the City Council of the City of Lancaster adopted on \_\_\_\_\_, \_\_\_\_, and the Grantee consents to recordation thereof by its duly authorized officer.

**CITY OF LANCASTER**

By: \_\_\_\_\_  
Mark V. Bozigian, City Manager

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,  
(Print Name of Notary Public)

personally appeared \_\_\_\_\_

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.

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

### OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

#### CAPACITY CLAIMED BY SIGNER

- Individual  
 Corporate Officer

\_\_\_\_\_  
Title(s)

- Partner(s)     Limited     General  
 Attorney-In-Fact  
 Trustee(s)  
 Guardian/Conservator  
 Other: \_\_\_\_\_

Signer is representing:  
Name Of Person(s) Or Entity(ies)

#### DESCRIPTION OF ATTACHED DOCUMENT

\_\_\_\_\_  
Title Or Type Of Document

\_\_\_\_\_  
Number Of Pages

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
Signer(s) Other Than Named Above

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,  
(Print Name of Notary Public)

personally appeared \_\_\_\_\_

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.

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

### OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

#### CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

- Partner(s)       Limited       General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

Signer is representing:  
Name Of Person(s) Or Entity(ies)

#### DESCRIPTION OF ATTACHED DOCUMENT

\_\_\_\_\_  
Title Or Type Of Document

\_\_\_\_\_  
Number Of Pages

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
Signer(s) Other Than Named Above

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personally appeared \_\_\_\_\_

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Number Of Pages

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
Signer(s) Other Than Named Above

**EXHIBIT C**

**FIRPTA CERTIFICATE**

**TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS**

To inform City of Lancaster ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code") will not be required upon the transfer of certain real property to the Transferee by the Successor Agency to the Lancaster Redevelopment Agency ("Transferor"), the undersigned hereby certifies the following:

1. The Transferor is not a foreign person or citizen, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder). Seller is a tax exempt entity and is exempt from withholding;

2. The Transferor's social security number or U.S. employer identification number is as follows: \_\_\_\_\_.

3. The Transferor's home or office address is:

44933 Fern Avenue  
Lancaster, California 93534

The Transferor understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment or both. Under penalty of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document.

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Successor Agency to the Lancaster  
Redevelopment Agency

**SITE MAP**

APN 3128-003-908

