TO:  CHAIRMAN & AGENCY DIRECTORS  
FROM:  JIM SADRO, EXECUTIVE DIRECTOR  
By:  Andrew Ho, Director of Community and Economic Development  
SUBJECT:  APPROVE A PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN THE SUCCESSOR AGENCY AND ICI DEVELOPMENT COMPANY, INC. FOR THE SALE OF REAL PROPERTY LOCATED AT 951-1001 EAST IMPERIAL HIGHWAY AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE ALL RELATED DOCUMENTS.

SUMMARY RECOMMENDATION:

It is recommended that the Successor Agency approve a Purchase and Sale Agreement and Joint Escrow Instructions between the Successor Agency and ICI Development Company, Inc. for the sale of real property located at 951 – 1001 East Imperial Highway; and authorize the Executive Director execute and forward the agreement to the Oversight Board for approval.

DISCUSSION:

AB X1 26 (the “Dissolution Act”) was enacted in June 2011 as part of the Fiscal Year 2011-2012 State budget package. Under the Dissolution Act, all Redevelopment Agencies in the State of California were dissolved as of February 1, 2012. On January 12, 2012, the City Council elected to become the Successor Agency to the Redevelopment Agency by adopting Resolution No. 5508. The Successor Agency is tasked to unwind the affairs of the former La Habra Redevelopment Agency (RDA). Pursuant to Health and Safety Code Section 34177(I) (2), as modified by the Supreme Court’s opinion in the case of California Redevelopment Association, et al. v. Ana Matosantos, et al and Assembly Bill 1484, the Successor Agency is required to prepare a Long Range Property Management Plan for the disposition and use of real properties owned by the former RDA.
On September 11, 2015, the State Department of Finance (DOF) issued a Letter of Determination approving the Successor Agency’s Long Range Property Management Plan (LRPMP). On October 10, 2015, DOF provided confirmation to staff that no further review by DOF is required for sale of property identified on the Agency’s approved LRPMP.

The Long Range Property Management Plan addresses the two properties owned by the RDA located at 951 to 1001 East Imperial Highway. The property at 951 is improved with a restaurant (formerly Alberto’s) and the site at 1001 is currently vacant (formerly the Taboo Gentlemen’s Club). The plan identifies ICI Development Company as the preferred developer due to their development experience within the City via the construction of the Westridge Plaza, development of a second Wal-Mart immediately across the street from these properties, and new CVS store adjacent to these properties.

On March 3, 2014, the Successor Agency approved an Exclusive Negotiation Agreement (ENA) between ICI Development Company, Inc. and the Successor Agency to diligently, and in good faith, negotiate the terms and conditions of a purchase and sale agreement for the agency-owned property located at 951 to 1001 East Imperial Highway. The ENA provided for a six month period of negotiations between the parties from the date of the agreement. After several months of negotiations the Agency staff and staff from ICI Development came to tentative agreement on all of the terms and conditions of a purchase and sale agreement, which is being presented for the board’s approval.

On October 19, 2015, the Successor Agency Board approved a Lease Termination Agreement and Agreement for All Inclusive Settlement, Release and Waiver by and between Chaparro’s Mexican Food Inc., DBA Alberto’s Mexican Food and the Successor Agency. The termination agreement allows the subject property to be vacated, thus allowing the proposed purchase and sale agreement to ICI Development to occur immediately, instead of delaying the sale of the property until the original lease expiration date of April 30, 2016.

- **Purchase & Sale Agreement**

ICI Development Company, Inc. will purchase the property from the Successor Agency for the amount of $2,720,000. The funds from the sale of the property will be transmitted to the County Auditor Controller and, pursuant to state law, will be redistributed to authorized local taxing entities, which will include the City of La Habra.

On August 20, 2007, the City approved a loan agreement between the City and the former Redevelopment Agency (RDA) in which the City lent $2,000,000 to the RDA for acquisition of the land and old Taboo building. The current original loan amount of $2,000,000, with accumulated interest of $501,863, is still outstanding. It should be noted that the proceeds from the sale of this land to ICI cannot legally be used by the Successor Agency to repay the loan made by the City to the former RDA; however, the Successor Agency has placed a request on its ROPS 15-16B for a principal payment of the loan in the amount of $105,495 from tax increment in the upcoming year.
The purchase price shall be paid in the following increments at the following times to the Agency:

- ICI will make a non-refundable deposit of $100 upon the Agency’s approval of this agreement.
- ICI will deposit $100,000 into Escrow when opened.
- If ICI provides approval of its due diligence investigation to the Agency, then ICI will deposit an additional $150,000 into Escrow within three business days from the Feasibility Expiration Date.
- The balance of the Purchase Price, as well as all sums necessary to pay the ICI’s costs, expenses and proration’s in connection with this transaction will be deposited by ICI into Escrow at the Close of Escrow on July 29, 2016.

ICI Development Company, Inc. has agreed to maintain the property in accordance with all applicable City codes and standards upon the approval of this agreement and will work diligently to demolish the existing building once they have secured a tenant for the project.

GENERAL PLAN RELEVANCE:

LU 11.2 (Compact and Vital Commercial Development)
LU 11.3 (Economic Vitality)
LU 11.5 (Cohesive Development)
LU 11.7 (Architecture and Site Design)

FISCAL IMPACT / SOURCE OF FUNDING:

ICI Development has agreed to purchase the property from the Successor Agency at the appraised market value of $2,720,000. The funds will be sent to the County Auditor Controller for redistribution to the appropriate taxing agencies, which includes approximately $466,480 to be distributed to the City of La Habra, for credit to its General Fund.

RECOMMENDATION / REQUESTED ACTION:

1) Approve a Purchase and Sale agreement and Joint Escrow Instructions between the Successor Agency and ICI Development Company, Inc. for the sale of real property located at 951-1001 East Imperial Highway and authorize the Executive Director to execute all related documents.

2) Adopt a RESOLUTION OF THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY APPROVING A PURCHASE AND SALE AGREEMENT AND JOINT ECRROW INSTRUCTIONS BETWEEN THE SUCCESSOR AGENCY AND ICI DEVELOPMENT COMPANY, INC. FOR THE SALE OF REAL PROPERTY LOCATED AT 951-1001 EAST
ATTACHMENT:  

1. Purchase and Sale Agreement and Joint Escrow Instructions (PSA)  
2. Resolution
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

BY AND BETWEEN
SELLER
SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY, A PUBLIC ENTITY

AND

BUYER

ICI DEVELOPMENT COMPANY, INC.,
A CALIFORNIA CORPORATION
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PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW
INSTRUCTIONS ("Agreement") is entered into as of ____________, 2015, by and between the
Successor Agency to the La Habra Redevelopment Agency, a public entity ("Seller") and ICI
Development Company, Inc., a California corporation ("Buyer").

RECITALS

A. Seller is the successor-in-interest to the La Habra Redevelopment Agency and the owner of a fee
interest in that certain real property located in the City of La Habra ("City"), County of Orange
("County"), State of California, as more particularly described in Exhibit A attached hereto (the
"Land").

B. The Land is improved with certain buildings and other improvements (the "Improvements") as
to which Seller holds fee simple title, including a vacant building comprising approximately
2,800 square feet (the "Building").

C. The term "Property" as used herein includes: (i) the Land, together with all rights, privileges,
easements, rights of way, mineral and water rights and other appurtenances to the Land, (ii) all
Improvements thereon, (iii) all fixtures of a permanent nature currently affixed to the Land or the
Improvements, (iv) all of Seller's rights to all outstanding Contracts, Warranties, Permits, Plans
and Reports and Claims (each, as hereinafter defined) pertaining to the Land or the
Improvements, and (v) all fixtures, equipment and personal property and intangible property
owned by Seller and used or intended to be used in connection with the operation of the Land or
the Improvements (the matters referred to in this clause (v) being collectively referred to herein
as, the "Personal Property").

AGREEMENT

NOW, THEREFORE, taking into account the foregoing Recitals, and in consideration
of the mutual covenants, agreements and conditions set forth herein, and for other good and valuable
consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as
follows:

1. Agreement to Purchase and Sell.

   Seller hereby agrees to sell, convey and assign the Property to Buyer, and Buyer agrees to buy
   and accept the Property from Seller, under the terms and conditions and for the purchase price hereinafter
   set forth.

2. Purchase Price.

   The Purchase Price to be paid for the Property by Buyer at the Close of Escrow ("Purchase
   Price") is Two Million Seven Hundred Twenty Thousand Dollars ($2,720,000) and shall be paid in the
   following increments at the following times:
(a) Buyer shall deposit into Escrow (as defined in Section 4) immediately available funds in the amount of One Hundred Thousand Dollars ($100,000) upon the Opening of Escrow (as defined in Section 4) (the "Initial Deposit");

(b) If Buyer provides approval of its due diligence investigations to Seller in accordance with Section 3(b), then Buyer shall deposit into Escrow immediately available funds in the amount of One Hundred Fifty Thousand Dollars ($150,000) within three (3) business days from the Feasibility Expiration Date (the "Additional Deposit"); and

(c) the balance of the Purchase Price as well as all sums necessary to pay Buyer’s costs, expenses and prorations in connection with this transaction shall be deposited by Buyer into Escrow in cash at the Close of Escrow.

(d) In exchange for Seller’s agreement to enter into this Agreement, Buyer agrees that One Hundred and 00/100 Dollars ($100.00) from the Deposit (defined below) constitutes independent consideration for the execution of this Agreement ("Independent Consideration") and shall not be refundable to Buyer (even in the event of a default by Seller).

So much of the cash sums as have been actually deposited into Escrow at any given time pursuant to Section 2(a) above (including, but not limited to, the Initial Deposit and Additional Deposit), together with all interest earned thereon, shall sometimes collectively be referred to herein as the “Deposit.” In the event that this Agreement is terminated (i) as a result of Buyer’s timely disapproval of any of the contingencies set forth in Section 3 below, (ii) by reason of the failure of any condition precedent in favor of Buyer as set forth in this Agreement, or (iii) for any other reason except for a default under this Agreement solely on the part of Buyer, then (iv) the Deposit shall be released by Escrow Holder to Buyer upon demand by Buyer minus the Independent Consideration and minus Buyer’s share of Escrow cancellation charges as provided in Section 5(e) below. In the event that the purchase and sale of the Property is consummated as contemplated hereunder, the Deposit shall be applied against the Purchase Price at the Close of Escrow and shall be paid to Seller or disbursed to the order of Seller at the Close of Escrow. All Deposits made by Buyer pursuant to this Section 2 or Section 4 below shall be placed in a federally insured interest-bearing account by Escrow Holder upon terms acceptable to Buyer to be held by Escrow Holder in trust for the benefit of Buyer. All interest which accrues on the Deposit in such account shall be considered part of the Deposit. In the event that the purchase and sale of the Property is not consummated because of a default under this Agreement solely on the part of Buyer, the Deposit shall be non-refundable to Buyer and shall constitute the liquidated damages of Seller pursuant to Section 13 below.

3. Contingencies.

Buyer’s obligation to purchase the Property and the remainder of Buyer’s obligations under this Agreement shall be subject to its approval of the following contingencies within the time periods indicated below:

(a) Title and Survey.

(i) Commonwealth Land Title Insurance Company (the “Title Company”) has previously delivered to Buyer an extended coverage preliminary title report or commitment on the Property (the “PTR”), together with legible copies of all documents (“Exception Documents”) relating to the title exceptions referred to in the PTR.
(ii) Buyer, in its sole discretion and at its sole expense, may have a survey of the Property prepared in accordance with the Minimum Standard Details Requirements for ALTA/ACSM Land Title Surveys jointly established and adopted by ALTA and ACSM in 2011, sufficient to enable the Title Company to issue an ALTA owner’s policy of title insurance (the “Survey”). If a Survey is obtained by Buyer, then prior to the expiration of the Feasibility Period, Buyer shall notify Seller in writing of any disapproved Survey matters (the “Disapproved Survey Matters”).

(iii) Within 15 calendar days after the Opening of Escrow, Buyer shall notify Seller in writing of any disapproved title exceptions (the “Disapproved PTR Matters”). The Disapproved PTR Matters and the Disapproved Survey Matters (if any) are hereinafter collectively referred to as the “Disapproved Title Matters.” All title exceptions set forth in the PTR other than the Disapproved PTR Matters, together with all survey matters set forth in the Survey other than any Disapproved Survey Matters, and subject to the title endorsements specified in writing by Buyer shall collectively constitute the “Permitted Exceptions.” Within five (5) calendar days after Buyer notifies Seller of any Disapproved Title Matters, Seller shall notify Buyer in writing of: (i) any Disapproved Title Matters which Seller shall cause, at its sole cost and expense, to be removed as an exception to the PTR or, in the alternative, obtain title insurance in a form satisfactory to Buyer and its counsel insuring against the effect of such Disapproved Title Matters (and any Disapproved Matter which is so insured against shall be deemed to be a Permitted Exception), and (ii) any Disapproved Title Matters which Seller shall not take any action with respect thereto (Seller’s failure to give such notice as to any Disapproved Matter shall be deemed to mean Seller will not take any action with respect thereto). Buyer shall then, within five (5) calendar days thereafter, elect, by giving written notice to Seller and Escrow Holder, (x) to terminate this Agreement and receive a return of the Deposit, or (y) to waive its disapproval of any such Disapproved Title Matters (and such Disapproved Title Matters shall then be deemed to be Permitted Exceptions). Buyer’s failure to give such notice shall be deemed an election to terminate this Agreement and receive a return of the Deposit.

(iv) If the Title Company, prior to Close of Escrow, discloses to Buyer or Seller a new exception, or materially amends any exception previously approved by Buyer, or materially amends the terms under which the Title Company is willing to issue its policy of title insurance, or if the Survey is materially amended, then Buyer shall have ten (10) calendar days from its receipt of notice of such disclosure, together with legible copies of all documents mentioned in such disclosure, to disapprove the same by written notice to Seller. Such disapproved disclosures shall be treated as Disapproved Title Matters pursuant to Section 3(a)(iii) above.

(v) In any event, Buyer’s review of all title matters as set forth in this Section 3(a), shall be finalized as of the date set forth below in Section 3(b). Seller shall provide an owner’s affidavit and such other documentation in form and substance as may be required by the Title Company to issue the Title Policy (as defined below) and to consummate the transactions described in this Agreement, including but not limited to, such documentation evidencing that the Property is free and clear of any and all mechanics or materialmen’s liens and that there are no parties in possession.

(b) Buyer’s Due Diligence. On or before ___________________, 2016, which is a date 90 days after the Opening of Escrow (“Feasibility Expiration Date”), Buyer shall have completed its due diligence investigation of the Property and shall have approved or disapproved such matters as Buyer deems appropriate in its sole and absolute discretion with respect to the Property, including without limitation
any items related to the physical condition of the Property or the Property’s suitability for Buyer’s intended purpose.

(c) **Documents to be Provided by Seller.** Within five (5) calendar days following the Opening of Escrow, Seller shall have or shall cause to be delivered to Buyer a legible copy of all material information which Seller possesses with respect to the Property, including without limitation the following (the “**Property Documents**”):

(i) Intentionally Deleted;

(ii) Intentionally Deleted;

(iii) all of Seller’s books, records, income and expense statements, year-end financial and monthly operating statements relating to the Property for the three most recent fiscal years prior to the Closing and, to the extent available, the current year to date;

(iv) all plans and specifications, soils, engineering, environmental or architectural notices, studies reports or plans, and all other reports concerning the Property which Seller may possess or control which relate to the physical condition or operation of the Property or recommended improvements thereto (collectively, the **Plans and Reports**);

(v) all guarantees and warranties made to or inuring to the benefit of Seller regarding the Property or its operation (“**Warranties**”) including a certificate of occupancy (or equivalent certificate) authorizing the current use of the Property. Seller shall also cause to be delivered to Buyer all contracts relating to the Property and/or the use thereof together with any and all amendments, modifications or supplements thereto including, but not limited to, all outstanding employment, brokerage, management, leasing, maintenance, repair, service, pest control and supply contracts (including without limitation janitorial, elevator, refuse removal, landscaping and equipment rental agreements), relating to or affecting the Property, all contracts for repair or capital replacement to be performed for or on the Property, or covering such work performed during the two years immediately preceding the date hereof with respect to which the contract price was in excess of $10,000 (collectively the **Contracts**). The contracts include but are not limited to those identified in the Schedule of Contracts attached hereto as Exhibit C;

(vi) the most recent tax bills for the Property including, but not limited to, bills for real estate taxes and personal property taxes, if any; and all notices received by Seller within the two years immediately preceding the date hereof and pertaining to real estate taxes or assessments applicable to the Property. Seller shall promptly deliver to Buyer a copy of any such bills or notices received by Seller after the date hereof (even if received by Seller after the Closing); and

(vii) a list of all Personal Property, used, leased, or owned by Seller in connection with the Property or the operation thereof.

(d) Intentionally Deleted.

(e) Intentionally Deleted.

(f) **Documents to be Provided by Escrow Holder.** At least two (2) business days prior to the scheduled Close of Escrow, but no more than seven (7) business days prior to the scheduled Close of Escrow, Escrow Holder shall prepare and deliver to Seller and to Buyer a pro forma closing statement (the
“Closing Statement”) relating to the consummation of the transaction contemplated by this Agreement, which statement shall include, without limitation, calculations of estimated prorations pursuant to Section 6 below. Seller’s and Buyer’s written approval of the Closing Statement shall be a condition precedent to the Close of Escrow.

(g) Maintenance of Alberto’s Parcel. In the event that Alberto’s Lease, as such term is defined in Section 3(h) below, terminates prior to the Close of Escrow, Buyer agrees to maintain, at its sole cost and expense, the parcel of the Property in which the Building is located on (“Alberto’s Parcel”). Such maintenance shall be limited to weed abatement, trash removal, window boarding, and such other minor building issues as shall be necessary in Buyer’s sole and absolute discretion; provided, however, that Buyer shall ensure that the building is maintained in a manner so that it does not constitute or create a nuisance in violation of local or state law.

(h) Termination of Alberto’s Lease. The Building is leased pursuant to that certain Standard Industrial/Commercial Single-Tenant Lease – Gross, dated as of December 29, 2010, by and between La Habra Redevelopment Agency and Chapparrros Mexican Food Inc., dba Alberto’s Mexican Food (the “Alberto’s Lease”). On or prior to the Close of Escrow, Seller is to (i) terminate the Alberto’s Lease, (ii) submit the termination of the Alberto’s Lease to the Successor Agency and the Oversight Board, and the Department of Finance for approval, and (iii) provide Buyer with written notice of the termination of the Alberto’s Lease, if approved by the Oversight Board and Department of Finance. If the Alberto’s Lease is not terminated and/or approval of such termination is not obtained in accordance with this Section 3(h), then Buyer shall have the right to either: (1) terminate this Agreement and the Deposit (less the Independent Consideration) shall be returned to Buyer; or (2) accept the Property subject to Alberto’s Lease. Except with respect to Alberto’s Lease, there are no leases with respect to the Property.

(i) Approval of Sale of Property. On or prior to January 31, 2016, Seller shall (i) submit this Agreement to the Oversight Board for approval of the sale of the Property in accordance with the long-range property management plan (as prepared by the Seller and approved by the Oversight Board and Department of Finance of the State of California), and (ii) provide Buyer with written notice of such approval of the sale of the Property. If the foregoing approval is not satisfied within the time period set forth in this Section 3(i), then Buyer shall have the right to terminate this Agreement and the Deposit (less the Independent Consideration) shall be returned to Buyer.

(j) Date Down of Representations; No Breach of Covenants. All of the representations and warranties of Seller pursuant to Section 9 below shall be true and correct in all material respects as of the Close of Escrow and there shall be no material breach of Seller’s covenants as set forth in Section 10 below as of such date.

(k) Entitlements. Buyer shall have the right to process an application for the approval of the Entitlements (as defined below) from the City and each other governmental agency or entity with jurisdiction to approve each of the Entitlements prior to the Close of Escrow (the “Entitlement Work”). Seller shall reasonably cooperate with Buyer in connection with processing such Entitlement Work, provided, however, that Seller shall not be required to apply for any Entitlements or take any actions that result in a monetary cost to the Seller or excessive staff time. As used herein, “Entitlements” means the approval from and/or issuance by all appropriate governmental entities of the following: (i) a planned unit development, (ii) a conditional use permit for a type 20 alcohol sales license, (iii) a sign program for project signage, (iv) a lot line adjustment or lot consolidation, and (v) any other entitlements necessary for Buyer’s proposed development of the Property as an 18,557 square foot ALDI’s grocery store. Seller acknowledges that the timely and efficient processing of the Entitlements is of material importance to Buyer. Accordingly, the parties agree to each use their commercially reasonable efforts to timely and
professionally perform their obligations under this Agreement and both of the parties acknowledge and agree that there is no guarantee that the Entitlements will be approved or obtained. In the event that Buyer determines, prior to the Close of Escrow and in Buyer's sole and absolute discretion, that further efforts are unlikely to result in approvals and authorizations necessary for the planned subdivision, entitlement and development of the Property on terms and conditions satisfactory to Buyer, in its sole and absolute discretion, Buyer may terminate this Agreement by providing written notice to Seller. If Buyer terminates the Agreement pursuant to this Section 3(k), Buyer shall bear the costs of Escrow, including the cost of the PTR, and the remaining balance of the Deposit (minus the Independent Consideration), if any, will be returned to Buyer.

(i) Contingencies for Buyer's Benefit. The contingencies set forth in this Section 3 are for the sole benefit of Buyer, except that Seller's approval of the Closing Statement shall also be a closing condition in favor of Seller. The satisfaction of such contingencies set forth in this Section 3 is a condition precedent to the Close of Escrow in favor of Buyer. Buyer may approve or disapprove any or all of the documents, materials, items and matters identified in this Section 3 in its sole and absolute discretion. Except as set forth in the last sentence of Section 3(a)(iii) above, the failure by Buyer to disapprove in writing any of the documents, materials, items or matters referred to in this Section 3 within the time periods provided herein, shall be deemed approval by Buyer of such documents, materials, items or matters as to which such notice of disapproval has not been given. Upon approval, the deemed approval and/or the waiver of all of the foregoing contingencies by Buyer, the Deposit (to the extent then held in Escrow), shall be non-refundable to Buyer and shall be considered liquidated damages in Escrow pursuant to Section 13 hereof. If any of the contingencies set forth in this Section 3 are not satisfied in accordance with the terms hereof, Buyer may elect to terminate the Agreement by providing written notice to Seller and Escrow Holder and the Deposit shall be returned to Buyer. Except with respect to the Additional Deposit pursuant to Section 3(b), nothing in the foregoing shall require Buyer to deposit into Escrow any additional sums, documents or deposits if it has disapproved any of the contingencies in its favor set forth in this Section 3 until such disapproved contingency has been waived or satisfied or otherwise approved by Buyer.

For the avoidance of doubt, entry into this Agreement by Seller shall not be binding on the City Council or any other commission, committee, board or body of the City regarding any Entitlements required by such bodies. No action by the City with reference to this Agreement or any related documents shall be deemed to constitute issuance or waiver of any required City approval regarding any Entitlement.

4. Escrow.

(a) Escrow Holder; Escrow Instructions. Escrow No. 9272231-916-JBE for the purchase and sale of the Property (the “Escrow”) has been established at Lawyers Title Insurance Company, 4100 Newport Place Drive, Suite 120, Newport Beach, California, 92660, Attention: Joy Eaton (the “Escrow Holder”). This Agreement, together with such further instructions, if any, as the parties shall provide to Escrow Holder by written agreement, shall constitute the escrow instructions to the Escrow Holder, including without limitation the standard printed general escrow instructions of Escrow Holder, incorporated herein by this reference.

(b) Opening and Close of Escrow. The Escrow shall be deemed open ("Opening of Escrow") as of the date of this Agreement. Escrow shall close on or before July 29, 2016 ("Close of Escrow"). The City Manager, on behalf of the Successor Agency, is authorized to agree to two (2) thirty (30) day extensions of the Close of Escrow date as set forth herein. The date of the Close of Escrow shall be deemed to have occurred at the time the Grant Deed is filed for record in the Official Records of the County.
(c) **Seller Deposits into Escrow.** As a condition precedent to the Close of Escrow in favor of Buyer, Seller shall deliver or cause to be delivered to Escrow Holder in a timely manner to permit the closing of the transaction contemplated hereby by the Close of Escrow the following:

(i) a duly executed and acknowledged Grant Deed (the **Grant Deed**") in the form attached hereto as Exhibit D;

(ii) a duly executed Non-Foreign Affidavit in the form attached hereto as Exhibit E (the **Non-Foreign Affidavit") and a duly executed original of a California Form 593-C completed to indicate that no withholding is required; and

(iii) any other executed or other documents reasonably required by the Title Company to consummate this transaction.

(d) **Buyer Deposits into Escrow.** As a condition precedent to the Close of Escrow in favor of Seller, Buyer shall deliver or cause to be delivered to Escrow Holder in a timely manner to permit the closing of the transaction contemplated hereby by the Close of Escrow, the following:

(i) a duly executed preliminary change of ownership statement (the **PCO Statement") relating to the Property;

(ii) a sum equal to the Purchase Price less any credits against the Purchase Price, including without limitation the Deposit, plus any other sums required for costs to be paid by Buyer pursuant to the terms of this Agreement; and

(iii) any executed or other documents reasonably required by the Title Company to consummate this transaction.

(e) **Authorization to Close Escrow.** Provided that Escrow Holder shall not have received written notice from Buyer or Seller of the failure of any conditions precedent or of the termination of the Escrow, Buyer and Seller have deposited into the Escrow the items required by this Agreement and Title Company can and will issue the Title Policy concurrently with the Close of Escrow, Escrow Holder shall:

(i) Deliver to Buyer: the Grant Deed by causing the same to be recorded in the Official Records of the Office of the County Recorder of the County; and cause the Grant Deed to be mailed to Buyer after the same has been recorded.

(ii) Deliver to Seller: the Purchase Price, less (A) all amounts to be paid by Seller hereunder, including but not limited to those amounts specified in Sections 5 and 16, (B) Seller's share of liabilities and/or expenses to be prorated by Escrow Holder to Seller's account under Section 6, and (C) all amounts paid by Escrow Holder in satisfaction of liens and encumbrances on the Property in order to put title to the Property into the state required by this Agreement.

(iii) Deliver to Buyer the Non-Foreign Affidavit and the California Form 593-C;

(iv) Cause the Title Policy to be issued to Buyer by Title Company.

(v) Cause the PCO Statement to be filed with the Tax Assessor for the County or with any other governmental official or agency as required by applicable law.
(f) **Interpleader.** The parties hereto expressly agree that if the parties give the Escrow Holder contradictory instructions, the Escrow Holder shall have the right at its election to file an action in interpleader requiring the parties to answer and litigate their several claims and rights among themselves and the Escrow Holder is authorized to deposit with the clerk of court all documents and funds held in this Escrow. In the event such action is filed, the parties agree to pay Escrow Holder’s cancellation charges and costs, expenses and reasonable attorney’s fees which Escrow Holder is required to expend or incur in the interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon the filing of such an action, Escrow Holder shall thereupon be fully released and discharged from all obligations to further perform any duties or obligations otherwise imposed by the terms of the Escrow.

(g) **U.S. Treasury Regulations.** The purchase and sale of the Property is the sale of “reportable real estate” within the meaning of U.S. Treasury Regulations Section 1.6045-4 (the “Regulation”). Escrow Holder is the “real estate reporting person” within the meaning of the Regulation and shall make all reports to the federal government as required by the Regulation.

(h) **Exchange Cooperation.** Buyer and Seller (the “Parties”) agree that either of the Parties or both may substitute an intermediary (an “Intermediary”) to act in place of either Party with regards to the sale or purchase of the Property. An Intermediary shall be designated in writing by the Party designating an Intermediary (the “Designating Party”) to the other Party (the “Non-Designating Party”) and Escrow Holder. Upon designation of an Intermediary and upon the Intermediary’s written assumption of the Designating Party’s obligations hereunder, the Intermediary shall be substituted for the Designating Party in the Escrow as the buyer or seller of the Property. The Non-Designating Party agrees to accept the Purchase Price and all other required performance under this Agreement from the Intermediary and to render its performance of all of its obligations to the Intermediary. The Non-Designating Party agrees that performance by the Intermediary will be treated as performance by the Designating Party, and the Designating Party agrees that the Non-Designating Party’s performance to the Intermediary will be treated as performance to the Designating Party. The Designating Party unconditionally guarantees the full and timely performance by the Intermediary of each and every one of the representations, warranties, indemnities, obligations and undertakings of the Designating Party pursuant to this Agreement. As such guarantor, the Designating Party shall be treated as a primary obligor with respect to such representations, warranties, indemnities, obligations and undertakings, and, in the event of breach thereof, the Non-Designating Party may proceed directly against the Designating Party on this guarantee without the need to join the Intermediary as a party to the action against the Designating Party. The Designating Party unconditionally waives any defense that it might have as guarantor that it would not have if it had made or undertaken such representations, warranties, indemnities, obligations and undertakings directly.

(i) **Other Consequences of Exchange.** If either of the Parties or both undertakes to designate an Intermediary pursuant to the previous Section 4(h): (i) in no event shall the Designating Party, as applicable, be deemed to have given the Non-Designating Party any advice regarding the tax-deferred nature of this transaction or any other advice regarding the treatment of this transaction under federal or state tax laws and both of the Parties shall rely solely on the advice of their own legal and tax advisors; (ii) any Non-Designating Party shall not bear any additional expenses from the Designating Party’s decision to designate Intermediary; (iii) there shall not be any delay in the Close of Escrow by reason of such designation; and (iv) neither Buyer nor Seller shall be required to take title to any real or personal property other than the Property.
5. **Closing Costs.**

(a) Seller shall pay (i) any documentary transfer tax, revenue tax or excise tax (and any surtax thereon) due in connection with the consummation of this transaction, and (ii) 50% of all escrow fees of the Escrow Holder.

(b) Buyer shall pay (i) the fees for recording the Grant Deed, and (ii) 50% of all escrow fees of the Escrow Holder.

(c) Seller shall pay the cost of the Title Policy up to the amount of the premium for a Standard Coverage Policy with liability in the amount of the Purchase Price. Seller shall also pay for the costs of any title endorsement which Seller has agreed to provide to cure any title objections by Buyer. Buyer shall pay the cost differential of the premium for the Extended Coverage Policy over the cost of the premium paid for a Standard Coverage Policy. Buyer shall also pay the cost of all title policy endorsements not paid for by Seller as aforesaid.

(d) Any other costs of the Escrow or of closing pertaining to this transaction not otherwise expressly allocated among Buyer and Seller under this Agreement shall be apportioned in the manner customary in the County.

(e) Notwithstanding the provisions of this Section 5, if the Escrow fails to close for any reason (other than the breach of this Agreement by one or both of the parties), the costs incurred through the Escrow, including the cost of the PTR, shall be borne equally by Buyer and Seller. Otherwise, the party who breached this Agreement first shall bear all the costs of the Escrow, including the cost of the PTR.

6. **Prorations and Adjustments.**

The following shall be prorated and adjusted between Seller and Buyer as of the Close of Escrow except as otherwise specified:

(a) All operating expenses, if any, of the Property shall be prorated as of the Close of Escrow. Seller’s share of all such prorations of operating expenses shall be credited against the Purchase Price at the Close of Escrow, or, to the extent such operating expenses have been paid by Seller, Buyer’s share of all such prorations of operating expenses shall be credited to the account of Seller. Such prorations of operating expenses shall be subject to adjustment outside of Escrow within 60 days after the Close of Escrow to the extent new information becomes available to Buyer or Seller.

(b) All real property taxes, personal property taxes and any premiums for insurance policies on the Property assumed by Buyer shall be prorated as of the Close of Escrow and Seller’s share of such taxes and insurance premiums shall be credited against the Purchase Price, or, to the extent such taxes and insurance premiums have been paid by Seller, Buyer’s share of such taxes and insurance premiums shall be credited to the account of Seller. All assessments against the Property, including, without limitation, all installments of such assessments that will become due and payable after the Close of Escrow shall be prepaid by Seller or, at Buyer’s option, such assessments may remain a lien against the Property and an amount equal to the aggregated amount of such assessments shall be credited against the Purchase Price at the Close of Escrow.

(c) For purposes of calculating prorations, Buyer shall be deemed to be vested with title to the Property, and, therefore, entitled to the income (if any) therefrom and responsible for the expenses thereof for the entire day upon which the Close of Escrow occurs. All such prorations shall be made on the basis...
of the actual number of days of the month which shall have elapsed as of the Close of Escrow and based upon a 365 day year. Seller shall provide to Escrow Holder such operating statements and other documents or information as may be reasonably required by Escrow Holder and Buyer to calculate such prorations and to prepare the Closing Statement.

7. **Title.**

(a) **Possession.** Seller shall deliver to Buyer actual possession of the Property concurrently with the Close of Escrow.

(b) **Grant Deed.** Title to the fee simple interest in the Property shall be conveyed to Buyer by the Grant Deed.

(c) **Title Policy.** The title to be conveyed to Buyer shall be insured by an ALTA Standard Coverage Owner’s Policy of Title Insurance (the "**Standard Coverage Policy**") with liability in the amount of the Purchase Price, dated the date of the Close of Escrow, issued by the Title Company, insuring that title to the fee interest in the Property is vested in Buyer, subject only to nondelinquent real estate taxes and assessments and the Permitted Exceptions; provided, however, that Buyer, at its sole option, may require in lieu of the Standard Coverage Policy an ALTA extended coverage owner’s policy of title insurance without modification or its equivalent by endorsement (the "**Extended Coverage Policy**"). The Standard Coverage Policy or the Extended Coverage Policy, as applicable, shall sometimes be referred to herein as the "**Title Policy.**" The Title Policy shall include the endorsements agreed to by the parties in Section 3(a) above and shall exclude any exceptions for creditor’s rights and any stipulation for arbitration. Seller shall execute an affidavit and/or certified resolutions on the Title Company’s standard form so that the Title Company can delete or modify the standard printed exceptions as to the Seller’s constituent documents, parties in possession, unrecorded liens and similar matters.

8. **Representations and Warranties of Buyer.**

Buyer hereby represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and also will be true and correct as of the Close of Escrow:

(a) Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of California;

(b) this Agreement and all the documents to be executed and delivered by Buyer to Seller pursuant to the terms of this Agreement, (i) have been or will be duly authorized, executed and delivered by Buyer, (ii) are or will be legal and binding obligations of Buyer as of the date of their respective executions, (iii) are or will be enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally), and (iv) do not, and will not at the Close of Escrow, violate any provisions of any agreement to which Buyer is a party;

(c) To Buyer’s actual knowledge, Buyer is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control ("OFAC"), or resides in, or is organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act (defined below) as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an
intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur. As used herein, the term “Patriot Act” means the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as reauthorized by the USA Patriot Improvement and Reauthorization Act of 2005. As used herein, the term “actual knowledge” as it relates to Buyer shall mean the actual knowledge (without investigation or the duty to conduct investigation) of Dan Wojkowski.

(d) Buyer hereby agrees and acknowledges that (i) subject only to the representations and warranties expressly set forth in Section 9 or expressly set forth elsewhere in this Agreement or in the Grant Deed (collectively, the “Seller Representations”), it is buying the Property on an “AS-IS” basis; (ii) it has made or will have made its own investigations and inspections of the Property, including, without limitation, the physical aspects of the Property and the Property’s compliance with all laws applicable to the Property’s current or intended use or development; (iii) in connection with its investigations and inspections of the Property it has contracted or had the opportunity to contract with certain advisors and consultants, including, but not limited to, environmental consultants, engineers and geologists, to conduct such environmental, hazardous material, geological, soils, hydrology, seismic, endangered species, archeological, physical, structural, mechanical and other inspections of the Property as Buyer deemed to be necessary; (iv) subject only to the Seller Representations, it is relying solely on such reports and its own investigations as to the Property, its condition and other characteristics and compliance with laws; (v) except for the Seller Representations, it is not making the purchase of the Property in reliance upon any statements or representations, express or implied, made by Seller or its agents or brokers, as to the condition of or characteristics of the Property, its fitness for use for any particular purpose, or the uses permitted on or the development requirements for or any other matters relating to the Property. Except as set forth in the Seller Representations, Seller has no liability nor responsibility to Buyer in connection with the matters set forth in this Section 8(d).

BUYER’S INITIALS:  

(e) Effective on the Close of Escrow, and except as specifically set forth in Section 8(d), Buyer hereby releases Seller from and waives all claims against Seller, at law or in equity, whether known or unknown, suspected or unsuspected which Buyer has or may have, arising out of or related to the physical condition of the Property, its compliance with applicable law or its fitness for Buyer’s intended purpose, including without limitation claims under California Civil Code Section 1542, which provides: “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.”

BUYER’S INITIALS:

provided, however, that the foregoing provision shall not prevent Buyer from relying on the Seller Representations (which shall survive the Close of Escrow subject to any limitations set forth in Section 9 below) or otherwise release Seller from any obligations that, under the terms of this Agreement, expressly survive the Close of Escrow. In addition, notwithstanding the foregoing release, Buyer shall have no obligation to indemnify or defend Seller from any third party claims that might arise with respect to the Property.
9. **Representations and Warranties of Seller.**

Seller hereby represents and warrants to Buyer that the following matters are true and correct as of the execution of this Agreement:

(a) Seller is the Successor Agency to the La Habra Redevelopment Agency. Seller has received a Finding of Completion from the Department of Finance. Seller has prepared a long-range property management plan that includes the disposition of the Property in accordance with Health and Safety Code Section 34191.5. The local Oversight Board and the Department of Finance of the State of California have approved the long-range property management plan.

(b) this Agreement and all the documents and items to be executed and delivered by Seller to Buyer pursuant to the terms of this Agreement, (i) have been or will be duly authorized, executed and delivered by Seller, (ii) are or will be legal and binding obligations of Seller as of the date of their respective executions, (iii) are or will be enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally), (iv) do not and will not at the Close of Escrow, violate any provisions of any agreement to which Seller is a party, and (v) will be sufficient to convey title (if they purport to do so);

(c) except as set forth in the Property Documents, to the best knowledge of Seller, the use, operation and sale of the Property is in all material respects in compliance with applicable building codes, environmental, zoning, subdivision, and land use laws, and other applicable local, state and federal laws and regulations. Seller has received no notice from any private party or governmental authority advising Seller of or alleging a violation of any law or regulation referenced in this paragraph. Except as disclosed to Buyer in writing, Seller does not have knowledge of any legal proceedings or actions of any kind (including without limitation, any condemnation, environmental, zoning or other land-use regulation proceeding), either instituted or planned to be instituted, which would affect the Property or Seller's interest therein in any material respect, nor has Seller any knowledge of any assessments affecting the Property other than as set forth in the PTR;

(d) the Property Documents delivered by Seller to Buyer are, to the best knowledge of Seller, true in all material respects and include complete copies of all material documents, Contracts, schedules and items which are in full force and effect with respect to the Property, all of which are without default or violation by any party and without any right of set-off;

(e) to the best knowledge of Seller, there are no material violations of any covenants, conditions or restrictions applicable to the Property;

(f) **Hazardous Materials.**

(i) Except as set forth in the Property Documents, to the best knowledge of Seller, (A) Seller does not now use the Property nor permit the Property to be used in a manner which violates any federal, state or local law, regulation or ordinance or any judicial decisions, rules, regulations or publications promulgated thereunder regarding the environment or materials which are or could be hazardous to persons or property (collectively "Environmental Enactments"), nor has Seller ever done so in the past; (B) Seller has no knowledge of any violation of an Environmental Enactment on the Property by any other prior owner of the Property, (C) Seller has no knowledge of any discharge, seepage or release of Hazardous Materials onto the Property from adjoining property; and (D) neither Seller, nor (to Seller’s knowledge) any prior owner, has
used the Property or allowed the Property to be used in a way which would require notice or reporting to a governmental agency of such use under any Environmental Enactment. Without limitation of the foregoing, no asbestos, polychlorinated biphenyls, radon, urea or formaldehyde are contained in or stored on the Property, there are no Hazardous Materials on the Property in violation of any Environmental Enactments, and there are no storage tanks containing or previously containing Hazardous Materials located in or under the Property.

(ii) As used herein, “Hazardous Materials” shall mean any flammable substances, explosives, radioactive materials, pollutants, contaminants, medical waste materials, petroleum, petroleum products, hazardous or toxic materials including mold or any related materials or substances at, on or beneath the Property, including but not be limited to, substances defined as “extremely hazardous substances,” “hazardous substances,” “hazardous waste,” “hazardous materials,” “toxic substances” or “infectious waste” in any Environmental Enactment or in the regulations adopted and publications promulgated pursuant to said Environmental Enactments. As used herein, “a violation of an Environmental Enactment” or words of similar import shall mean the existence, use, storage, discharge, treatment, release, transportation or disposal of, whether temporarily or permanently, any Hazardous Materials on the Property other than in compliance with the requirements of any Environmental Enactment.

(g) Except as disclosed to Buyer in the Property Documents, to the best knowledge of Seller, the Property has not been damaged, impaired or otherwise affected by or subject to the growth or existence of surficial or airborne microbial constituents, regardless of genus, species, or whether commonly referred to as mildew, mold, mold spores, fungi, bacteria or similar description, in such condition, location or quantity as would, individually or in the aggregate, have any material adverse effect on (i) human health or the environment; (ii) the value or condition of the Property; or (iii) the use of the Property for its current or intended use;

No representation or warranty made by Seller in this Agreement shall merge into any instrument of conveyance delivered at the Close of Escrow but shall survive the Close of Escrow for a period of one (1) year.

10. **Seller’s Covenants.** Seller hereby covenants with Buyer as follows:

(a) during the period between Seller’s execution of this Agreement and the Close of Escrow or termination of this Agreement, Seller shall not execute any new lease without Buyer’s prior written consent;

(b) during the period between Seller’s execution of this Agreement and the Close of Escrow or termination of this Agreement, Seller shall not, without the prior written consent of Buyer, enter into any Contract with respect to the Property which will survive the Close of Escrow or will otherwise affect the use, operation or enjoyment of the Property after the Close of Escrow;

(c) except as otherwise provided in Section 3(g), at all times prior to the Close of Escrow, Seller shall operate and manage the Property in the ordinary course of its business and consistent with Seller’s existing management policies and procedures, shall maintain present services, shall maintain the Property in good repair and working order, shall keep on hand sufficient materials, supplies, equipment and other personal property for the efficient operation and management of the Property in such manner, and shall perform when due all of Seller’s obligations under any deed of trust, mortgage or other lien encumbering the Property, the Contracts, the Permits and other agreements relating to the Property and otherwise in accordance with applicable laws, ordinances, rules and regulations affecting the Property. Except as
otherwise provided herein, Seller shall deliver the Property at the Close of Escrow in substantially the same condition as it was on the date hereof, reasonable wear and tear excepted. None of the Personal Property shall be removed from the Land or the Improvements, unless replaced by personal property of equal or greater utility and value;

(d) Seller has paid, or will pay in full prior to the Close of Escrow, all bills and invoices for labor, goods, material and services of any kind relating to the Property, utility charges, and employee salary and other accrued benefits relating to the period prior to the Close of Escrow;

(e) during the pendency of the Escrow and until the Escrow and this Agreement is terminated as provided herein, Seller shall not market the Property to any person other than Buyer; and

(f) immediately within one (1) business day of the Close of Escrow, Seller shall deliver to Buyer or its designee all keys and locks in Seller’s possession or control to all locks on the Improvements and all books, records and other documents and Personal Property in the possession or control of Seller and material to Buyer’s ownership or operation of the Property.

The liability of Seller for a breach of any covenant shall not be merged into any instrument of conveyance delivered at the Closing and shall survive the Close of Escrow for a period of one year. The covenants and survival periods set forth herein shall not be deemed or construed as limiting, waiving or relinquishing any statutory or common law right or remedy, and the effect of the covenants made in this Agreement shall not be diminished or deemed to be satisfied by any inspections, tests or investigations made by Buyer or its agents.

11. Right to Enter Property.

(a) Commencing on the Opening of Escrow, and continuing thereafter until the Close of Escrow or termination of this Agreement, Buyer and its agents and contractors shall have the right, at Buyer’s sole cost and expense, to enter onto the Property at reasonable times and in a reasonable manner for the purpose of making such tests and inspections as Buyer deems necessary in connection with this Agreement, including, but not limited to, testing related to Phase I and Phase II environmental reporting. Buyer shall not unreasonably disturb or annoy any tenant(s) on the Property in the course of making such tests and inspections, and shall provide said tenant(s) with at least twenty-four (24) hour notice prior to commencing any tests or inspections. Buyer shall maintain liability insurance coverage applicable to such tests and inspections with coverage in an amount equal to $1,000,000 per occurrence. After making such tests and inspections, Buyer shall restore the Property to its condition prior to such tests and inspections. Buyer hereby agrees to indemnify, defend and hold Seller harmless from any loss, damage, costs or expenses (including without limitation attorneys’ fees) incurred by Seller by reason of any actual physical damage to the Property or injury to persons caused by Buyer or its agents or contractors in exercising its rights under this Section 11(a). Such indemnity shall in no event extend to any costs or damages with respect to any claims of diminution in the value of the Property or related to the mere discovery of any pre-existing conditions which are not exacerbated by Buyer or its representatives. As a condition to the Close of Escrow (solely for the benefit of Buyer), Buyer and its agents and contractors shall have the right to enter onto the Property to determine that the condition of the Property, with respect to the contingencies set forth in Section 3, has not materially and adversely changed from the date of the approval of said contingencies.

(b) In the event that Alberto’s Lease terminates prior to the Close of Escrow and Buyer becomes responsible for the maintenance of the Alberto’s Parcel as further provided in Section 3(g), then Buyer and its agents and contractors shall have the right, at Buyer’s sole cost and expense, to enter onto the
Property at reasonable times and in a reasonable manner for the purpose of complying with Section 3(g). Buyer shall maintain liability insurance coverage applicable to Buyer's actions pursuant to Section 3(g) with coverage in an amount equal to $1,000,000 per occurrence. Buyer hereby agrees to indemnify, defend and hold Seller harmless from any loss, damage, costs or expenses (including without limitation attorneys' fees) incurred by Seller by reason of any actual physical damage to the Property or injury to persons caused by Buyer or its agents or contractors in exercising its rights under Section 3(g). Such indemnity shall in no event extend to any costs or damages with respect to any claims of diminution in the value of the Property or related to the mere discover of any pre-existing conditions which are not exacerbated by Buyer or its representatives.

12. **Loss by Fire, Other Casualty or Condemnation.**

In the event that prior to the Close of Escrow, the Property, or any part thereof, is destroyed or damaged by fire or other casualty, or is subject to a taking by a public authority, then Buyer shall have the right, exercisable by giving notice to Seller within fifteen (15) days after receiving written notice of such damage or destruction or taking either (a) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder and any money (including, without limitation, the Deposit minus the Independent Consideration) or documents in Escrow shall be returned to the party depositing the same, except that Buyer and Seller shall each be responsible for one-half of any title or Escrow cancellation fee, or (b) to accept the Property in its then condition and proceed to close this transaction with an abatement or reduction in the Purchase Price in the amount of the deductible for the applicable insurance coverage, if any, and to receive an assignment of all of Seller's rights to any insurance proceeds payable by reason of such damage or destruction, less any costs or expenses incurred by Seller as a result of such damage or destruction, or an assignment of condemnation awards payable by reason of such taking. If Buyer elects to proceed under clause (b) above, Seller shall not compromise, settle or adjust any claims to such proceeds or awards without Buyer's prior written consent. Seller agrees to give Buyer prompt notice of any taking, damage or destruction of the Property.

13. **Default.**

**IN THE EVENT THAT BUYER DEFAULTS IN ITS OBLIGATIONS TO CLOSE THE PURCHASE OF THE PROPERTY FOR ANY REASON OTHER THAN SELLER'S DEFAULT, BUYER'S DISAPPROVAL OF ANY CONTINGENCY, THE FAILURE OF A CONDITION PRECEDENT IN FAVOR OF BUYER, OR BUYER'S EXERCISE OF ITS RIGHT TO TERMINATE THIS AGREEMENT PURSUANT TO THE TERMS OF THIS AGREEMENT, AND BUYER FAILS TO CURE SUCH DEFAULT WITHIN TEN (10) DAYS AFTER RECEIVING WRITTEN NOTICE OF SUCH DEFAULT FROM SELLER, OR, IF SUCH DEFAULT IS NOT REASONABLY SUSCEPTIBLE OF BEING CURED WITHIN SUCH TEN (10) DAY PERIOD, IF BUYER FAILS TO COMMENCE TO CURE SUCH DEFAULT WITHIN SUCH TEN (10) DAY PERIOD, THEN, UPON DEMAND BY SELLER, THE DEPOSIT SHALL BE PAID TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE AMOUNT OF THE DEPOSIT REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. IN ANY AND ALL ACTIONS BROUGHT PURSUANT TO OR TO ENFORCE BUYER'S OBLIGATIONS UNDER THIS AGREEMENT, IT SHALL BE CONCLUSIVELY PRESUMED THAT THE ABOVE-DESCRIBED LIQUIDATED DAMAGES SHALL BE THE SOLE REMEDY OF SELLER IN THE EVENT OF BUYER'S DEFAULT HEREUNDER AND IT SHALL NOT BE
PROPER UNDER ANY CIRCUMSTANCES THAT BUYER’S OBLIGATION TO PURCHASE THE PROPERTY BE SPECIFICALLY ENFORCED.

SELLER’S INITIALS: ____  BUYER’S INITIALS: ___.

14. **Transfer of Leases, Contracts, Warranties, Permits, Plans, Reports, Claims and Utility Deposits.**

Effective concurrently with the Close of Escrow, Seller hereby grants, conveys, assigns and transfers to Buyer all of Seller’s right, title and interest in and to all (a) the Contracts, (b) Warranties, (c) Permits, (d) Plans and Reports, (e) the Personal Property, (f) all utility deposits held by any utility or other service provider with respect to the Property, and (g) all claims, suits, and causes of action arising from, under or in connection with the Property and its operation, including, but not limited to, all of Seller’s rights, claims, demands and causes of action against all suppliers of labor, materials or services to or with respect to the Property (collectively, the “**Claims**”). Buyer and Seller intend that this assignment shall vest in Buyer full ownership of the assets or rights described above, and that no other document of transfer or assignment shall be required by the parties hereto or any other person to achieve or evidence the same. However, in the event that any additional document or action reasonably is required of Seller to vest in Buyer or its successors, nominees and assigns title to the assets or rights described above, or to evidence Buyer’s or its successors’, nominees’ and assigns’ ownership of any of such assets or rights, Seller agrees that it will, upon written request therefor, execute and deliver to Buyer or its successors, nominees and assigns any such document and take such further action.

15. **Broker.** Buyer discloses that it is a licensed real estate broker.

16. **Broker’s Commission.**

Buyer and Seller each represent to the other that they have not entered into any agreement or incurred any obligation which might result in the obligation to pay a sales or brokerage commission or finder’s fee with respect to this transaction. Buyer and Seller each agree to indemnify, defend and hold the other harmless from and against any and all losses, claims, damages, costs or expenses (including attorneys’ fees) which the other may incur as a result of any claim made by any person to a right to a sales or brokerage commission or finder’s fee in connection with this transaction to the extent such claim is based, or purportedly based, on the acts or omissions of Seller or Buyer, as the case may be. The obligations of Buyer and Seller under this Section 16 shall survive the Close of Escrow.

17. **Notices.**

All notices, requests and demands to be made hereunder to the parties hereto shall be made in writing to the addresses set forth below and shall be given by any of the following means: (a) personal service; (b) electronic communication, including e-mail or facsimile transmission (provided, however, that notice is also given by one of the other means set forth in Section 17(a), (c), or (d)); (c) certified or registered mail, postage prepaid, return receipt requested; or (d) nationally recognized courier or delivery service. Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice, demand or request sent pursuant to either Section 17(a), (b) or (d) hereof shall be deemed received upon the actual delivery thereof, and, if sent pursuant to Section 17(c) shall be deemed received five (5) days following deposit in the mail. Refusal to accept delivery of any notice, request or demand shall be deemed to be delivery thereof. If any party hereto is not an individual, notice
may be made on any officer, general partner or principal thereof. Notice to any one co-party shall be deemed notice to all co-parties.

To Seller: Successor Agency to the La Habra Redevelopment Agency
c/o City Manager’s office
City of La Habra
Attention: Jim Sadro, City Manager
201 E. La Habra Blvd.
La Habra, CA 90631

With a copy to: Community Development Department
City of La Habra
Attention: Andrew Ho, Director of Community & Economic Development
201 E. La Habra Blvd.
La Habra, CA 90631

To Buyer: ICI Development Company, Inc.
222 E. Seventeenth Street
Santa Ana, CA 92705
Attention: Dan Wojkowski
E-mail Address: dwoj@icidevco.com
Facsimile No. (714) 543-1900

With a copy to: Manatt Phelps and Phillips
695 Town Center Dr., 14 Floor
Costa Mesa, California 92626
Attention: Steven L. Edwards, Esq.
E-mail Address: SEdwards@manatt.com
Facsimile No. (714) 338-2786

To Escrow Holder: Lawyers Title Insurance Company
4100 Newport Place Drive, Suite 120
Newport Beach, California 92660
Attention: Joy Eaton
E-mail Address: joyeaton@ltic.com
Facsimile No. (949) 271-5762

18. **Miscellaneous Provisions.**

(a) **Incorporation of Prior Agreements.** This Agreement contains the entire understanding of Buyer and Seller with respect to the subject matter hereof; and no prior or contemporaneous written or oral agreement or understanding pertaining to any such matter shall be effective for any purpose. This Agreement specifically supersedes that certain Exclusive Negotiation Agreement. No provision of this Agreement may be amended or added to except by an agreement in writing, expressly stating that such agreement is an amendment of this Agreement, signed by the parties to this Agreement or their respective successors in interest.
(b) Assignment or Changes in Ownership, Management or Control of Buyer. Buyer acknowledges and agrees that the qualifications and identity of Buyer are of particular importance and concern to Seller. Buyer further acknowledges and agrees that Seller has relied and is relying on the specific qualifications and identity of Buyer and that Seller would not have entered into this Agreement but for the specific qualifications and identity of Buyer. As a result, Buyer and Seller agree that Buyer may not make any assignment or transfer of Buyer’s rights and obligations under this Agreement prior to the Close of Escrow without Seller’s prior written consent (which may be withheld or conditioned in Seller’s sole and absolute discretion). Notwithstanding the foregoing, Buyer may assign or transfer its rights and obligations under this Agreement to an affiliate without Seller’s prior consent, provided that (A) such affiliate transfer or assignment shall not release Buyer of its obligations under this Agreement and (B) Buyer shall provide written notice to Seller and Escrow Holder of such affiliate transfer or assignment; and (C) Buyer (or any persons or entity with a minimum of 51% ownership of Buyer) has a minimum of fifty-one percent (51%) equity ownership in the affiliate and shall provide reasonable documentation to Seller confirming that Buyer (or any persons or entity with a minimum of 51% ownership of Buyer) has at least 51% ownership in the affiliate, which documentation may include, but shall not be limited to, the governing or founding documents of the affiliate. Buyer represents and warrants to Seller that Buyer has not made and agrees that Buyer will not create or permit to be made or created any voluntary assignment or transfer, and to Buyer’s actual knowledge, Buyer is not aware of any assignment or transfer that is involuntarily or by operation of law. Any assignment or transfer made in violation of this Section shall be voidable at the election of Seller. Buyer and Seller acknowledge and agree that the provisions set forth in this Section are reasonable.

(c) Attorneys’ Fees. If either party commences an action against the other to interpret or enforce any of the terms of this Agreement or because of the breach by the other party of any of the terms hereof, the losing party shall pay to the prevailing party reasonable attorneys’ fees, costs and expenses incurred in connection with the prosecution or defense of such action, whether or not the action is prosecuted to a final judgment. For the purpose of this Agreement, the terms “attorneys’ fees” or “attorneys’ fees and costs” shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photostating, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The terms “attorneys’ fees” or “attorneys’ fees and costs” shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred. The term “attorney” shall have the same meaning as the term “counsel.”

(d) Effective Date. This Agreement shall not be effective until approved by the Successor Agency and Oversight Board.

(e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and to their respective transferees, successors, and assigns.

(f) California Law; Choice of Forum. This Agreement shall be construed in accordance with and governed by the internal laws of the State of California without giving effect to any “conflict of law” rules of such state. Buyer and Seller each acknowledge and agree that the Superior Court of the State of California in and for the County of Orange and the associated federal and appellate courts shall have exclusive jurisdiction to hear and decide any dispute, controversy or litigation regarding the enforceability or validity of this Agreement or any portion thereof.
(g) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

(h) Interpretation; Construction. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but, if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly against the party who drafted such language. Section and paragraph headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement.

(i) Exhibits; Recitals Verified. All Exhibits attached hereto are incorporated herein by reference. The Recitals to this Agreement are hereby stated to be true and correct and are incorporated herein by this reference.

(j) Waiver by a Party. The waiver of any contingency, representation, warranty, covenant, or other matter or provision hereof may only be made by the party benefited by same, and the waiver must be in writing, must be signed by the benefited party and must specifically state which matter is being waived.

(k) Injunctive and Equitable Relief. Seller and Buyer hereby agree that the Property is of a special and unique character which gives it a peculiar value, and that Buyer cannot reasonably or adequately be compensated in damages in an action at law in the event that Seller breaches its obligation to sell the Property to Buyer. Therefore, Seller expressly agrees that Buyer shall be entitled to injunctive and other equitable relief (including, without limitation, the right to specifically enforce Seller’s obligation to sell the Property to Buyer) in the event of such breach in addition to any other rights or remedies which may be available to Buyer.

(l) Business Days. As used in this Agreement, a “business day” shall mean a day other than Saturday, Sunday and any day on which La Habra City Hall is open for business. All other references to “days” or “calendar days” in this Agreement shall refer to calendar days.

(m) Survival. Any covenants, representations or indemnities set forth in this Agreement, including without limitation those set forth in Sections 11 and 16 above, shall survive the Close of Escrow or any termination of this Agreement.

(n) Calculation of Days. If the date for any approval or disapproval or other notice by either Buyer or Seller under this Agreement falls on a day other than a business day, then such date shall automatically be extended to the next succeeding business day.

[The remainder of this page is intentionally left blank]
IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the day and year first above written.

"SELLER"

Successor Agency to the La Habra Redevelopment Agency, a public entity

By: ____________________________
Name: Jim Sadro
Title: Executive Director

APPROVED AS TO FORM:

By: ____________________________
Name: __________________________
Title: __________________________

"BUYER"

ICI Development Company, Inc., a California corporation

By: ____________________________
Name: Ian Dyanko
Title: Vice President
EXHIBIT A

LEGAL DESCRIPTION

All that real property situated in the City of La Habra, County of Orange, State of California and more particularly described as follows:

Parcel 1:

Parcel 2, in the City of La Habra, County of Orange, State of California, as shown on Parcel Map filed in Book 44, Page 13 of Parcel Maps, in the office of the County Recorder of said County.

Assessor’s Parcel Number: 019-111-60

Parcel 2:

Parcel 2, in the City of La Habra, County of Orange, State of California, as per Map filed in Book 107, Page 19 of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion thereof conveyed to the City of La Habra, a municipal corporation, by Grant Deed recorded on November 13, 2008 as Instrument No. 2008000530247 of Official Records.

Assessor’s Parcel Number: 019-111-80
EXHIBIT B

INTENTIONALLY DELETED.
EXHIBIT C

SCHEDULE OF CONTRACTS

TO BE PROVIDED BY SELLER IN ACCORDANCE WITH SECTION 3(C).
EXHIBIT D
FORM OF GRANT DEED

WHEN RECORDED MAIL TO:  

MAIL TAX STATEMENTS TO:  

(Space above for Recorder's Use Only)

The undersigned grantor declares that the amount of documentary tax is __________________________ DOLLARS ($_______), computed on [ ] the full value of the property conveyed or [ ] the full value of the property conveyed less liens and encumbrances remaining at time of sale.

GRANT DEED

FOR VALUE RECEIVED, the receipt and sufficiency of which are hereby acknowledged,

__________________________, a ________________, a ________________, hereby grants to ___________________________, a ________________, a ________________, all of that certain real property more particularly described in Schedule 1 attached hereto and incorporated herein by this reference, subject to (a) all non-delinquent real property taxes, (b) all non-delinquent special assessments, if any, and (c) all other liens, leases, easements, encumbrances, covenants, conditions, restrictions and other matters of record.

Dated: __________, 20___

__________________________________________

__________________________, a ________________

By: ____________________________

Its: ____________________________
ACKNOWLEDGEMENT

STATE OF CALIFORNIA )
COUNTY OF ________________ ) ss.

On ________________ before me, __________________________, 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.

______________________________  (Seal)
Notary Public
Notary Public
SCHEDULE 1

Grant Deed Legal Description

All that real property situated in the City of La Habra, County of Orange, State of California and more particularly described as follows:

Parcel 1:

Parcel 2, in the City of La Habra, County of Orange, State of California, as shown on Parcel Map filed in Book 44, Page 13 of Parcel Maps, in the office of the County Recorder of said County.

Assessor’s Parcel Number: 019-111-60

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Parcel 2, in the City of La Habra, County of Orange, State of California, as per Map filed in Book 107, Page 19 of Parcel Maps, in the office of the County Recorder of said County.

Except therefrom that portion thereof conveyed to the City of La Habra, a municipal corporation, by Grant Deed recorded on November 13, 2008 as Instrument No. 2008000530247 of Official Records.

Assessor’s Parcel Number: 019-111-80
EXHIBIT E
SELLER'S NON-FOREIGN AFFIDAVIT

Under Section 1445 of the Internal Revenue Code of 1986, as amended (the "US Code"), and Sections 18805 and 26131 of the California Revenue and Taxation Code, a transferee of a California real property interest must withhold tax if the transferor is a foreign person or a non-resident of California. To inform , a a (the "Transferee"), that withholding of tax will not be required upon the transfer to Transferee by , a a (the "Transferor") of that certain real property located in the State of California and more particularly described in Schedule 1 attached hereto (the "Property"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the US Code and the Income Tax Regulations promulgated thereunder;

2. Transferor’s U.S. employer identification number is ; and

3. Transferor has a permanent place of business in California. The office address of Transferor’s permanent place of business in California is .

4. Seller is not a disregarded entity as defined in §1.1445.2(b)(2)(iii).

Transferor understands that this Certification may be disclosed to the Internal Revenue Service and/or the California Franchise Tax Board and that any false statement contained herein could be punished by fine, imprisonment, or both.

Transferor understands that Transferee is relying on this Certificate in determining whether withholding is or will be required in connection with the transfer of the Property by Transferor to Transferee, and that Transferee may face liabilities if any statement contained in this certificate is false.

Transferor hereby indemnifies Transferee, and agrees to hold Transferee harmless, from any liability or cost which such Transferee may incur as a result of: (i) the Transferor’s failure to pay any U.S. Federal Income tax which Transferor is required to pay under applicable federal law, (ii) the Transferor’s failure to pay California State Income Tax which Transferor is required to pay under applicable California law, or (iii) any false or misleading statement contained herein.

Under penalties of perjury, I declare that I have examined this Certification and to the best of my knowledge declare that I have authority to sign this document on behalf of Transferor.
Dated: __________, 20__

TRANSFEROR:

_______________________________

By: ____________________________

Its: ____________________________
SCHEDULE 1

Legal Description

All that real property situated in the City of La Habra, County of Orange, State of California and more particularly described as follows:

Parcel 1:

Parcel 2, in the City of La Habra, County of Orange, State of California, as shown on Parcel Map filed in Book 44, Page 13 of Parcel Maps, in the office of the County Recorder of said County.

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Except therefrom that portion thereof conveyed to the City of La Habra, a municipal corporation, by Grant Deed recorded on November 13, 2008 as Instrument No. 2008000530247 of Official Records.

Assessor’s Parcel Number: 019-111-80
RESOLUTION NO. _____

RESOLUTION OF THE SUCCESSOR AGENCY TO THE
LA HABRA REDEVELOPMENT AGENCY APPROVING
A PURCHASE AND SALE AGREEMENT AND JOINT
ESCROW INSTRUCTIONS BETWEEN THE
SUCCESSOR AGENCY AND ICI DEVELOPMENT
COMPANY, INC. FOR THE SALE OF REAL PROPERTY
LOCATED AT 951-1001 EAST IMPERIAL HIGHWAY
AND AUTHORIZE THE EXECUTIVE DIRECTOR TO
EXECUTE ALL RELATED DOCUMENTS

WHEREAS, AB X1 26 (the “Dissolution Act”) was enacted in June 2011 as part
of the Fiscal Year 2011-2012 State budget package. Under the Dissolution Act, all
redevelopment agencies in the State of California were dissolved as of February 1,
2012. The City of La Habra assumed the duties of unwinding the affairs of the
Redevelopment Agency (RDA) as the La Habra Successor Agency on January 12,
2012; and

WHEREAS, pursuant to the Health and Safety Code Section 34173(d), the City
of La Habra (“Successor Agency”) elected to become the Successor Agency to the La
Habra Redevelopment Agency by Resolution No. 5508 on January 12, 2012; and

WHEREAS, on January 12, 2012, the City Council elected to become the
Successor Agency to the Redevelopment Agency by adopting Resolution No. 5508.
The Successor Agency is tasked to unwind the affairs of the former RDA. Pursuant to
Health and Safety Code Section 34177(l)(2), as modified by the Supreme Court’s
opinion in the case of California Redevelopment Association, et al. v. Ana Matosantos,
et al and Assembly Bill 1484, the Successor Agency is required to prepare a Long
Range Property Management Plan for the disposition and use of real properties owned
by the former RDA; and

WHEREAS, on September 11, 2015, the DOF issued a Letter of Determination
approving the Successor Agency’s Long Range Property Management Plan (LRPMP).
On October 10, 2015, DOF provided confirmation to staff that no further review by DOF
is required for sale of property identified on the Agency’s approved LRPMP; and

WHEREAS, the Successor Agency’s Long Range Property Management Plan
address the two properties owned by the RDA located at 951 to 1001 East Imperial
Highway. The property at 951 is improved with a restaurant (Alberto’s) and the site at
1001 is currently vacant (once utilized by Taboo). The plan identifies ICI Development
Company as the preferred developer due to their development experience within the
City via the construction of the Westridge Plaza, development of a second Wal-Mart,
and new CVS store; and

WHEREAS, on March 3, 2014, the Successor Agency approved an Exclusive
Negotiation Agreement (ENA) between ICI Development Company, Inc. and the
Successor Agency to diligently, and in good faith, negotiate the terms and conditions of
a purchase and sale agreement for the agency-owned property located at 951–1001
East Imperial Highway. The ENA provided for a period of 6 month period of negotiations
between the parties from the date of the agreement. After several months of negotiations the Agency and ICI Development have agreed upon all of the terms and conditions of a purchase and sale agreement which is being presented for the board’s approval; and

WHEREAS, in an effort to facilitate an expedient sale of the property to ICI Development; on October 19, 2015, the Successor Agency Board approved a Lease Termination Agreement and Agreement for All Inclusive Settlement, Release and Waiver by and between Chaparro’s Mexican Food Inc., DBA Alberto’s Mexican Food and the Successor Agency. The termination agreement allows the subject property to become vacant thus allowing the proposed purchase and sale agreement to ICI Development to occur immediately, instead of delaying the sale of the property until the original lease expiration date of April 30, 2016; and

WHEREAS, ICI Development Company, Inc. will purchase the property from the Successor Agency for the amount of Two Million Seven Hundred Twenty Thousand Dollars ($2,720,000). The purchase price shall be paid in the following increments at the following times to the Agency:

- The buyer shall make a non-refundable deposit of One Hundred and 00/100 Dollars ($100.00) upon the Agency’s approval of this agreement.
- Buyer shall deposit into Escrow immediately available funds in the amount of One Hundred Thousand Dollars ($100,000) upon the Opening of Escrow.
- If Buyer provides approval of its due diligence investigations to Seller, then Buyer shall deposit into Escrow immediately available funds in the amount of One Hundred Fifty Thousand Dollars ($150,000) within three (3) business days from the Feasibility Expiration Date.
- The balance of the Purchase Price as well as all sums necessary to pay Buyer’s costs, expenses and prorations in connection with this transaction shall be deposited by Buyer into Escrow in cash at the Close of Escrow on July 29, 2016.

WHEREAS, ICI Development Company, Inc. has agreed to maintain the property in accordance with the all applicable City codes and standards upon the approval of this agreement and will work diligently to demolish the existing building once they have secured a tenant for the project.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

1. **Recitals.** The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. **Approval of the Agreement.** The Successor Agency hereby approves and adopts the Purchase and Sale Agreement and Joint Escrow Instructions
between the Successor Agency and ICI Development Company, Inc. for the sale of real property located at 951-1001 E. Imperial Hwy. as Attachment A-1.

3. **Transmittal of the Agreements.** The Executive Director is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the Agreement and is hereby authorized to submit the Agreement to the Oversight Board and the California State Department of Finance.

4. **Severability.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

5. **Certification.** The Successor Agency Secretary shall certify to the adoption of this Resolution.

6. **Effective Date.** This Resolution shall be effective immediately upon approval by the Successor Agency.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency on the 16th day of November, 2015.

____________________________
Michael Blazey, Successor Agency Chair

**ATTEST:**

Tamara D. Mason, MMC, Secretary  
STATE OF CALIFORNIA  )  
CITY OF LA HABRA  ) ss  
COUNTY OF ORANGE  )  

I, Tamara D. Mason, Secretary for the Successor Agency to the La Habra Redevelopment Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2015-____ introduced and adopted at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency held on the 16th day of November, 2015.

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSTAIN: DIRECTORS:
ABSENT: DIRECTORS:

Witness my hand and the official seal of the City of La Habra this 16th day of November, 2015.

____________________________
Tamara D. Mason, MMC, Secretary
EXHIBIT "A-1"

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

BETWEEN

ICI DEVELOPMENT COMPANY, INC. AND SUCCESSOR AGENCY OF LA HABRA