HUNTINGTON BEACH OVERSIGHT BOARD

of the Successor Agency of the former City of Huntington Beach Redevelopment Agency

Special Meeting Agenda

January 27, 2016

4:00 P.M.

City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8, Huntington Beach, CA 92648

Teleconferencing Location:
2 Park Plaza, Suite 100, Irvine, CA 92614

Huntington Beach Oversight Board

WEB ACCESS:
Meeting audio archives can be accessed at http://huntingtonbeach.granicus.com

****REMINDER****
As a courtesy to those in attendance, please silence your cell phones and pagers

MEETING ASSISTANCE NOTICE - AMERICANS WITH DISABILITIES ACT

In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in Oversight Committee meetings. If you require special assistance, 48-hour prior notification will enable the city to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact the Oversight Board Secretary's Office at (714) 536-5227.

OVERSIGHT COMMITTEE AGENDA

The Oversight Committee agenda and supporting documentation is made available for public review during normal business hours in the Office of the Oversight Board Secretary, 2000 Main Street immediately following distribution of the agenda packet to a majority of the Board Members. Questions on agenda items may be directed to the Oversight Board Secretary's Office at (714) 536-5227. The agenda packet is posted on the city's website at http://www.huntingtonbeachca.gov/Government/agendas/.

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Oversight Committee meeting audio recordings are archived at http://www.huntingtonbeachca.gov/Government/agendas/.

SUPPLEMENTAL COMMUNICATION

Staff and members of the public have the opportunity to submit information related to an agenda item following distribution of the agenda packet to the Board Members. This information is identified as "Supplemental Communication" and is assembled into a packet by the Oversight Board Secretary on the day of the meeting. The Brown (Open Meetings) Act requires that copies of Supplemental Communication be made available to the public immediately upon distribution of material to a majority of the Board Members. Communication received by any individual at the meeting will be made available to the public in the Oversight Board Secretary's Office the following morning.

PUBLIC COMMENTS

This is the time of the meeting for the Board Members to receive comments from the public regarding items of interest or agenda items. Pursuant to the Brown (Open Meeting) Act, the Board Members may not enter into discussion regarding items not on the Oversight Committee agenda. The Board Members strive to treat members of the public with respect. Comments or concerns provided by the public shall be done in a civil and respectful manner.
To participate in Public Comments, **yellow** *Request to Speak* forms are available at the entrance table and are collected by the Oversight Board Secretary. Each speaker is allowed 3 minutes, and time may not be donated to another speaker.

This agenda contains a brief general description of each item the Oversight Board will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 536-5227 or view the Agenda and related materials on the City's website at http://www.huntingtonbeachca.gov. Materials related to an item on this Agenda submitted to the Oversight Board after distribution of the Agenda Packet are available for public inspection in the City Clerk's Office at 2000 Main Street, Huntington Beach, California during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 536-5227. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility.
(28 CFR 35.102.35.104 ADA Title II)

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City of Huntington Beach Redevelopment Agency

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4:00 P.M.

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Huntington Beach, CA 92648
Teleconferencing Location:
2 Park Plaza, Suite 100, Irvine, CA 92614

4:00 PM – ROOM B-8
CIVIC CENTER, 2000 MAIN STREET
HUNTINGTON BEACH, CA 92648

TELECONFERENCING LOCATION: (BOARD MEMBER LUCY DUNN)
2 PARK PLAZA, SUITE 100
IRVINE, CA 92614

BOARD MEMBERS: City of Huntington Beach appointee **Councilmember Jill Hardy**; County Board of Supervisors appointees **Lucy Dunn** and **Steve Bone**; Community Colleges Districts appointee **W. Andrew "Andy" Dunn**; Orange County Office of Education appointee **Carrie Delgado**; Former Huntington Beach Redevelopment Agency employee representative **Kellee Fritzal**; Special District – Orange County Sanitation District appointee **Mayor Jim Katapodis**

CALL TO ORDER

ROLL CALL: Bone, Delgado, A. Dunn, L. Dunn, Fritzal, Hardy, Katapodis

PLEDGE OF ALLEGIANCE: To be led by Mayor Katapodis

SUPPLEMENTAL COMMUNICATIONS: Announced by Board Secretary.

PUBLIC COMMENTS: *This is the portion of the meeting for any member of the public to address the Oversight Board on any matter that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss unagendized issues brought forth under Public Comments. Comments should be limited to 3 minutes per person.*

BUSINESS:

1. **Adopt Oversight Board Resolution Nos. 2016-01 and 2016-02 approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Huntington Beach Successor Agency for the period of July 1, 2016 through June 30, 2017, in accordance with Health and Safety Code Section 34177 and related action**

Recommended Board Action:
A) Adopt Resolution No. 2016-01, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Recognized Obligation Payment Schedule for the Period July 1, 2016 Through June 30, 2017 ("ROPS 16-17");" and,

B) Adopt Resolution No. 2016-02, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Successor Agency Administrative Budget for the Period July 1, 2016 Through June 30, 2017."

2. **Attorney Gates identified a correction to a page in the City/Hilton Purchase and Sale Agreement**

3. **Approve and adopt the minutes of the Oversight Board Special Meeting of December 22, 2015**

   Recommended Board Action:
   Approve and adopt the minutes of the Oversight Board Special Meeting of December 22, 2015, as written and on file in the office of the Secretary of the Board.

MEMBER REPORTS/ANNOUNCEMENTS

ADJOURNMENT

The next Regular Meeting is scheduled for Monday, April 11, 2016, 4:30 PM at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8.

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

Agenda Item #1

AGENDA REPORT
Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

MEETING DATE: January 27, 2016

SUBJECT/ACTION: Adopt Oversight Board Resolution Nos. 2016-01 and 2016-02 approving the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the Huntington Beach Successor Agency for the period of July 1, 2016 through June 30, 2017, in accordance with Health and Safety Code Section 34177 and related actions

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STATEMENT OF ISSUE:

The Oversight Board is requested to approve the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the period of July 1, 2016, through June 30, 2017. An approved ROPS must be submitted to the Department of Finance (DOF) by February 1, 2016. Due to recent changes in legislation, the Successor Agency is submitting an annual ROPS in lieu of the previous six-month ROPS period.

RECOMMENDED ACTION: Motion to:

A) Adopt Resolution No. 2016-01, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Recognized Obligation Payment Schedule for the Period July 1, 2016 - June 30, 2017 ("ROPS 16-17");" and,

B) Adopt Resolution No. 2016 -02, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Successor Agency Administrative Budget for the Period of July 1, 2016 through June 30, 2017."

BACKGROUND:

As a result of the California Supreme Court's ruling on the Dissolution Act, all redevelopment agencies in California were dissolved effective February 1, 2012. The Dissolution Act and AB 1484 describe the procedures to wind-down the affairs of the former redevelopment agencies. These provisions include the continued payment of recognized enforceable obligations as defined in the law. The Recognized Obligation Payment Schedule for January 1, 2016, through June 30, 2016, requests payment for enforceable obligations associated with the former Redevelopment Agency's Tax Allocation bonds, development agreements, legal services, administrative, and other miscellaneous costs. The DOF has the authority to review the ROPS and return it to the Successor Agency for reconsideration and modification.

Recently, the Governor signed Senate Bill 107 which provided additional "clean-up" to the dissolution of the former redevelopment agencies. Some of the items within the legislation include the retention of the City's Oversight Board through 2017 and changing the bi-annual

ROPS to an annual submittal. Pursuant to HSC section 34177 (o) (1), commencing with the ROPS covering the period from July 1, 2016, to June 30, 2017, and thereafter, agencies shall submit an Oversight Board-approved annual ROPS to DOF and the Orange County Auditor-Controller by February 1, 2016, and each February 1 thereafter. Finance will make its determination by April 15, 2016, and each April 15 thereafter.

Therefore, the ROPS shall not be effective until approved by the State DOF. The Administrative Budget for the July 1, 2016, through June 30, 2017, period reflects a total of $250,000, which represents three percent (3%) of the projected property tax receipts during this period.

ATTACHMENT(S):

1. Resolution No. 2016- 01, "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Recognized Obligation Payment Schedule for the Period July 1 2016 – June 30, 2017 ('ROPS 16-17')"

2. Resolution No. 2016-02, "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving the Successor Agency Administrative Budget for the Period July 1 – June 30, 2017"

RESOLUTION NO. 2016-_01_____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017 ("ROPS 16-17")

WHEREAS, pursuant to AB x1 26 (as amended by AB 1484, the "Dissolution Act"), the separate legal entity known as Successor Agency to the Redevelopment Agency of the City of Huntington Beach ("Successor Agency") must prepare "Recognized Obligation Payment Schedules" ("ROPS") that enumerate the enforceable obligations and expenses of the Successor Agency for each successive six-month fiscal period until the wind down and disposition of assets of the former Redevelopment Agency of the City of Huntington Beach; and

The Successor Agency staff has prepared a ROPS for the six-month fiscal period commencing on July 1, 2016 and continuing through June 30, 2017 ("ROPS 16-17") which is attached hereto as Exhibit A; and

Under the Dissolution Act, ROPS 16-17 must be approved by the Successor Agency's oversight board ("Oversight Board"); and

After reviewing ROPS 16-17 presented to and recommended for approval to the Oversight Board by Successor Agency staff, and after reviewing any written and oral comments from the public relating thereto, the Oversight Board desires to approve the ROPS 16-17; and

All of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

2. The Oversight Board hereby approves ROPS 16-17 in the form presented to the Oversight Board and attached hereto as Exhibit A, and hereby determines that such agreements and obligations constitute "enforceable obligations" and "recognized obligations" for all purposes under the Dissolution Act.

3. The Oversight Board authorizes and directs the Successor Agency staff to: (i) take all actions necessary under the Dissolution Act to post 16-17 on the Successor Agency website; (ii) transmit ROPS 16-17 to the Auditor-Controller and the County Administrator of the County of Orange and to the State Controller and the State Department of Finance ("DOF"); and (iii) to do any and all things and to execute and deliver any and all documents which may be necessary or advisable in order to effectuate the purposes of this Resolution. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make such non-substantive revisions

to ROPS 16-17 as may be necessary to submit ROPS 16-17 in any modified form required by DOF, and ROPS 16-17 as so modified shall thereupon constitute ROPS 16-17 as approved by the Oversight Board pursuant to this Resolution.

4. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a special meeting thereof held on the _____ day of _____, 2016.

_____
Chairperson

REVIEWED AND APPROVED:

_____
Executive Director

APPROVED AS TO FORM:

_____
General Legal Counsel DKO 11/7/16

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017
("ROPS 16-17")

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Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: **Huntington Beach**

County: Orange

	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	16-17A Total	16-17B Total	ROPS 16-17 Total
A	**Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):**	**$ -**	**$ -**	**$ -**
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	**$ 6,674,772**	**$ 1,178,929**	**$ 7,853,701**
F	Non-Administrative Costs	6,549,772	1,053,929	7,603,701
G	Administrative Costs	125,000	125,000	250,000
H	**Current Period Enforceable Obligations (A+E):**	**$ 6,674,772**	**$ 1,178,929**	**$ 7,853,701**

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/

Signature Date

Huntington Beach Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											16-17A						16-17B					
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17B Total
								$ 75,158,591		$ 7,853,701	$ -	$ -	$ -	$ 6,549,772	$ 125,000	$ 6,674,772	$ -	$ -	$ -	$ 1,053,929	$ 125,000	$ 1,178,929
1	Land Sale Emerald Cove	City/County Loans On or	5/18/2009	10/1/2030	COHB Park A & D Fund	Legally Binding Operative Agreement	Merged		N													
2	Hyatt Regency Huntington Beach Project	OPA/DDA/Construction	9/14/1998	9/30/2023	PCH Beach Resorts LLC	Disposition and Development Agreement approved on September 14, 1998 for the Waterfront Development	Merged	4,183,438	N	$ 730,368				365,184		$ 365,184				365,184		$ 365,184
3	2002 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	6/19/2002	8/1/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	Merged	11,423,000	N	$ 1,615,250				1,412,375		$ 1,412,375				202,875		$ 202,875
4	1999 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	1/12/1999	8/1/2024	Bank of New York Trust Co.	Tax Allocation Bonds Debt Service Payments	Merged	5,232,471	N	$ 737,659				645,309		$ 645,309				92,350		$ 92,350
5	2002 Tax Allocation Refunding Bonds	Fees	11/17/2010	11/17/2016	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	Merged	500	N	$ 500						$ -				500		$ 500
6	1999 Tax Allocation Refunding Bonds	Fees	11/17/2010	11/17/2016	Arbitrage Compliance Specialist	Tax Allocation Bonds arbitrage rebate calculation - Federal IRS Compliance	Merged	500	N	$ 500				500		$ 500						$ -
8	2002 Tax Allocation Refunding Bonds	Fees	6/19/2002	8/1/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	Merged	1,600	N	$ 1,600				1,600		$ 1,600						$ -
9	1999 Tax Allocation Refunding Bonds	Fees	1/12/1999	8/1/2024	Bank of New York Mellon	Tax Allocation Bonds - Payment to Fiscal Agent	Merged	1,600	N	$ 1,600						$ -				1,600		$ 1,600
10	2002 Tax Allocation Refunding Bonds	Fees	1/3/2001	8/1/2016	Harrell & Company Advisors, LLC	Preparation and filing of Continuing Disclosure Annual Reports and Material Event Notices	Merged	700	N	$ 700				700		$ 700						$ -
11	1999 Tax Allocation Refunding Bonds	Fees	1/3/2001	8/1/2016	Harrell & Company Advisors, LLC	Preparation and filing of Continuing Disclosure Annual Reports and Material Event Notices	Merged	2,025	N	$ 2,025				2,025		$ 2,025						$ -
12	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds	Bonds Issued On or Before 12/31/10	5/13/2010	9/1/2021	US Bank	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds Debt Service Payments	Merged		N													
13	HUD Section 108 Infrastructure Loan for Hyatt/Hilton Properties	Bonds Issued On or Before 12/31/10	7/21/2010	8/1/2019	Bank of New York Mellon	Legally binding and enforceable loan agreement with the U.S. Department of Housing and Urban Development for capital improvements	Merged	2,052,714	N	$ 481,553				458,636		$ 458,636				22,917		$ 22,917
14	Strand Hotel and Mixed-Use Project, Parking & Infrastructure	OPA/DDA/Construction	6/1/1999	9/30/2033	CIM Group, LLC and Kane Ballmer and Berkman	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) for development of hotel, retail, restaurant, and public parking structure. The Implementation of the DDA and the Sixth Implementation Agreement were entered into from June 1999 to November 2008.	Merged		N													
15	Strand Project Additional Parking	OPA/DDA/Construction	1/20/2009	9/30/2033	CIM Group, LLC	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) and Sixth Implementation Agreement for the Strand projects parking structure authorized on January 20, 2009.	Merged		N													
16	Pacific City	OPA/DDA/Construction	10/16/2006	10/16/2026	Makar Properties & Kane Ballmer and Berkman	Owner Participation Agreement approved on October 16, 2006 for future development of a 31-acre site located at Pacific Coast Highway and First Street and financed by property tax allocations.	Merged	5,520,000	N	$ -						$ -						$ -
17	Pacific City - Very Low Income Units	OPA/DDA/Construction	10/16/2006	11/26/2024	Makar Properties	15% affordable housing requirement pursuant to Attachment 5 of the Owner Participation Agreement approved on October 16, 2006. Of the 15% required housing obligation, 5% very-low income housing is to be developed by the Housing Authority. The Developer is required to provide the remaining 10% on site.	Merged		N													
21	Abdelmudi Owner Participation Agreement/Rent Differential Agreement	OPA/DDA/Construction	5/28/1991	12/31/2017	Abdelmudi Development Company	Owner Participation Agreement/Rent Differential Agreement approved on May 28, 1991 for the development of the three story building at the Oceanview Promenade. The Third Implementation Amendment took effect on November 21, 1994.	Merged	10,000	N	$ 10,000				5,000		$ 5,000				5,000		$ 5,000
23	Unfunded CalPERS Pension Liabilities	Unfunded Liabilities	6/30/2011	11/26/2026	CalPERS	Unfunded CalPERS pension obligation as per CalPERS actuarial valuation as of June 30, 2012	Merged	2,469,162	N	$ 274,264				137,132		$ 137,132				137,132		$ 137,132
24	Unfunded Supplemental Retirement Liabilities	Unfunded Liabilities	9/30/2011	11/26/2026	US Bank	Unfunded actuarial accrued liability as of September 30, 2013 as per actuarial valuation by Bartel Associates, LLC.	Merged	561,167	N	$ 137,840				68,920		$ 68,920				68,920		$ 68,920
26	Unfunded OPEB Liabilities	Unfunded Liabilities	6/30/2011	11/26/2024	CalPERS/CERBT	Unfunded actuarial accrued liability as of June 30, 2013 as per Bartel Associates, LLC.	Merged	81,851	N	$ 66,740				33,370		$ 33,370				33,370		$ 33,370
27	Obligation for unused employee General Leave earned and vested	Unfunded Liabilities	9/30/2011	11/26/2024	City employees directly involved in Housing and Redevelopment projects and administration	Obligation for unused employee General Leave earned and vested as per MOUs and AB 1X26	Merged	75,781	N	$ 20,662				10,331		$ 10,331				10,331		$ 10,331

Huntington Beach Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											16-17A						16-17B					
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17B Total
29	Bella Terra Parking Infrastructure Property Tax Sharing Agreement	OPA/DDA/Construction	10/2/2000	9/30/2025	Bella Terra Associates LLC	Property Tax Sharing Agreement required under the terms of the Owner Participation Agreement (dated 10/2/2000) and Second Implementation Agreement (dated 9/17/2007) for the development of the Huntington Center (Bella Terra). Includes legal requirements to enforce obligation.	Merged		N													
30	Bella Terra Phase II Property Tax Sharing Agreement	OPA/DDA/Construction	10/4/2010	7/1/2036	Bella Terra Villas, LLC and Kane Ballmer Berkman	Agreement approved on October 4, 2010 for construction of a 467 mixed-use unit project. Construction is complete and financed by property tax allocations. Includes legal requirements to implement obligation.	Merged	16,621,347	N	$ 1,103,009				1,103,009		$ 1,103,009						$ -
32	Operative Agreement for the Huntington Beach Redevelopment Project	City/County Loans On or Before 6/27/11	6/17/2002	10/1/2030	City of Huntington Beach	Loan repayment for advance made on capital projects in FY 2004/05	Southeast Coastal	283,211	N	$ -						$ -						$ -
39	Legal expenses for Successor Agency compliance with AB 1x 26 and AB 1484 pursuant to Health and Safety Code Section 34171(d)(1)(F)	Legal	7/8/2012	7/8/2016	Kane Ballmer & Berkman	Legal expenses to ensure Successor Agency compliance with AB 1x 26 and AB 1484	Merged and Southeast Coastal	100,000	N	$ 100,000				50,000		$ 50,000				50,000		$ 50,000
40	Economic Analysis services related to Successor Agency compliance with AB 1x 26 and AB 1484 pursuant to Health and Safety Code Section 34171(d)(1)(F)	Professional Services	6/15/2010	9/30/2017	Keyser Marston	Economic Analysis consulting services to ensure Successor Agency compliance with AB 1x 26 and AB 1484	Merged and Southeast Coastal	100,000	N	$ 100,000				50,000		$ 50,000				50,000		$ 50,000
41	Huntington Center Redevelopment Plan development	City/County Loans On or Before 6/27/11	6/9/2005	10/1/2030	Successor Agency	Land and Right-of-way acquisition costs connected with the Gothard-Hoover Extension project and development of a public storage facility	Merged		N													
42	Main-Pier Redevelopment Project Phase II	City/County Loans On or Before 6/27/11	6/10/2005	10/1/2030	Successor Agency	Costs incurred to acquire land within the Main-Pier project area for Phase II development projects	Merged		N													
43	Development of Downtown Main-Pier project area	City/County Loans On or Before 6/27/11	6/4/1990	10/1/2030	Successor Agency	Costs incurred to acquire land within the Main-Pier project area to implement the construction of parking facilities within the Downtown Main-Pier area	Merged		N													
44	Third Block West commercial/residential project	City/County Loans On or Before 6/27/11	6/18/2005	10/1/2030	Successor Agency	Relocation, property acquisition, and other project costs associated with the Third Block West Condominium/Retail/Office project in the Main-Pier Redevelopment project area	Merged		N													
45	Second Block Alley and Street Improvement Project	Bonds Issued On or Before 12/31/10	6/10/2005	10/1/2030	Successor Agency	Property acquisition cost associated with the Second Block alley and street improvement project	Merged		N													
46	Strand Project	City/County Loans On or Before 6/27/11	6/18/2005	10/1/2030	Successor Agency	Relocation costs paid to Wind and Sea Surf Shop	Merged		N													
47	Pierside Hotel/Retail/Parking Structure Project	City/County Loans On or Before 6/27/11	5/15/1992	10/1/2030	Successor Agency	Relocation costs paid to Terry's Coffee Shop and First Interstate Bank	Merged		N													
48	Waterfront Commercial Master Site Plan	City/County Loans On or Before 6/27/11	3/1/1989	10/1/2030	Successor Agency	Costs related to the relocation, buyout, and demolition of Driftwood and Pacific Mobile Home Parks related to the Waterfront Commercial Master Site Plan	Merged		N													
49	Strand Project	City/County Loans On or Before 6/27/11	10/19/1992	10/1/2030	Successor Agency	Property acquisition costs associated with the Strand Project	Merged		N													
50	Enforcement of Successor Agency dissolution compliance and monitoring per AB 1X26 and AB1484	Admin Costs	2/1/2012	11/26/2024	Successor Agency, Kane Ballmer, Keyser Marston, and Macias Gini & O'Connell LLP et al	Successor Agency administrative obligations relating to maintaining payments on enforceable obligations and other activities as required by AB 1X26	Merged and Southeast Coastal	250,000	N	$ 250,000					125,000	$ 125,000					125,000	$ 125,000
51	Successor Agency Property Maintenance Fencing	Property Dispositions	11/1/2010	11/26/2024	S & S Fencing, A1 Fence Co., American Fence Company	Fencing to secure Successor Agency Property	Merged	3,500	N	$ 3,500				1,750		$ 1,750				1,750		$ 1,750
52	Successor Agency Property Maintenance - weed control	Property Maintenance	11/1/2010	11/26/2024	TruGreen	As needed weed abatement for Agency property	Merged	4,000	N	$ 4,000				2,000		$ 2,000				2,000		$ 2,000
53	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds	Bonds Issued On or Before 12/31/10	5/30/2010	9/1/2021	US Bank	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds Debt Service Payments	Merged		N													
54	Pacific City - Very Low Income Units	OPA/DDA/Construction	10/16/2006	11/26/2024	Housing Authority	Statutory housing obligation for Pacific City Project	Merged	6,500,000	N	$ -						$ -						$ -
57	Bella Terra I Project Management	Project Management Costs	2/1/2012	11/26/2024	City of Huntington Beach	Project management direct cost for overseeing Bella Terra I	Merged		N													
58	Bella Terra II Project Management	Project Management Costs	2/1/2012	11/26/2024	City of Huntington Beach	Project management direct cost for overseeing Bella Terra 2	Merged		N													
59	CIM Project Management	Project Management Costs	2/1/2012	11/26/2024	City of Huntington Beach	Project management direct cost for overseeing CIM	Merged		N													
60	Bella Terra I Financial Analysis	Project Management Costs	6/15/2010	11/26/2024	Keyser Marston	Project management direct cost for Financial analysis - Bella Terra I	Merged		N													
61	Bella Terra II Financial Analysis	Project Management Costs	6/15/2010	11/26/2024	Keyser Marston	Project management direct cost for Financial analysis - Bella Terra II	Merged		N													

Huntington Beach Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											16-17A						16-17B					
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17B Total
62	CIM Financial Analysis	Project Management Costs	6/15/2010	11/26/2024	Keyser Marston	Project management direct cost for financial analysis - CIM	Merged		N													
63	2002 Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	6/19/2002	8/1/2024	Bank of New York Trust Co.	Amount needed to fund shortfall in bond reserve account	Merged	-	N	$ -						$ -						$ -
64	Successor Agency Financial Statement Audit	Dissolution Audits	11/4/2013	11/4/2016	Vavrinek, Trine & Day Co LLP	Statutorily required annual financial statement audit of Successor Agency.	Merged	10,000	N	$ 10,000						$ -				10,000		$ 10,000
66	Housing Authority Administrative Cost Allowance	Admin Costs	2/18/2014	11/26/2024	Housing Authority	Housing Entity Administrative Cost Allowance per AP 471	Merged		N													
69	Strand Hotel and Mixed-Use Project, Parking & Infrastructure	OPA/DDA/Construction	6/1/1999	9/30/2033	CIM Group, LLC and Kane Ballmer and Berkman	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) for development of hotel, retail, restaurant, and public parking structure. The Implementation of the DDA and the Sixth Implementation Agreement were entered into from June 1999 to November 2008.	Merged		N													
70	Bella Terra Parking Infrastructure Property Tax Sharing Agreement	OPA/DDA/Construction	10/2/2000	9/30/2025	Bella Terra Associates LLC	Property Tax Sharing Agreement required under the terms of the Owner Participation Agreement (dated 10/2/2000) and Second Implementation Agreement (dated 9/17/2007) for the development of the Huntington Center (Bella Terra). Includes legal requirements to enforce obligation.	Merged		N													
71	Housing Authority Administrative Cost Allowance	Admin Costs	2/18/2014	11/26/2024	Housing Authority	Housing Entity Administrative Cost Allowance per AP 471	Merged		N													
72	Strand Hotel and Mixed-Use Project, Parking & Infrastructure	OPA/DDA/Construction	6/1/1999	9/30/2033	Cypress Equities CAPREF Strand TRS LLC	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) for development of hotel, retail, restaurant, and public parking structure. The Implementation of the DDA and the Sixth Implementation Agreement were entered into from June 1999 to November 2008.	Merged	6,543,067	N	$ 677,904				677,904		$ 677,904						$ -
73	Strand Project Additional Parking	OPA/DDA/Construction	1/20/2009	9/30/1933	Cypress Equities CAPREF Strand TRS LLC	Property Tax Sharing Agreement under the Disposition and Development Agreement (DDA) and Sixth Implementation Agreement for the Strand projects parking structure authorized on January 20, 2009.	Merged	406,266	N	$ 49,576				49,576		$ 49,576						$ -
74	Bella Terra Parking Infrastructure Property Tax Sharing Agreement	OPA/DDA/Construction	10/2/2000	9/30/2025	Bella Terra Associates LLC and Keyser Marston	Property Tax Sharing Agreement required under the terms of the Owner Participation Agreement (dated 10/2/2000) and Second Implementation Agreement (dated 9/17/2007) for the development of the Huntington Center (Bella Terra). Includes legal requirements to enforce obligation.	Merged	12,566,577	N	$ 1,320,337				1,320,337		$ 1,320,337						$ -
75	Waterfront Hyatt Regency Hotel (Parcel 5), Watefront Hilton Hotel/Parcel C (Parcel 6 and 7)	Project Management Costs	2/17/1909	9/30/2033	City of Huntington Beach	Project Management Costs for City Manager (50 hours), Assistant City Manager (40 hours), Deputy Director of the Office of Business Development (176 hours), Director of Finance (25 hours) City Attorney (30 hours), Chief Assistant City Attorney (20 hours), and Project Manager (35 hours) to negotiate terms for the disposition of Successor Agency property under the LRPMP and draft various documents including Purchase and Sale Agreement	Merged	45,549	N	$ 45,549				45,549		$ 45,549						$ -
76	Waterfront Hyatt Regency Hotel (Parcel 5), Watefront Hilton Hotel/Parcel C (Parcel 6 and 7)	Project Management Costs	12/1/2015	9/30/2016	HB Staffing	Project Management Costs for Consultant to draft documents for the disposition of Successor Agency property under the LRPMP and prepare draft documents	Merged	12,025	N	$ 12,025				12,025		$ 12,025						$ -
77	Waterfront Hyatt Regency Hotel (Parcel 5), Watefront Hilton Hotel/Parcel C (Parcel 6 and 7)	Project Management Costs	7/8/2012	7/8/2016	Kane Ballmer & Berkman	Legal Costs for outside counsel to negotiate terms for the disposition of Successor Agency property under the LRPMP and draft various documents including Purchase and Sale Agreement	Merged	9,400	N	$ 9,400				9,400		$ 9,400						$ -
78	Waterfront Hyatt Regency Hotel (Parcel 5), Watefront Hilton Hotel/Parcel C (Parcel 6 and 7)	Project Management Costs	6/15/2010	9/30/2017	Keyser Marston	Economic Analysis services to prepare financial analysis to negotiate terms for the disposition of Successor Agency property under the LRPMP	Merged	87,140	N	$ 87,140				87,140		$ 87,140						$ -
79									N	$ -						$ -						$ -
80									N	$ -						$ -						$ -
81									N	$ -						$ -						$ -

Huntington Beach Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see CASH BALANCE TIPS SHEET

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
ROPS 15-16A Actuals (07/01/15 - 12/31/15)								
1	**Beginning Available Cash Balance (Actual 07/01/15)**				2,767,750	414,555	36,180	
2	**Revenue/Income (Actual 12/31/15)** RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					390,073	4,068,883	
3	**Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)**				2,767,750	375,000	4,067,482	
4	**Retention of Available Cash Balance (Actual 12/31/15)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
5	**ROPS 15-16A RPTTF Balances Remaining**	No entry required						
6	**Ending Actual Available Cash Balance** **C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 429,628**	**$ 37,581**	
ROPS 15-16B Estimate (01/01/16 - 06/30/16)								
7	**Beginning Available Cash Balance (Actual 01/01/16)** **(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 429,628**	**$ 37,581**	
8	**Revenue/Income (Estimate 06/30/16)** RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					5,000	3,961,952	Decrease in Other Revenue is due to the planned sale of the Waterfront property and related loss of lease income.
9	**Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)**					200,000	3,999,533	
10	**Retention of Available Cash Balance (Estimate 06/30/16)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							
11	**Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 234,628**	**$ -**	

RESOLUTION NO. 2016-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2016 THOUGH JUNE 30, 2017

WHEREAS, California Health and Safety Code section 34177(j) requires that the Successor Agency to the Redevelopment Agency of the City of Huntington Beach ("Successor Agency") prepare an administrative budget for each six month fiscal period; and

A draft administrative budget for the fiscal period of July 1, 2016 through June 30, 2017 ("Administrative Budget") is attached hereto as Exhibit A; and

California Health and Safety Code section 34177(k) requires the Successor Agency to provide to the County Auditor-Controller administrative cost estimates for expenses from the administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund for each six month fiscal period; and

All of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach does hereby resolve as follows:

1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

2. The Administrative Budget attached hereto as Exhibit A is hereby approved.

3. The Successor Agency staff is directed to: (i) provide the required cost estimates for expenses to the County Auditor-Controller; and (ii) to do any and all things and to execute and deliver any and all documents which may be necessary or advisable in order to effectuate the purposes of this Resolution.

4. The Oversight Board does not intend, by adoption of this Resolution, to waive any constitutional, legal and/or equitable rights of the Oversight Board, the Successor Agency or the City of Huntington Beach under law and/or in equity by virtue of the adoption of this Resolution and actions approved and taken pursuant to this Resolution and, therefore, reserves all such rights of the Oversight Board, the Successor Agency and the City of Huntington Beach under law and/or in equity.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach at a special meeting thereof held on the _____ day of _____, 2016.

_____
Chairperson

REVIEWED AND APPROVED:

_____
Executive Director

APPROVED AS TO FORM:

_____
General Legal Counsel DAO 1/7/16

EXHIBIT A

ADMINISTRATIVE BUDGET FOR THE PERIOD
JULY 1, 2016 THROUGH JUNE 30, 2017

[behind this page]

Successor Agency

Administrative Budget

Department Budget Summary

Other Funds by Object Account

OTHER FUNDS

Expenditure Object Account	ROPS 16-17 Budget
RORF Administration (350)	
PERSONAL SERVICES	
Salaries/Benefits - Permanent	250,000
PERSONAL SERVICES	**250,000**
OPERATING EXPENSES	
Legal Services	-
Other Professional Services/Operating	-
OPERATING EXPENSES	**-**
Total	**250,000**

Revenue Summary	ROPS 16-17 Budget
Administrative Allowance	250,000
Other Funds	-
Total	**250,000**

Significant Changes

Pursuant to AB x126 and AB 1484, the Successor Agency receives RPTTF funding from the County Auditor-Controller to pay Enforceable Obligations. The Successor Agency also receives a 3% or minimum of $250,000 for administration of the winding down of the former Redevelopment Agency per fiscal year. Administrative costs associated with the "wind down" and dissolution of the Redevelopment Agency that exceed the administrative cost allowance will be funded by Other Funds, pursuant to State rules. Administrative expenses include: personnel costs, legal, and other professional services expenses associated with the dissolution and administration of the Successor Agency.

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

Agenda Item #2

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

by and between

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF HUNTINGTON BEACH,
a public agency,

and

THE WATERFRONT HOTEL, LLC,
a California limited liability company

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"A-1" LEGAL DESCRIPTION OF THE HILTON PARCEL
"A-2" LEGAL DESCRIPTION OF PARCEL C
"A-3" DEPICTION OF THE LAND
"B" FORM OF BLANKET ASSIGNMENT AND BILL OF SALE
"C" TITLE REPORT
"D" GRANT DEED

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions ("Agreement") is dated for reference purposes as of _____, 201____ ("Effective Date"), and is being entered into by and between SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH, a public agency, corporate and politic (alternatively, "Seller" or "Successor Agency"), and THE WATERFRONT HOTEL, LLC, a California limited liability company ("Buyer"). Seller and Buyer are sometimes hereinafter individually referred to as a "Party" and collectively as the "Parties."

RECITALS:

This Agreement is entered into with reference to the following facts:

A. On or about April 28, 1989, the Redevelopment Agency of the City of Huntington Beach ("RDA"), as lessor, and Waterfront Construction No. 1, a California limited partnership, as lessee, entered into that certain lease (the "Hilton Parcel Lease") for the lease of that certain real property located in the City of Huntington Beach, County of Orange, State of California, consisting of approximately 3.60 acres of land area, with a street address of 21100 Pacific Coast Highway, bounded by Pacific Coast Highway, Huntington Street, Pacific View Drive, and more particularly described and depicted in Exhibits "A-1" and "A-3" hereto (the "Hilton Parcel"). A memorandum of the Hilton Parcel Lease was recorded in the Official Records of the Orange County Recorder on April 28, 1989, as Instrument No. 89-225546 (the "Hilton Parcel Lease Memorandum"). On or about July 3, 1997, Waterfront Construction No. 1 and Buyer entered into that certain Lease Assignment and Assumption Agreement that was recorded in the Official Records of the Orange County Recorder on July 17, 1997, as Instrument No. 97-0338159, pursuant to which Waterfront Construction No. 1 assigned to Buyer and Buyer assumed from Waterfront Construction No. 1 all of Waterfront Construction No. 1's right, title, and interest in and under the Hilton Parcel Lease (the "Hilton Parcel Lease Memorandum Assignment").

B. On or about November 5, 1998, the RDA, as lessor, and Buyer, as lessee, entered into that certain Interim Short-Term Lease (the "Interim Short-Term Lease") for the lease of that certain real property located in the City of Huntington Beach, County of Orange, State of California, also with a street address of 21100 Pacific Coast Highway, consisting of approximately 3.63 acres of land area, bounded by Pacific Coast Highway, Twin Dolphin Drive, Pacific View Drive, and the Hilton Parcel, and more particularly described and depicted in Exhibits "A-2" and "A-3" hereto ("Parcel C"). A memorandum of the Interim Short-Term Lease dated March 16, 1999, was recorded in the Official Records of the Orange County Recorder on April 19, 1999, as Instrument No. 19990285625 and on April 7, 2000, as Instrument No. 20000179415 (collectively, the "Interim Short-Term Lease Memorandum"). On or about August 29, 2006, Buyer and Mayer Financial, L.P., a California limited partnership ("MF"), entered into that certain Assignment of Lease that was recorded in the Official Records of the Orange County Recorder on August 30, 2006, as Instrument No. 2006000582100, pursuant to which Buyer assigned to MF and MF assumed from Buyer all of Buyer's right, title, and interest in and

under the Interim Short-Term Lease (the "Interim Short-Term Lease Memorandum Assignment").

C. The Hilton Parcel and Parcel C are hereinafter collectively referred to as the "Land." The Hilton Parcel Lease provides for the development and operation of a hotel and related improvements (collectively, the "Existing Hotel") on the Hilton Parcel. Buyer intends to develop an expansion to the Existing Hotel on the Land (the "Hotel Addition," together with the Existing Hotel the "Expanded Hotel"). The Hotel Addition shall mean the addition of approximately one hundred fifty-two (152) net guestrooms, including a minimum of one hundred twenty-five (125) suites, to the Existing Hotel on the Land, plus an additional ballroom, meeting rooms, restaurant, and ancillary facilities, as approved by City prior to the Effective Date per Conditional Use Permit No. 09-037 or such other improvements as may be approved by City.

D. The RDA was a redevelopment agency in the City of Huntington Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code (the "Redevelopment Law").

E. Assembly Bill No. XI 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code ("H&S Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code.

F. Pursuant to AB 26, as modified by the California Supreme Courts on December 29, 2011, by its decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all California redevelopment agencies, including the RDA, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing, and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies.

G. The City Council of the City elected for the City to serve as the successor agency to the RDA upon the dissolution of the RDA under AB 26 ("Successor Agency").

H. On June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies, including the preparation of a Long Range Property Management Plan ("LRPMP"). AB 26 and AB 1484, as further amended, are collectively referred to herein as the "Dissolution Act."

I. H&S Code Section 34179 of the Dissolution Act establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency ("Oversight Board").

J. Pursuant to H&S Code Section 34191.5(b) and (c) of the Dissolution Act, within six (6) months after the California Department of Finance ("DOF") issues a Finding of Completion to the Successor Agency, the Successor Agency is obligated to prepare a LRPMP that addresses the disposition and use of certain real properties of the former RDA, which LRPMP is subject to the review and approval of the Oversight Board and DOF. Pursuant to H&S Code Section 34191.3 of the Dissolution Act, once a LRPMP is approved by DOF the LRPMP shall govern and supersede all other provisions of the Dissolution Act relating to the disposition and use of the properties addressed therein.

K. On May 13, 2014, DOF issued its Finding of Completion to the Successor Agency.

L. Pursuant to the Dissolution Act, the Successor Agency then prepared a proposed LRPMP which included 13 parcels comprising 7 properties, including the Land that is the subject of this Agreement (as Parcel Nos. 6 and 7) (the "Original Proposed LRPMP").

M. On November 3, 2014, the Successor Agency approved the Original Proposed LRPMP.

N. On November 5, 2014, the Oversight Board adopted its Resolution No. 2014-06 approving the Initial Proposed LRPMP and the Successor Agency thereafter submitted the Original Proposed LRPMP to DOF.

O. Subsequently, the Successor Agency received correspondence from DOF requesting that modifications be made to the Original Proposed LRPMP and the Successor Agency prepared an amended LRPMP to address the issues/concerns set forth in DOF's request ("Amended LRPMP").

P. As noted in the Amended LRPMP, the Successor Agency estimated the current value of the Successor Agency's leased fee interest in the Land at $5,607,950, based on an appraisal prepared by "the highly respected consulting firm of PKF Consulting USA." The Amended LRPMP also noted that the existing Hilton Parcel Lease does not expire until 2088, the lessee (Buyer) has the right to extend the term of the Hilton Parcel Lease and the Interim Short-Term Lease for a new 99-year term if certain conditions are satisfied by January 1, 2016, and the lessee (Buyer) has a right of first refusal if the Successor Agency should sell the Land prior to the end of the (extended) Lease term. The Amended LRPMP noted that the Successor Agency was "currently in negotiations with [Buyer] with the goal of selling the fee interest in Parcels 6 and 7" to Buyer, it identified 4 alternative "disposition alternatives" for Parcels 6 and 7, it noted that the alternative of selling Parcels 6 and 7 to Buyer (Alternative 1) "will generate the highest proceeds of the 4 alternatives," and it stated the Successor Agency's intention to reach agreement with Buyer on the sale transaction terms and sell Parcels 6 and 7 to Buyer sometime on or before January 1, 2016.

Q. On March 5, 2015, the Oversight Board adopted its Resolution No. 2015-05 approving the Amended LRPMP and the Successor Agency thereafter submitted the Amended LRPMP to DOF.

R. On March 23, 2015, DOF approved the Amended LRPMP (including with respect to the Land), DOF confirmed that, pursuant to H&S Code Section 34191.3 of the Dissolution Act,

the approved Amended LRPMP "shall govern, and supersede all other provisions [of the Dissolution Act] relating to, the disposition and use of all the real property assets of the former redevelopment agency," and noted that any Successor Agency actions taken pursuant to the Amended LRPMP which require the Successor Agency to enter into a "new agreement" are subject to Oversight Board approval per H&S Code Section 34181(f), which Oversight Board approval must then be submitted to DOF for review and approval.

S. Subject to the necessity of submitting this Agreement to the Oversight Board and DOF, Seller desires to implement the approved Amended LRPMP by selling the Land and other appurtenant rights relating to the Land (collectively, the "Property") to Buyer and Buyer desires to purchase the Property from Seller, all on the terms and conditions set forth in this Agreement.

COVENANTS

Based upon the foregoing Recitals, which are incorporated into this Agreement by this reference, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both Parties, Seller and Buyer agree as follows:

1. Definitions. In addition to the terms defined elsewhere in this Agreement, as used in this Agreement the terms set forth below shall have the following meanings:

"Agreement" has the meaning set forth in the first paragraph of this Agreement.

"Authorities" means the various governmental and quasi-governmental bodies and agencies having jurisdiction over the Property, including, without limitation, the City, the County, the State, and federal agencies, courts, special taxing districts, administrative tribunals, and public and private utilities.

"Blanket Assignment and Bill of Sale" means the written blanket assignment from Seller to Buyer in the form attached hereto as Exhibit B.

"Buyer" has the meaning set forth in the first paragraph of this Agreement.

"Buyer's Closing Conditions" are those conditions to Buyer's obligation to close the Escrow that are set forth in Section 7.3 of this Agreement.

"Buyer's Title Policy" means the policy of title insurance described in Section 6 of this Agreement.

"City" means the City of Huntington Beach, California.

"Closing" or "Close of Escrow" means the conveyance by Seller to Buyer of title of the Property. Conveyance of the Property shall occur through the Escrow upon recordation of the Grant Deed.

"Closing Conditions" mean, collectively, the Buyer's Closing Conditions and the Seller's Closing Conditions.

"Closing Date" has the meaning set forth in Section 7.2 of this Agreement.

"Default" means each of the events so designated in Section 13.1 of this Agreement.

"Effective Date" has the meaning set forth in the introductory paragraph of this Agreement.

"Escrow" means the above described Escrow to be opened with Escrow Holder or, in the event Escrow Holder ceases to exist or fails or refuses to act as Escrow Holder for the transactions contemplated by this Agreement, any other escrow with an Escrow Holder selected by Buyer which is not affiliated with either party.

"Escrow Date" is the date Escrow is opened in accordance with Section 7.1 of this Agreement.

"Escrow Holder" means Fidelity National Title Insurance Company in an office located in Orange County, California.

"Existing DDA" has the meaning ascribed to that term in Section 7.2 of this Agreement.

"Grant Deed" means the deed by which Seller is to convey the Property to Buyer. The form of the Grant Deed to be used in this transaction is attached hereto as Exhibit D, subject to any modifications that may be mutually approved by Seller, Buyer, and Title Company.

"Hazardous Material" means any substance, material, or waste which is or becomes regulated by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance, or waste which is (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code; (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas, or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as "hazardous" or is harmful to the environment or capable of posing a risk of injury to public health and safety.

"Hazardous Material Law" means any federal, state, or local law, ordinance, or regulation, any order, demand, or guidance document of any governmental agency or any licenses or permits relating to Hazardous Material.

"Land" has the meaning ascribed to that term in Recital A and Exhibits "A-1" and "A-2" hereto.

"Laws" means all federal, state, and local laws, rules, regulations, ordinances, and codes. The term "Laws" includes Hazardous Material Laws.

"Lender" has the meaning set forth in Section 13.17 of this Agreement.

"Permitted Exceptions" has the meaning set forth in Section 6.1 of this Agreement.

"Person" means any natural person or entity, whether an individual, trustee, corporation, partnership, joint stock company, trust, unincorporated association, bank, business association, firm or otherwise.

"Property" means the Land and all of Seller's right, title and interest in and to all entitlements, easements, rights, mineral rights, oil and gas rights, water, water rights, air rights, development rights and privileges appurtenant thereto and all improvements located thereon, and, in addition, the rights of the declarant under any declaration of covenants, conditions and restrictions recorded against title to the Land, if any, and all items of personal property that may be situated on, in, or under the Land, excluding, however, any recorded dedications existing as of the Effective Date.

"Purchase Price" means the purchase price for the Property set forth in Section 3 of this Agreement.

"Seller" has the meaning set forth in the first paragraph of this Agreement.

"Seller's Closing Conditions" are those conditions to Seller's obligation to close the Escrow that are set forth in Section 7.4 of this Agreement.

"Title Company" means Fidelity National Title Insurance Company in its Newport Beach office or another office located in Orange County, California.

"Title Report" means that certain Preliminary Report issued by the Title Company with respect to the Property dated as of September 15, 2015 (Order No. 997-23057599-CT1). A true and correct copy of the Title Report is attached hereto as Exhibit C.

2. Purchase and Sale of Property. Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller, in each case upon the terms and subject to the conditions set forth in this Agreement.

3. Purchase Price. Buyer's purchase price for the Property shall be the sum of Five Million Six Hundred Seven Thousand Nine Hundred Fifty Dollars ($5,607,950) (the "Purchase Price").

4. Payment of Purchase Price. Buyer shall pay the entire Purchase Price through the Escrow by wire transfer of immediately available funds.

5. Physical and Environmental Condition. Buyer acknowledges that it has been the ground lessee in possession of the Land since April 28, 1989, that it excavated, filled, and graded the Land and constructed the improvements currently situated thereon, that it remediated the Land in conjunction with its development, that it has continuously owned, operated, and maintained the improvements now situated on the Land for over 25 years, that prior to the commencement date of the Hilton Parcel Lease and the Interim Short-Term Lease an affiliated entity of Buyer leased and occupied the Land for many years, that Buyer is thoroughly familiar with the physical and environmental condition of the Land, and that Buyer is not relying upon any information or knowledge of Seller with respect to any of such matters. Accordingly, to the maximum extent permitted by law, Seller shall convey the Property to Buyer in a strictly "AS IS, WHERE IS, WITH ALL FAULTS" physical and environmental condition, with no warranty or representation by Seller, express or implied, regarding the presence of uncompacted fill, the condition of the soils, the geology, seismology, hydrology, or other similar matters on, under, or affecting the Land, the condition of any buildings or improvements located thereon, the presence or absence of any Hazardous Materials, or the Property's compliance with any applicable Hazardous Material Law. It shall be the sole responsibility of Buyer, at Buyer's expense, to investigate and determine the soil conditions of the Property and the suitability of the Property for the development to be constructed by Buyer. If the soil conditions of the Property, or any part thereof, are not in all respects entirely suitable for the use or uses to which the Property will be put, then it is the sole responsibility and obligation of Buyer to take such action as may be necessary to place the Property and the soil conditions thereof in all respects in a condition entirely suitable for the development of the Property, which may include demolition, clearing, or moving buildings, structures, or other improvements, and removal of Hazardous Materials. Buyer hereby further waives, releases, acquits, and forever discharges Seller, the City, their respective officers, employees, and agents, and their successors and assigns with respect to any such matters. The foregoing shall not be deemed to limit Buyer's obligations set forth in the Hilton Parcel Lease or the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) prior to the Closing. The provisions of this Section 5 shall survive the Closing.

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

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

As such relates to the matters addressed in this Section 5, Buyer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

6. Condition of Title and Grant Deed.

6.1 Title Report; Permitted Exceptions. Within ten (10) days after the Effective Date, Buyer shall review the Title Report and notify Seller and the Title Company in writing of those exceptions to title identified therein that are disapproved by Buyer, which disapproved exceptions shall include but not be limited to the following (collectively, the "Disapproved Title Exceptions"): (i) the Hilton Parcel Lease Memorandum (Exception #3) and Hilton Parcel Lease Memorandum Assignment identified in Recital A of this Agreement; (ii) the Estoppel Agreement Regarding Ground Lease dated as of July 27, 2006, and recorded in the Official Records of the Orange County Recorder on July 27, 2006, as Instrument No. 2006000503301 (Exception #14), (iii) the Interim Short-Term Lease Memorandum and Interim Short-Term Lease Memorandum Assignments identified in Recital B of this Agreement (Exception #11, 12); (iv) the Reciprocal Fire and Access Easement Agreement dated as of August 30, 1995, and recorded in the Official Records of the Orange County Recorder on September 1, 1995, as Document No. 95-0384750, as subsequently assigned by Waterfront Construction No. 1 to Buyer pursuant to an Assignment and Assumption of Easements dated July 30, 1997, and recorded in the Official Records of the Orange County Recorder on August 1, 1997, as Instrument No. 19970367563 and as subsequently reaffirmed pursuant to the Easement Agreement (Reaffirmation) dated as of August 29, 2006, and recorded in the Official Records of the Orange County Recorder on August 30, 2006, as Instrument No. 2006000582101 (Exception #6); (v) the Waterfront Parking Easement Agreement dated as of August 29, 2006, and recorded in the Official Records of the Orange County Recorder on August 30, 2006, as Instrument No. 2006000582103 (Exception #16); and (vi) the Parcel C Parking Easement Agreement dated as of August 29, 2006, and recorded in the Official Records of the Orange County Recorder on August 30, 2006, as Instrument No. 2006000582104 (Exception #17). The following exceptions to title are hereby approved by Buyer (collectively, the "Permitted Exceptions"): (i) non-delinquent property taxes, possessory interest taxes, and assessments (to be paid by Buyer at the Closing in accordance with this Agreement), (ii) any pre-printed standard exceptions and exclusions in the Title Company's Title Report; (iii) matters affecting the condition of title to the Property created by or with the written consent of Buyer; and (iv) the exceptions to title identified in the Title Report that are *not* among the Disapproved Exceptions listed by Buyer in accordance with the preceding sentence. The Title Policy to be issued at the Closing shall be issued by Title Company subject only to the Permitted Exceptions.

6.2 Title Insurance. At the Closing, Title Company shall issue to Buyer a standard form CLTA Owner's Policy of Title Insurance with liability equal to the Purchase Price, showing fee simple title to the Property vested in Buyer subject only to the Permitted Exceptions (the "Buyer's Title Policy"). Buyer may elect by delivery of written notice to the Title Company to obtain additional coverage, to upgrade to an ALTA Extended Coverage Owner's Policy of Title Insurance, and/or to obtain non-standard endorsements to the Buyer's Title Policy, provided Buyer's inability to obtain such additional or extended coverage and/or non-standard endorsements or its delay in obtaining the same shall not constitute a failure of the Closing Condition set forth in Section 7.3(d) of this Agreement or a justification or excuse for delaying the Closing. Seller shall be responsible for paying one hundred percent (100%) of the cost of Buyer's Title Policy; provided that Buyer shall be responsible to pay one hundred percent (100%) of the marginal additional cost, if any, to obtain such additional or extended coverage (including without limitation any survey that may be conducted) and/or non-standard endorsements requested by Buyer.

7. Escrow and Conditions.

7.1 Opening of Escrow and Escrow Instructions. Buyer and Seller promptly shall cause Escrow to be opened for the consummation of the transaction contemplated by this Agreement by delivering a fully executed copy of this Agreement to the Escrow Holder. This Agreement shall constitute instructions to the Escrow Holder with respect to such transaction. The Escrow Holder immediately shall notify Buyer and Seller of the Escrow Date. Buyer and Seller shall execute such additional escrow instructions as reasonably may be required to consummate the transaction contemplated by this Agreement and as Buyer and Seller may approve, which approval shall not be unreasonably withheld. To the extent such additional escrow instructions conflict with any provisions of this Agreement, the provisions of this Agreement shall control unless the Parties each separately initial such change.

7.2 Close of Escrow. Subject to the next two paragraphs below and subject to satisfaction (or waiver by the benefited Party or Parties) or all of the conditions to closing set forth in Sections 7.3 and 7.4, the Close of Escrow for conveyance of the Property shall occur on or before February 29, 2016 (the "Closing Date"). In this regard, prior to the Effective Date Buyer has advised Seller that Buyer desires to coordinate the Closing hereunder with the closing of a construction loan for a major expansion of the existing hotel located on the Property (the "Construction Loan") and, at Buyer's request, Seller agrees to cooperate with Buyer to provide for a concurrent closing of this transaction with the closing of the Construction Loan; provided, however, that in no event shall any delay or failure by Buyer to cause the Construction Loan to close constitute the failure of a condition to Buyer's obligation to close this transaction or delay the Closing Date hereunder.

In the event the condition set forth in Sections 7.3(a)and 7.4(a) below has not been satisfied in time for the Close of Escrow to occur on or before February 29, 2016, this Agreement shall remain in full force and effect and the outside Closing Date provided for in the preceding paragraph shall be extended from February 29, 2016, to the date that is two (2) weeks after the Parties receive notice that the condition set forth in Sections 7.3(a) and 7.4(a) has been satisfied or May 1, 2016, whichever date is earlier, provided that the City Manager/Executive Director of Seller shall have the authority on behalf of Seller to further extend the May 1, 2016, deadline for a reasonable additional period or periods of time if he/she determines there is a reasonable likelihood that the condition set forth in Sections 7.3(a) and 7.4(a) will be satisfied within such additional time period(s).

Notwithstanding the foregoing, nothing set forth in this Agreement is intended or shall be interpreted to prohibit or prevent Buyer from proceeding under Article 200 of the Amended and Restated Disposition and Development Agreement dated as of September 14, 1998, as previously amended by the First Implementation Agreement dated as of May 15, 2000, the Second Implementation Agreement dated as of February 5, 2001, the Third Implementation Agreement dated as of October 20, 2008, the Fourth Implementation Agreement dated as of October 18, 2010, and the Fifth Implementation Agreement dated as of May 16, 2011 (collectively, the "Existing DDA"), to satisfy the conditions to closing for conveyance to Buyer of a long-term consolidated leasehold interest in the Hilton Parcel and Parcel C and execution and delivery of such long-term lease in the form set forth as Exhibit No. 1 to the Fifth Implementation Agreement (herein, the "Consolidated Long-Term Lease").

Nothing herein is intended to or shall be interpreted to modify or to change in any way any provision of the Existing DDA, including, without limitation, Section 203.3 of the Existing DDA and the outside date by which all conditions precedent for conveyance of the leasehold interest in Parcel C must be satisfied (which is December 31, 2016, as of the date of this Agreement).

7.3 Buyer's Conditions to Close of Escrow. Notwithstanding any other provision set forth in this Agreement to the contrary, Buyer's obligation to close the Escrow under this Agreement is subject to the satisfaction of each of the following conditions or Buyer's express written waiver (in its sole and absolute discretion) of any unsatisfied condition(s), in either case not later than the Closing Date:

(a) Oversight Board and DOF Approval. The Oversight Board shall have adopted a resolution at a properly noticed and agendized public meeting approving Seller's sale of the Property to Buyer pursuant to this Agreement, a copy of the Oversight Board's resolution shall have been delivered electronically to DOF in accordance with H&S Code Section 34179(h), and DOF shall either have formally approved the transaction contemplated by this Agreement or the time shall have elapsed for DOF to request a review of the transaction contemplated by this Agreement as provided in H&S Code Section 34179(h) without DOF having requested such a review. Seller shall exercise commercially reasonable diligence to cause the Oversight Board meeting at which such matters will be considered to be properly noticed, agendized, and held as soon as practicable after the Effective Date and, assuming the Oversight Board adopts a resolution approving this Agreement, Seller shall deliver a copy of such resolution electronically to DOF in accordance with H&S Code Section 34179(h) within two (2) business days thereafter. When DOF approves the transaction contemplated by this Agreement (either after review or by lapse of the time within which to request review, whichever first occurs), Seller shall promptly notify Buyer and the Escrow Holder and the date upon which Seller so notifies Buyer and the Escrow Holder shall be deemed the date on which the condition set forth in this Section 7.3(a) has been satisfied.

(b) Seller's Representations. Seller's representations and warranties set forth in Section 12 shall be true and correct as of the Closing.

(c) Seller's Deliveries and Default. Seller shall have delivered to Buyer and Escrow Holder all documents required to be delivered by Seller to Buyer and Escrow Holder, respectively, pursuant to the terms of this Agreement, Seller shall not be in Default under the terms of this Agreement, and no event shall have occurred which would constitute a Default by Seller under the terms of this Agreement but for the requirement that notice be given or time elapse or both.

(d) Title. At the Closing the Title Company shall be committed to issuing to Buyer a standard form CLTA Owner's Policy of Title Insurance with coverage in the amount of the Purchase Price and subject to only the Permitted Exceptions.

(e) Assignment. On or before the Closing, Seller shall have executed the Blanket Assignment and Bill of Sale with respect to the Property and delivered the same to the Escrow Holder.

The foregoing conditions are solely for the benefit of Buyer and may be waived only by Buyer. Buyer shall at all times have the right to waive any condition, which waiver or waivers must be in writing to be effective. Neither the waiver by Buyer of any condition nor the satisfaction of any condition shall relieve Seller of any liability or obligation as respects any representation, warranty or covenant of Seller under this Agreement unless Buyer shall so agree in writing.

7.4 Seller's Conditions to Close of Escrow. Notwithstanding any other provision set forth in this Agreement to the contrary, Seller's obligation to close the Escrow under this Agreement is subject to the satisfaction of each of the following conditions or Seller's express written waiver (in its sole and absolute discretion) of any unsatisfied conditions, in either case not later than the Closing Date:

(a) Oversight Board and DOF Approval. The Oversight Board shall have adopted a resolution at a properly noticed and agendized public meeting approving Seller's sale of the Property to Buyer pursuant to this Agreement, a copy of the Oversight Board's resolution shall have been delivered electronically to DOF in accordance with H&S Code Section 34179(h), and DOF shall either have formally approved the transaction contemplated by this Agreement or the time shall have elapsed for DOF to request a review of the transaction contemplated by this Agreement as provided in H&S Code Section 34179(h) without DOF having requested such a review. When DOF approves the transaction contemplated by this Agreement (either after review or by lapse of the time within which to request review, whichever first occurs), Seller shall promptly notify Buyer and the Escrow Holder and the date upon which Seller so notifies Buyer and the Escrow Holder shall be deemed the date on which the condition set forth in this Section 7.4(a) has been satisfied.

(b) Buyer's Representations. Buyer's representations and warranties set forth in Section 11 shall be true and correct as of the Closing.

(c) Buyer's Deliveries and Default. Buyer shall have delivered to Seller and Escrow Holder all funds and documents required to be delivered by Buyer to Seller and Escrow Holder, respectively, pursuant to the terms of this Agreement, Buyer shall not be in Default under the terms of this Agreement, and no event shall have occurred which would constitute a Default by Buyer under the terms of this Agreement but for the requirement that notice be given or time elapse or both.

(d) Construction Loan. Buyer shall have delivered to Seller, in a form reasonably approved by the Successor Agency Executive Director, a copy of all construction loan documents (e.g., notes, trust deeds, indentures, loan agreements, etc.) necessary to assure closing and complete funding for the development and construction of the Hotel Addition. If construction financing is insufficient to assure complete funding for the development and construction of the Hotel Addition, Buyer shall have delivered to Seller, in a form reasonably approved by the Successor Agency Executive Director, evidence of sources of capital sufficient to demonstrate that Buyer has or will have sufficient equity capital to cover the excess, if any, of the cost of development and construction over the financing authorized by mortgage loans.

The foregoing conditions are solely for the benefit of Seller and may be waived only by Seller. Seller shall at all times have the right to waive any condition, which waiver or waivers must be in writing to be effective. Neither the waiver by Seller of any condition nor the satisfaction of any condition shall relieve Buyer of any liability or obligation as respects any representation, warranty or covenant of Buyer under this Agreement unless Seller shall so agree in writing.

7.5 Cooperation Regarding Conditions. Each Party shall exercise commercially reasonable diligence in an effort to satisfy the Closing Conditions as expeditiously as possible after the Effective Date. Each Party shall cooperate with the other Party, at the written request of the other Party, in the other Party's efforts with respect to the satisfaction of the conditions; provided, however, that the reasonable costs of such cooperation shall be borne by the Party making the request.

7.6 Failure of Conditions to Close of Escrow. If one or more of the Closing Conditions set forth in Sections 7.3 or 7.4 is not satisfied prior to the outside Closing Date provided for in Section 7.2 and the benefitted Party or Parties is not willing to waive the unsatisfied condition(s), then (1) this Agreement, the Escrow, and the rights and obligations of Buyer and Seller shall terminate, except as otherwise expressly provided herein, (2) Buyer shall pay one hundred percent (100%) of Escrow Holder's and Title Company's cancellation charges, (3) Escrow Holder is instructed promptly to return to Seller and Buyer all funds and documents deposited by them, respectively, into Escrow which are held by Escrow Holder on the date of such termination, and (4) the Existing DDA, Hilton Parcel Lease, and Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) and all other agreements related thereto shall continue in full force and effect in accordance with the terms thereof. This Section 7.6 is not intended to limit or restrict the remedies of a Party if the failure of one or more of the Closing Conditions is due to a Default by the other Party. Nothing herein is intended to or shall be interpreted to modify or to change in any way any provision of the Existing DDA, the Hilton Parcel Lease, or the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect).

8. Closing Costs. If the Escrow closes, (a) Seller shall pay one hundred percent (100%) of the premium for a CLTA Standard Owner's Policy of title with coverage in an amount equal to the Purchase Price, (b) documentary transfer taxes and recording fees shall be paid by Seller, (c) the escrow fees of Escrow Holder shall be paid one-half by Buyer and one-half by Seller; (d) any difference in premium cost between a CLTA Standard Owner's Policy with coverage in the amount of the Purchase Price and Buyer's Title Policy shall be paid by Buyer; (e) any property taxes, possessory interest taxes, and assessments required to close the Escrow shall be paid by Buyer, and (f) all other costs to close the Escrow shall be allocated between Seller and Buyer in accordance with customary practice for similar transactions in the County of Orange.

9. Deliveries to Escrow Holder.

9.1 Deliveries by Seller. Prior to the Closing (unless otherwise provided), Seller shall deposit the following documents into Escrow: (a) a Grant Deed for the Property consistent with this Agreement and in substantially the form attached hereto as Exhibit "D" duly executed by Seller, notarized and in recordable form; (b) four (4) copies of the Blanket Assignment and Bill

of Sale for the Property duly executed by Seller; (c) such proof of Seller's authority to enter into this Agreement and to perform the transaction contemplated by this Agreement as reasonably may be required by the Title Company; (d) a certification as to the non-foreign status of Seller for federal tax withholding purposes, completed and executed by Seller, if required by the Escrow Holder; (e) a Withholding Exemption Certificate on California Franchise Tax Board Form 593-C, duly executed by Seller, if required by the Escrow Holder; and (f) such other documents as may Escrow Holder may require Seller to execute that are consistent with this Agreement and required to enable Escrow Holder to perform its duties hereunder.

9.2 Deliveries by Buyer. Prior to the Closing (unless otherwise provided), Buyer shall deposit the following funds and documents into Escrow: (a) the entire Purchase Price; (b) a Grant Deed for the Property consistent with this Agreement and in substantially the form attached hereto as Exhibit "D" duly executed by Buyer, notarized and in recordable form; (c) the escrow and title fees and charges and other closing costs required hereunder; (d) all funds required to fully perform Buyer's monetary obligations to Seller that are set forth in the Hilton Parcel Lease and the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) prorated to the Closing, including without limitation the payment of any Ground Rent owing through the Closing (including an estimate of the Participation Rent that will be due through the Closing Date based upon Buyer's and Seller's mutually agreed upon good faith estimate of Adjusted Room Revenue through that date, and with an appropriate adjustment of any underpayment or overpayment to be made between Seller and Buyer outside of Escrow within ninety (90) days after the Closing, as a matter with which the Escrow Holder shall not be concerned); (d) such proof of Buyer's authority to enter into this Agreement and to perform the transaction contemplated by this Agreement as reasonably may be required by the Title Company; and (e) such other documents as may Escrow Holder may require Buyer to execute that are consistent with this Agreement and required to enable Escrow Holder to perform its duties hereunder.

10. Disbursements and Other Actions by Escrow Holder. Upon the Closing, Escrow Holder promptly shall undertake all of the following: (a) disburse all funds deposited with Escrow Holder by Buyer in payment of the Purchase Price, Buyer's portion of the escrow and title fees and charges and closing costs, and any payments owing by Buyer to Seller pursuant to the Hilton Parcel Lease and/or the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) for the period ending on the Closing Date as set forth in Section 9.2, deduct all items chargeable to the account of Seller under Section 8, pay the amounts owing to the Persons entitled to payment, and disburse the remaining balance of the funds to Seller, or in accordance with Seller's written instructions, promptly upon the Close of Escrow; (b) cause the Grant Deed (with documentary transfer tax information to be affixed after recording), and any other documents which Buyer or the Parties may direct to be recorded in the Official Records of the Orange County Recorder in the order directed by the Parties; (c) prepare and deliver to each of Buyer and Seller two conformed copies of the Grant Deed; (d) cause the Title Company to issue the Buyer's Title Policy to Buyer; (e) deliver two executed copies of the Blanket Assignment and Bill of Sale for the Property to each of Buyer and Seller; (f) deliver to Buyer any proof of authority deposited into Escrow by Seller pursuant to Section 9.1; (g) deliver to Buyer the certifications deposited into Escrow by Seller pursuant to Section 9.1(d) and (e); and (g) deliver to Seller any proof of authority deposited into Escrow by Buyer pursuant to Section 9.2.

11. Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows, provided that all such representations and warranties are limited to Buyer's actual current knowledge, without any duty of inquiry or investigation, and all of such representations and warranties shall survive the close of Escrow for the limited period of one (1) year and, except to the extent Seller has filed an action against Buyer within said time period alleging Buyer has committed a Default with respect to a specific representation or warranty, all of such representations and warranties as to which such an action is not timely filed shall automatically expire on the first anniversary of the Closing:

11.1 Authority. Buyer is a limited liability company duly organized and validly existing under the laws of the State of California. Buyer has the right, power, legal capacity, and authority to enter into and perform its obligations under this Agreement. Those individuals executing this Agreement on behalf of Buyer have the right, power, legal capacity, and authority to enter into this Agreement on behalf of Buyer and to execute all other documents and perform all other acts as may be necessary to perform all of Buyer's obligations under this Agreement.

11.2 No Consents. No approval or consent not previously obtained by any Person is necessary in connection with the execution of this Agreement by Buyer or the performance of Buyer's obligations under this Agreement.

11.3 No Violations of Agreements. Neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, document, understanding, agreement, or instrument to which Buyer is a party or by which it may be bound.

11.4 Binding Agreement. The Agreement constitutes the legally valid and binding obligation of Buyer and is enforceable against Buyer in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, or by equitable principles relating to or limiting the rights of creditors generally.

11.5 No Violation of Laws. The consummation of the transaction contemplated by this Agreement does not violate any Law.

11.6 Brokers. No broker, salesperson, or finder has been engaged by Buyer in connection with the transactions contemplated by this Agreement.

Each of the foregoing representations and warranties shall be, and Buyer shall cause them to be, true in all respects on and as of the date of this Agreement and on and as of the close of Escrow as though made at that time.

12. Seller's Representations and Warranties. Seller represents and warrants to Buyer as follows, provided that all such representations and warranties are limited to Seller's actual current knowledge, without any duty of inquiry or investigation, and all of such representations and warranties shall survive the close of Escrow for the limited period of one (1) year and, except to the extent Buyer has filed an action against Seller within said time period alleging Seller has committed a Default with respect to a specific representation or warranty, all of such representations and warranties as to which such an action is not timely filed shall automatically expire on the first anniversary of the Closing:

12.1 Authority. Seller is a public agency duly organized and validly existing under the laws of the State of California. Subject to Section 12.2, Seller has the right, power, legal capacity, and authority to enter into and perform its obligations under this Agreement and those individuals executing this Agreement on behalf of Seller have the right, power, legal capacity, and authority to enter into this Agreement on behalf of Seller and to execute all other documents and perform all other acts as may be necessary to perform all of Seller's obligations under this Agreement.

12.2 No Consents. With the exception of the need to obtain approval from the Oversight Board and, potentially, DOF, as referred to in Sections 7.3(a) and 7.4(a), no approval or consent not previously obtained by any Person is necessary in connection with the execution of this Agreement by Seller or the performance of Seller's obligations under this Agreement.

12.3 No Violations of Agreements. Subject to Section 12.2, neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, document, understanding, agreement, or instrument to which Seller is a party or by which it may be bound.

12.4 Binding Agreement. Subject to Section 12.2, this Agreement constitutes the legally valid and binding obligation of Seller and is enforceable against Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, or by equitable principles relating to or limiting the rights of creditors generally.

12.5 Broker. No broker, salesperson or finder has been engaged by Seller in connection with the transactions contemplated by this Agreement.

12.6 No Litigation. There is no suit, action, claim, proceeding or protest pending or threatened which may adversely affect the Property.

12.7 Assessments/Improvements. There is no proposed or existing public improvement which may involve any charge being levied or assessed upon the Property or any plan, study, or effort by any of the Authorities or any other Person or any existing or proposed Law which may adversely affect the Property.

12.8 Bankruptcy. Neither Seller nor any entity or person that owns or controls or comprises Seller is bankrupt or insolvent under any applicable Federal or state standard, has filed for protection or relief under any applicable bankruptcy or creditor protection statute, or has been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute. Seller is not entering into the transaction described in this Agreement intending to defraud any creditor or to prefer the rights of one creditor to any other. Seller and Buyer have negotiated this Agreement at arm's length and the consideration paid represents fair value for the assets being transferred.

12.9 Compliance. Seller has not received any written requests to modify or terminate any use of the Property from any of the Authorities.

12.10 Foreign Person. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 and Seller will deliver the Non-Foreign Affidavit through Escrow if requested to do so by Escrow Holder. Seller represents and warrants that Seller is not subject to the withholding requirements under Section 18662 of the California Revenue and Taxation Code and Seller will deliver the California Withholding Certificate through Escrow if requested to do so by Escrow Holder.

Each of the foregoing representations and warranties shall be, and Seller shall cause them to be, true in all respects on and as of the date of this Agreement and on and as of the Closing as though made at that time.

13. General Provisions.

13.1 Events of Default. The occurrence of any one or more of the following events before the Closing shall constitute a Default by a Party under this Agreement:

(a) Failure to Perform. The failure of the Party to perform any material obligation set forth in this Agreement on its part to be performed if the failure should continue uncured for a period of fifteen (15) days, including without limitation a failure to deposit funds or documents or take other actions required to timely close the Escrow provided for herein, after written notice is given to the Party of the occurrence of the failure; provided, however, that the failure shall not be deemed to have occurred if the failure is of a nature that reasonably requires more than fifteen (15) days to cure, is capable of being cured fully before the outside Closing Date set forth in Section 7.2 and the Party is proceeding continuously and diligently to cure the failure and does cure the failure before said outside Closing Date; further provided, however, in no event shall any cure period run or be permitted to run past said outside Closing Date;

(b) Representation/Warranty. Any representation or warranty made by the Party in this Agreement proves to have been materially incorrect as of the date made or as of any other date on which the representation and warranty was required by the terms of this Agreement to be true (provided that in order for any breach of a Buyer or Seller representation and warranty to constitute a Default hereunder, Seller's or Buyer's claim with respect thereto must have been filed within the time set forth in Sections 11 and 12, as applicable);

(c) Relief of Debtors. Institution by the Party of proceedings under any law of the United States or of any state or foreign jurisdiction for the relief of debtors;

(d) General Assignment. A general assignment by the Party for the benefit of creditors or the filing of a voluntary petition in bankruptcy;

(e) Bankruptcy. The filing of an involuntary petition in bankruptcy against the party by the creditors of such Party, such petition remaining undischarged for a period of thirty (30) days after the date the same was filed (or to the date of Close of Escrow if such date occurs before the expiration of the thirty (30) day period);

(f) Receiver. The appointment of a receiver to take possession of any of the assets of the Party, such receivership remaining undischarged for a period of thirty (30) days

from the date of its appointment (or to the date of Close of Escrow if such date occurs before the expiration of the thirty (30) day period); or

(g) Attachment. The attachment, execution, or other judicial seizure of the Party's interest in this Agreement (and, in the case of Seller, in all or any portion of the Property), such attachment, execution or seizure being in an amount not less than Fifty Thousand Dollars ($50,000) and remaining undismissed or undischarged for a period of thirty (30) days after the levy of the attachment, execution, or seizure (or to the date of close of Escrow if such date occurs before the expiration of the thirty (30) day period).

13.2 Legal Fees. In the event of the bringing of any action or suit by either Party against the other Party by reason of any breach of any of the covenants, conditions, agreements, or provisions on the part of the other Party arising out of this Agreement, the Party in whose favor final judgment shall be entered shall be entitled to have and recover of and from the other Party all costs and expenses of suit, including reasonable attorneys' fees (or, in the event of any action to enforce this Agreement, the prevailing Party shall be entitled to recover all of its costs and expenses of the action, including reasonable attorney's fees), as determined by a court of competent jurisdiction.

13.3 Brokers and Finders. Each Party represents to the other Party that it has not had any contact, dealings, or communications with a broker or finder in connection with the transaction contemplated by this Agreement or any other person who can claim a right to a commission or finder's fee. If any other broker, finder, or other person makes a claim for a commission or finder's fee based upon any contract, dealing, or communication with a Party, then such Party shall indemnify, defend, and hold the other Party harmless from and against all damages, claims, losses, and expenses, including attorneys' fees, arising out of the broker's, finder's, or other person's claim.

13.4 Notices. All notices or other communication provided for under this Agreement shall be in writing, and shall be delivered personally, via facsimile or email, by reputable overnight mail equivalent carrier, or sent by registered or certified mail, return receipt requested, postage prepaid, addressed to the person to receive such notice or communication at the following address and shall be effective upon delivery or refusal to accept delivery:

To Seller: Successor Agency to the Redevelopment Agency
of the City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648
Attn: Executive Director Fred Wilson
Phone: 714-536-5575
Fax: 714-375-5087
Email: fred.wilson@surfcity-hb.org

(with copies to:) City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Attn: City Attorney Michael Gates
Email: Michael.gates@surfcity-hb.org

To Buyer: The Waterfront Hotel, LLC
c/o The Robert Mayer Corporation
8951 Research Drive
Irvine, CA 92618
Attn: RJ Mayer
Phone: 949-8091
Fax: 949-988-7176
Email: rj@mayercorp.com

(with copies to:) Rutan & Tucker, LLP
611 Anton Boulevard, 14th Floor
Costa Mesa, CA 92626
Jeffrey M. Oderman, Esq.
Phone: 714-641-5100
Fax: 714-546-9035
Email: joderman@rutan.com

Notice of change of address shall be given by written notice in the manner set forth in this Section. Notices sent by email and facsimile shall be deemed received upon successful transmission.

13.5 Survival. All of the covenants, representations, and warranties set forth in this Agreement shall survive the Closing, delivery of the Grant Deed, provided that Buyer's and Seller's representations and warranties shall terminate at the time set forth in Sections 11 and 12). Where the context shall require, the provisions of this Agreement shall survive the termination of this Agreement prior to the Closing.

13.6 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns; provided, however, prior to the Close of Escrow, neither Party to this Agreement shall assign or transfer this Agreement or any interest, right, or obligation in this Agreement without the prior written consent of the other Party, and any such assignment or transfer without such written consent shall be null and void. No assignment by either Party of its rights and obligations hereunder shall release that Party of its obligations to the other Party hereunder without such other Party's written consent, which consent may be withheld in such Party's sole and absolute discretion.

13.7 Required Actions of Buyer and Seller. Buyer and Seller agree to execute all instruments and documents and to take all actions consistent with this Agreement as may be required in order to consummate the transaction contemplated by this Agreement and shall use their reasonable efforts to accomplish the Closing in accordance with the provisions of this Agreement; provided, that this Section 13.7 is not intended and shall not be construed to modify this Agreement or require a Party to waive its rights hereunder.

13.8 Entire Agreement. This Agreement contains the entire agreement between the Parties concerning the subject matter of this Agreement and supersedes any prior agreements, understandings, or negotiations, except for the Existing DDA, the Hilton Parcel Lease, and the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect). From and after the Closing the Hilton Parcel Lease and the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) shall be deemed to have been terminated and of no further force or effect; provided, however, that nothing in this Agreement shall be deemed to modify, amend, or terminate any or the obligations of either Party set forth in either the Hilton Parcel Lease or the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) that have not been fully performed as of the Closing (including without limitation Buyer's obligation to pay the Ground Rent and all utilities, Impositions, insurance costs, thereunder through the date of the Closing and the Parties' mutual obligation set forth in Section 9.2 to make any required adjustments to the amounts paid by Buyer to Seller pursuant to the Hilton Parcel Lease and the Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) prior to the Closing). Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement is not intended to modify, amend, terminate, or in any way affect: (a) the ongoing obligations of Seller set forth in Attachment No. 8 (the "Schedule of Feasibility Gap Payments") of the Existing DDA; (b) any agreement set forth in the Existing DDA, Hilton Parcel Lease, or Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) to waive or release claims and any obligation set forth in the Existing DDA, Hilton Parcel Lease, or Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) to indemnify, defend, and hold harmless Successor Agency and/or City shall survive in accordance with the provisions set forth therein; (c) the credit to which Buyer is entitled against the Seventh Extension Payment as provided for in Section 203.3(a)(12)(g) of the Existing DDA (the amount of which shall be calculated based on the date the Closing occurs pursuant to this Agreement rather than the close of escrow for the conveyance of the long-term Lease for Parcel C, as provided therein); (d) any other provisions of the Existing DDA, Hilton Parcel Lease, or Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) which survive the expiration or termination of such agreement shall survive in accordance with the provisions set forth therein; (e) to the extent necessary to permit the parties to enforce any of the surviving obligations set forth in clauses (a) – (d), the general provisions set forth in the Existing DDA, Hilton Parcel Lease, or Interim Short-Term Lease (or the Consolidated Long-Term Lease if in effect) shall survive; and (f) the rights or obligations of City and Buyer as set forth in that certain License Agreement to Provide Landscaping and Other Improvements in the Public Right of Way dated as of February 20, 2001, and recorded in the Official Records of the Orange County Recorder's office as Instrument No. 20010232765 on April 18, 2001.

13.9 Time of Essence. Time is of the essence of each and every term, condition, obligation, and provision set forth in this Agreement.

13.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

13.11 Severability. If any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal, or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts of this Agreement shall remain in full

force and effect, as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

13.12 Headings. Headings at the beginning of each section are solely for convenience of reference and are not a part of this Agreement.

13.13 Construction. Whenever the context of this Agreement requires the same, the singular shall include the plural and the masculine, feminine, and neuter shall include the others. Without limitation, any defined term used in the plural shall refer to all members of the relevant class, and any defined term used in the singular shall refer to any number of the relevant class. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared the same. Unless otherwise indicated, all references to sections are to sections in this Agreement. All exhibits are incorporated in this Agreement by reference. The term "Agreement" includes such exhibits (as exhibits and, if appropriate, as subsequently executed agreements and instruments). If the day on which Buyer or Seller is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day. For purposes of this Agreement, business days shall not include Saturdays, Sundays, or holidays recognized by the Federal Reserve Bank of San Francisco. Any reference in this Agreement to an agreement or other instrument shall mean such agreement or instrument as it may from time to time be supplemented, modified, amended, and extended in accordance with the terms of this Agreement. This Agreement is executed and delivered in the State of California and shall be construed and enforced in accordance with, and governed by, the internal laws of the State of California, without regard to conflict of laws principles.

13.14 No Waiver. No waiver by a Party of any Default by the other Party under this Agreement shall be implied from any omission or delay by the non-defaulting Party to take action on account of the Default if the Default persists or is repeated. Any waiver of any covenant, term, or condition contained in this Agreement must be in writing. Any such express written waiver shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition, nor shall it affect any Default other than the Default expressly made the subject of the waiver. Any such express waiver shall be operative only for the time and to the extent stated in the waiver. The consent or approval by a Party to or of any act by the other Party shall not be deemed to waive or render unnecessary consent or approval to or of any subsequent act.

13.15 Relationship Between Parties. Seller and Buyer agree that (a) the relationship between them is, is intended to be, and shall at all times remain, in connection with the transactions contemplated by this Agreement, that of seller and purchaser and (b) neither Party is, is intended to be, or shall be construed as a partner, joint venturer, alter ego, manager, controlling person, or other business associate or participant of any kind of the other Party and neither Party intends to ever assume such status.

13.16 Third Party Beneficiaries. This Agreement is made for the purpose of defining and setting forth certain rights and obligations of Buyer, Seller, and City. It is made for the sole protection of Buyer, Seller and City and Buyer's, Seller's and City's respective heirs, executors,

administrators, successors, and assigns. No other Person shall have any rights of any nature under or by reason of this Agreement.

13.17 Estoppels. Upon the written request of Buyer or any current or prospective holder of a deed of trust, mortgage, or other security interest in the Property ("Lender"), Seller shall cooperate with Buyer and/or such Lender in executing an appropriate estoppel certificate confirming the status of any of the agreements referred to in Section 13.8 of this Agreement or any other matters affecting the rights and obligations of Buyer and such Lender relating to the Property that will survive the Closing as to which Buyer or Lender may inquire. Such estoppel certificate shall be for the benefit of Buyer, Lender, and their respective successors and assignees. Buyer or such Lender, as applicable, shall prepare the form of the estoppel certificate, subject to the reasonable approval of Seller as to form and content. Buyer shall compensate Seller for Seller's actual and reasonable costs incurred in investigating the matters addressed in any such estoppel certificate and reviewing and approving the same.

13.18 Indemnity. Buyer shall indemnify, defend and hold harmless Seller, City and each of their respective officials, employees, attorneys, consultants, and agents from and against any and all loss, liability, damage, claim, cost and/or expense (including, without limitation, reasonable attorneys' and consultants' costs and fees, travel costs and expenses, court and litigation costs and fees of expert witnesses) (collectively, "Claims") resulting or arising from or in any way connected to Seller approving or entering into this Agreement, implementation of this Agreement, Seller's performance of this Agreement, or the transaction contemplated hereunder, including, without limitation, any Claim that the Purchase Price is less than fair market value and results, directly or indirectly, in a distribution of net sale proceeds to the affected taxing entities in an amount less than the amount to which the affected taxing entities are entitled by law or any Claim relating in any way to a challenge pertaining to the sufficiency and/or adequacy of the value or consideration for the transaction contemplated hereunder. The foregoing covenant shall not merge with the Grant Deed and shall survive the Closing.

Without limiting the foregoing, and as a part of the foregoing indemnity, defense and hold harmless, Buyer shall be liable for promptly paying or reimbursing Seller and/or City, as applicable, for any and all of Seller's and/or City's actual and reasonable costs and expenses related to any contest, challenge and/or defense of any disapproval/determination or threat of any disapproval/determination of this Agreement by DOF or any third party, including, without limitation, participating in whatever administrative appeal or proceeding, meet-and-confer and/or meet-and-discuss process may be available and/or initiating, cooperating with, participating in, defending and/or pursuing litigation (including any appellate proceeding relating to any order or judgment entered in any such litigation or administrative appeal or proceeding). Such costs and expenses shall include, without limitation, reasonable attorneys' and consultants' costs and fees, travel costs and expenses, court and litigation costs and fees of expert witnesses. Seller shall have no obligation to defend this Agreement to DOF or any third party.

14. Right of Entry.

14.1 Grant of Right of Entry. Provided that all of the terms and conditions of this Section 14 are and remain fully satisfied, subject to the Interim Short-Term Lease, Seller hereby grants to Buyer and its agents and contractors, a temporary and conditional non-exclusive right to enter upon Parcel C from the Effective Date to Close of Escrow for the purpose of demolition, excavation, and rough grading on Parcel C (and such other work as may be pre-approved in writing Seller's Executive Director) as necessary for the development and construction of the Hotel Addition. The right to enter may be revoked by Seller's Executive Director for Buyer's noncompliance with any of the conditions set forth herein. Seller shall not be obligated for any loss, financial or otherwise, which may be incurred by Buyer as a result of such revocation or the termination of the right of entry. Buyer expressly waives any claim for expense or loss which Buyer might incur as a result of Seller's revocation or termination of the right of entry in accordance with the foregoing.

14.2 Insurance. Prior to Buyer entering Parcel C, Buyer shall furnish evidence satisfactory to the City Attorney of the City that Buyer or its contractors have obtained comprehensive liability insurance in an amount and in the form as is approved by the City Attorney of the City for the purpose of protecting Seller and City and their officers, employees, agents, contractors, and consultants from claims or suits for, and damages to, property and injuries to persons, including accidental death (including attorneys' fees and costs), which may be caused by any of Buyer's activities under the right of entry, whether such activities or performance thereof be by Buyer or anyone directly or indirectly employed or contracted with by Buyer and whether such damage shall accrue or be discovered before or after the termination of this Agreement.

14.3 Liens. Buyer shall not permit to be placed against Parcel C, or any part thereof, any design professional's, mechanic's, materialmen's, contractor's or subcontractor's liens (collectively, "Liens"). Buyer shall indemnify, defend, and hold harmless Seller from all liability for any and all liens, claims, and demands, together with costs of defense and reasonable attorneys' fees, arising from any Liens. Seller reserves the right, at its sole cost and expense, at any time and from time to time, to post and maintain on Parcel C, or any portion thereof, or on any improvements on Parcel C, any notices of non-responsibility or other notice as may be desirable to protect Seller against liability. In addition to, and not as a limitation of Seller's other rights and remedies under this Section 14, should Buyer fail, within 10 calendar days of written request from Seller, either to discharge any Lien or to bond for any Lien, or to defend, indemnify, and hold harmless Seller from and against any loss, damage, injury, liability, or claim arising out of a Lien, then Seller, at its option but without the obligation, may elect to pay such Lien, or settle or discharge such Lien and any action or judgment related thereto and all costs, expenses and attorneys' fees incurred in doing so shall be paid to Seller by Buyer upon written demand.

14.4 Restoration. Subject to Section 14.8 below, in the event Close of Escrow provided for in this Agreement does not occur by the outside Closing Date referred to in Section 7.2, immediately following written request by Seller, Buyer shall be obligated, at Buyer's sole cost and expense, to cause Parcel C to be placed in the condition required pursuant to all of the following, as and to the extent applicable (the "Restoration"): (a) the Hilton Parcel Lease (or the

Consolidated Long-Term Lease if in effect); (b) the applicable land use entitlements for the Hilton Parcel and Parcel C; (c) the Reciprocal Fire and Access Easement Agreement dated as of August 30, 1995, and recorded in the Official Records of the Orange County Recorder on September 1, 1995, as Document No. 95-0384750, as subsequently assigned by Waterfront Construction No. 1 to Buyer pursuant to an Assignment and Assumption of Easements dated July 30, 1997, and recorded in the Official Records of the Orange County Recorder on August 1, 1997, as Instrument No. 19970367563 and as subsequently reaffirmed pursuant to the Easement Agreement (Reaffirmation) dated as of August 29, 2006, and recorded in the Official Records of the Orange County Recorder on August 30, 2006, as Instrument No. 2006000582101; and (d) the Parcel C Parking Easement Agreement dated as of August 29, 2006, and recorded in the Official Records of the Orange County Recorder on August 30, 2006, as Instrument No. 2006000582104. Buyer agrees that if Buyer does not cause the Restoration of Parcel C (or such applicable portion thereof) as required by this Section, and has not cured such failure within ninety (90) days following written notice from the City (or, if such Restoration cannot with reasonable diligence be completed within ninety (90) days, then within such additional period of time that such Restoration can be completed with the exercise of commercially reasonable diligence), then the City shall have the right, at the City's election (in its sole and absolute discretion) to enter Parcel C (or such applicable portion thereof) and complete, or cause the completion of, the Restoration of Parcel C (or such applicable portion thereof) at Buyer's sole cost and expense. In the event that the City makes such an election, then Seller and Buyer agree that Seller and Buyer shall cooperate with the City with regard to the Restoration and Seller and Buyer shall permit City entry upon Parcel C limited to such purpose.

"Restoration" includes providing adequate security measures for Parcel C in order to prevent accidents or injuries. All Restoration shall be performed in compliance with (a) all applicable Laws of all Authorities, and (2) all directions, rules, and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction over the Restoration. Restoration shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction over the Restoration, and Buyer shall be responsible for the procurement and maintenance thereof, at Buyer's sole cost and expense.

14.5 Compliance With Laws/Permits. Buyer shall, in all activities undertaken pursuant to this Section 14, comply and cause its contractors, agents, and employees to comply with all Laws of all Authorities. Without limiting the generality of the foregoing, Buyer, at its sole cost and expense, shall obtain any and all permits which may be required by any of the Laws for any activities Buyer conducts pursuant to this Section 14 and shall conduct, or cause to be conducted, any work on Parcel C in accordance with any such permits.

14.6 Indemnification. Buyer hereby agrees to indemnify, defend, assume all liability for, and hold harmless Seller, the City, and their officers, employees, agents, contractors, and consultants from and against all actions, claims, suits, penalties, obligations, liabilities, damages to property, and claims or injuries to persons (collectively, "Claims") arising out of or in connection with Buyer's right of entry pursuant to this Section 14. Buyer's indemnity given under this Section 14 shall apply whether caused by actions of Buyer or anyone directly or indirectly employed or under contract with Buyer, and whether such Claims shall accrue or be

discovered before or after the expiration or termination of this Agreement or termination of the rights afforded under this Section 14. Notwithstanding the foregoing, Buyer's indemnity shall not apply to the extent that claims are caused by any negligent or intentional acts of Seller or City.

14.7 Inspection. Seller and its representatives, employees, agents, and independent contractors may enter and inspect the Parcel C or any portion thereof or any improvements thereon at any time and from time to time at reasonable times to verify Buyer's compliance with the terms and conditions of this Section 14.

14.8 Section 14 To Terminate Upon Closing of Consolidated Long-Term Lease. If Buyer closes on the Consolidated Long-Term Lease, as referred to in the second paragraph of Section 7.2, the right of entry and obligations to provide insurance and to cause the Restoration provided in this Section 14 shall automatically terminate and be of no further force or effect at that time.

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

Seller:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH

By: _____
Its: Chairperson

ATTEST:

By: _____
Its: Secretary

APPROVED AS TO FORM:

By: _____
Its: General Counsel

Buyer:

THE WATERFRONT HOTEL, LLC, a California limited liability company

By: Waterfront Development, Inc., a California corporation, its Managing Member

By: _____
Robert L. Mayer, Jr., President

EXHIBIT "A-1"

LEGAL DESCRIPTION OF THE HILTON PARCEL

All that certain land situated in the State of California, County of Orange, City of Huntington Beach, and is described as follows:

Lot 1 of Tract No. 13045, as shown on a map filed in Book 628, pages 46 and 47 of Miscellaneous Maps, Records of Orange County, California

APN: 024-252-02

EXHIBIT "A-2"

LEGAL DESCRIPTION OF PARCEL C

All that certain land situated in the State of California, County of Orange, City of Huntington Beach, and is described as follows:

Lot 2, Tract No. 15535, per map recorded in Book 790, Pages 44 through 50 of Maps, in the office of the County Recorder, County of Orange.

APN: 024-252-01

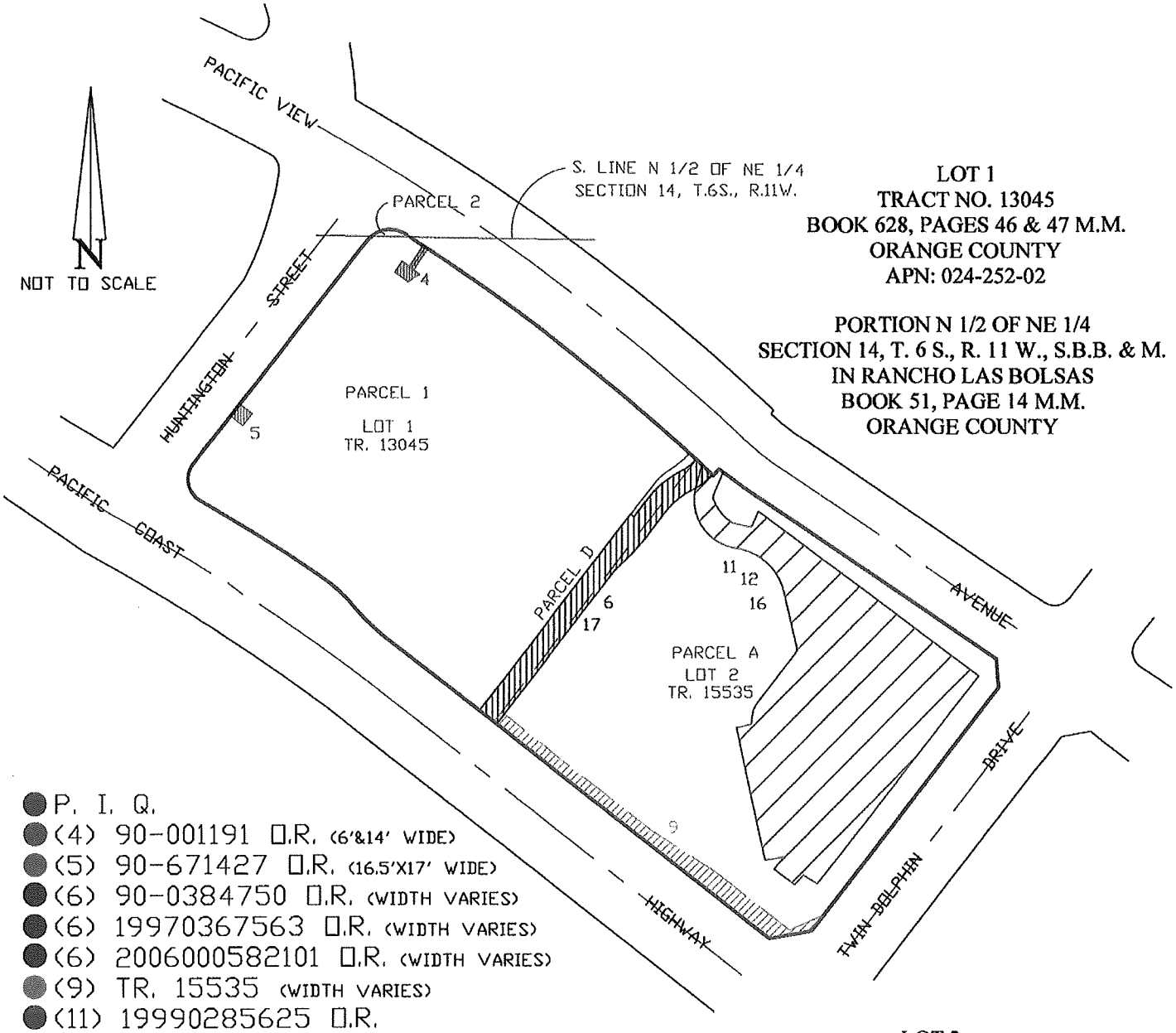
EXHIBIT "A-3"

DEPICTION OF THE LAND

[BEHIND THIS PAGE]

EXHIBIT A-3

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH



LOT 1
TRACT NO. 13045
BOOK 628, PAGES 46 & 47 M.M.
ORANGE COUNTY
APN: 024-252-02

PORTION N 1/2 OF NE 1/4
SECTION 14, T. 6 S., R. 11 W., S.B.B. & M.
IN RANCHO LAS BOLSAS
BOOK 51, PAGE 14 M.M.
ORANGE COUNTY

- P. I. Q.
- (4) 90-001191 O.R. (6'&14' WIDE)
- (5) 90-671427 O.R. (16.5'X17' WIDE)
- (6) 90-0384750 O.R. (WIDTH VARIES)
- (6) 19970367563 O.R. (WIDTH VARIES)
- (6) 2006000582101 O.R. (WIDTH VARIES)
- (9) TR. 15535 (WIDTH VARIES)
- (11) 19990285625 O.R.
- (11) 20000179415 O.R.
  BOTH APPROXIMATE LOCATION ONLY
- (12) 20000179415 O.R.
  BOTH APPROXIMATE LOCATION ONLY
- (16) 2006000582103 O.R.
  BOTH APPROXIMATE LOCATION ONLY
- (17) 2006000582104 O.R. (WIDTH VARIES)

LOT 2
TRACT NO. 15535
BOOK 790, PAGES 44 - 50 M.M.
TRACT MAP CERTIFICATE OF CORRECTION
INSTRUMENT NO. 03-659669 O.R.
JUNE 6, 2003
ORANGE COUNTY
APN: 024-252-01

This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, *Fidelity National Title Insurance* assumes no liability for any loss occurring by reason of reliance thereon.

ORDER NO. 23057599-CT1

FIDELITY NATIONAL TITLE COMPANY

EXHIBIT B

FORM OF BLANKET ASSIGNMENT AND BILL OF SALE

Reference is made to that certain property located in the City of Huntington Beach, County of Orange, State of California, and described in more detail in Exhibit A attached hereto and made a part hereof, and the improvements located thereon and the rights, privileges, and entitlements incident thereto (the "Property").

For good and valuable consideration, receipt of which is acknowledged, the undersigned, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH ("Seller"), to the full extent owned or possessed by Seller, sells, transfers, assigns, conveys, and delivers to THE WATERFRONT HOTEL, LLC, a California limited liability company ("Buyer"), all of Seller's right, title, and interest in all assets, rights, materials, reimbursements, refunds, and/or claims owned, used or held in connection with the ownership, use, management, development, or enjoyment of the Property, including, without limitation: (i) all entitlements, permits, subdivision agreements, and other agreements relating to the development of the Property; (ii) all plans, specifications, maps, drawings, and other renderings relating to the Property; (iii) all warranties, claims, indemnities, and any similar rights relating to and benefiting the Property or the assets transferred hereby; (iv) all intangible rights, goodwill, and similar rights benefiting the Property; (v) all development rights benefiting the Property; (vi) all rights, refunds, claims, and awards benefiting or appurtenant to the Property; (vii) all rights to receive a reimbursement, credit, or refund from the applicable agency or entity of any deposits or fees paid in connection with the development of the Property; and (viii) all claims, counterclaims, defenses or actions, whether at common law or pursuant to federal, state, or local laws or regulations, against third parties relating to the existence of any Hazardous Materials in, at, on or under the Property.

Seller shall, at any time and from time to time upon written request therefor, execute and deliver to Buyer, its nominees, successors, and/or assigns, any new or confirmatory instruments and do and perform any other acts that Buyer, its nominees, successors, and/or assigns may request in order to fully transfer possession and control of, and protect the rights of Buyer, its nominees, successors, and/or assigns in, all of the assets of Seller intended to be transferred and assigned hereby.

Seller:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF HUNTINGTON BEACH

By: _____
Its: Chairperson

EXHIBIT "C"

TITLE REPORT

[BEHIND THIS PAGE]

EXHIBIT C

Fidelity National Title Company
1300 Dove Street, Suite 310, Newport Beach, CA 92660
Phone: (949) 622-5000• Fax:

Issuing Policies of Fidelity National Title Insurance Company

---

Title Officer: Curtis Taplin (MA) Order No.: 997-**23057599**--CT1

TO:
The Robert Mayer Corporation
8951 Research Drive
Irvine, CA 92618

ATTN: .**R.J. Mayer**
YOUR REFERENCE: **Hilton Fee**

PROPERTY ADDRESS: 21100 Pacific Coast Highway - Hilton Fee, Huntington Beach, CA

AMENDED **PRELIMINARY REPORT**

In response to the application for a policy of title insurance referenced herein, ***Fidelity National Title Company*** *hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Nebraska Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature

Fidelity National Title Company
1300 Dove Street, Suite 310, Newport Beach, CA 92660
Phone: (949) 622-5000• Fax:

AMENDED **PRELIMINARY REPORT**

EFFECTIVE DATE: **September 15, 2015 at 7:30 a.m., Amended: September 25, 2015, Amendment No.**

ORDER NO.: 997-23057599--CT1

The form of policy or policies of title insurance contemplated by this report is:

ALTA Extended Owners Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

   A Fee as to Parcel(s) 1, 2 and A
   Easement(s) more fully described below as to Parcel(s) 3, 4, B, C and D

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

   THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

   See Exhibit A attached hereto and made a part hereof.

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 1 OF TRACT NO. 13045, IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 628, PAGES 46 AND 47 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ANY AND ALL OIL, OIL RIGHTS, PETROLEUM, MINERALS, MINERAL RIGHTS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, GEOTHERMAL RESOURCES (AS DEFINED IN CALIFORNIA PUBLIC RESOURCES CODE, SECTION 6903), AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING THAT MAY BE WITHIN OR UNDER THE LAND, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING, PROSPECTING AND OPERATING THEREFOR AND STORING IN AND REMOVING THE SAME FROM THE PREMISES OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE CONVEYED HEREBY, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PREMISES, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES; WITHOUT, HOWEVER, THE RIGHT TO ENTER, DRILL, MINE, STORE, EXPLORE OR OPERATE ON OR THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE PREMISES, AS SET FORTH IN A LEASE DATED APRIL 28, 1989 AND MEMORANDUM RECORDED APRIL 28, 1989 AS INSTRUMENT NO. 89-225546, OFFICIAL RECORDS.

ALSO EXCEPT ANY AND ALL WATER, WATER RIGHTS OR INTERESTS THEREIN, NO MATTER HOW ACQUIRED BY LESSOR, TOGETHER WITH THE RIGHT AND POWER TO EXPLORE, DRILL, REDRILL, REMOVE AND STORE THE SAME FROM THE PREMISES OR TO DIVERT OR OTHERWISE UTILIZE SUCH WATER, WATER RIGHTS OR INTERESTS ON ANY OTHER PROPERTY OWNED OR LEASED BY LESSOR, WHETHER SUCH WATER RIGHTS SHALL BE RIPARIAN, OVERLYING, APPROPRIATIVE, PERCOLATING, LITTORAL, PRESCRIPTIVE, ADJUDICATED, STATUTORY OR CONTRACTUAL; BUT WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF THE PREMISES IN THE EXERCISE OF SUCH RIGHTS AND PROVIDED FURTHER, THAT THE EXERCISE OF ANY SUCH RIGHTS BY LESSOR SHALL NOT RESULT IN ANY DAMAGE OR INJURY TO THE IMPROVEMENTS, INCLUDING WITHOUT LIMITATION ANY SUBSIDENCE OF ALL OR ANY PART OF THE IMPROVEMENTS, AS SET FORTH IN A LEASE DATED APRIL 28, 1989 AND MEMORANDUM RECORDED APRIL 28, 1989 AS INSTRUMENT NO. 89-225546, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NO: 024-252-02

PARCEL 2:

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 6 SOUTH, RANGE 11 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 51, PAGE 14 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF SAID NORTH HALF THAT IS DISTANT THEREON NORTH 89°43'07" EAST 103.28 FEET FROM CENTERLINE OF HUNTINGTON STREET, AS SHOWN ON RECORD OF SURVEY NO. 81-1151, FILED IN BOOK 103, PAGES 28 AND 29 OF RECORDS OF SURVEY IN THE OFFICE OF SAID COUNTY RECORDER, SAID POINT BEING ON A NON-TANGENT 2355.00 FOOT RADIUS CURVE THAT IS CONCAVE SOUTHWESTERLY, A RADIAL TO SAID POINT BEARS NORTH 31°56'15" EAST; THENCE NORTHWESTERLY 5.94 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°08'40" TO THE BEGINNING OF A 32.00 FOOT RADIUS CURVE THAT IS CONCAVE SOUTHERLY; THENCE WESTERLY 41.11

EXHIBIT A
(Continued)

FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73°36'25" TO SAID SOUTH LINE; THENCE NORTH 89°43'07" EAST 43.24 FEET ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING.

PARCEL 3:

REAL PROPERTY RIGHTS AS CONTAINED IN THAT CERTAIN DOCUMENT ENTITLED "LICENSE AGREEMENT TO PROVIDE LANDSCAPING AND OTHER IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY" EXECUTED BY AND BETWEEN THE CITY OF HUNTINGTON BEACH, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, THE WATERFRONT HOTEL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY AND MAYER FINANCIAL, L.P., A CALIFORNIA LIMITED PARTNERSHIP DATED FEBRUARY 20, 2001 AND RECORDED APRIL 18, 2001 AS INSTRUMENT NO. 20010232765 AND ASSIGNED BY "ASSIGNMENT OF LICENSE AGREEMENT TO PROVIDE LANDSCAPING AND OTHER IMPROVEMENTS IN THE PUBLIC RIGHT OF WAY" AND RECORDED AUGUST 30, 2006 AS INSTRUMENT NO. 2006000582102, BOTH OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA, SUBJECT TO THE TERMS, COVENANTS AND CONDITIONS CONTAINED THEREIN.

PARCEL 4:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AND PARKING PURPOSES AS DISCLOSED IN THAT CERTAIN DOCUMENT ENTITLED "WATERFRONT PARKING EASEMENT AGREEMENT", DATED AUGUST 29, 2006, EXECUTED BY AND BETWEEN MAYER FINANCIAL, L.P., A CALIFORNIA LIMITED PARTNERSHIP AND THE WATERFRONT HOTEL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY AND RECORDED AUGUST 30, 2006 AS INSTRUMENT NO. 2006000582103, OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL A:

LOT 2 OF TRACT NO. 15535, IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 790, PAGES 44 THROUGH 50 INCLUSIVE, OF MISCELLANEOUS MAPS, AND A TRACT MAP CERTIFICATE OF CORRECTION RECORDED JUNE 6, 2003 AS INSTRUMENT NO. 03-659669, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

A NON-EXCLUSIVE RECIPROCAL FIRE LANE ACCESS EASEMENT AGREEMENT RECORDED SEPTEMBER 1, 1995 AS INSTRUMENT NO. 95-384750 AND ASSIGNED AUGUST 1, 1997 AS INSTRUMENT NO. 97-367563, OFFICIAL RECORDS.

PARCEL C:

A NON-EXCLUSIVE REVOCABLE LICENSE TO UTILIZE THAT CERTAIN AREA DEFINED AS "OVERCROSSING IMPROVEMENT AREA" AND "GRANT COAST RESORT IMPROVEMENT AREA" IN THAT CERTAIN "LICENSE AGREEMENT TO PROVIDE LANDSCAPING AND OTHER IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY" ("AGREEMENT") RECORDED APRIL 18, 2001 AS INSTRUMENT NO. 20010232765 AND ASSIGNMENT RECORDED AUGUST 30, 2006 AS INSTRUMENT NO. 06-582102 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA, AND DELINEATED ON EXHIBIT "F" ATTACHED THERETO, FOR THE INSTALLATION, MAINTENANCE, REPAIR AND REPLACEMENT OF LANDSCAPING AND OTHER IMPROVEMENTS, AS SAID LICENSE IS SET FORTH IN PARAGRAPH 2 OF THE AGREEMENT.

EXHIBIT A
(Continued)

PARCEL D:

A NON-EXCLUSIVE PARKING EASEMENT AGREEMENT RECORDED AUGUST 30, 2006 AS INSTRUMENT NO. 2006-582104, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NO: 024-252-01

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2015-2016.

B. There were no taxes levied for the fiscal year 2014-2015 as the property was vested in a public entity.

C. A Notice of Proposed Boundaries of the City of Huntington Beach Community Facilities District No. 200-1 (Grand Coast Resort)

Recorded: June 26, 2000, as Instrument No. 20000038289, of Official Records

Reference is hereby made to said document for full particulars.

D. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.

E. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.

2. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by said map/plat.

Affects: The Northwesterly and Southwesterly lines of said land, except at approved driveway locations.

Affects: Parcels 1 and 2

3. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled:	Memorandum of Lease
Lessor:	The Redevelopment Agency of the City of Huntington Beach, a public agency
Lessee:	Waterfront Construction No. 1, a California limited partnership
Recording Date:	April 28, 1989
Recording No:	89-225546, Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel's 1 and 2

4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to:	Southern California Edison Company
Purpose:	Public utilities
Recording Date:	January 2, 1990
Recording No:	90-001191, of Official Records
Affects:	As set forth in said document

EXCEPTIONS
(Continued)

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to:	The City of Huntington Beach, a Municipal corporation
Purpose:	Water meter purposes
Recording Date:	December 24, 1990
Recording No:	90-671427, of Official Records
Affects:	As set forth in said document

6. Matters contained in that certain document

Entitled:	Reciprocal Fire Lane Access Easement Agreement
Dated:	August 30, 1995
Executed by:	The Redevelopment Agency of the city of Huntington Beach, a public body, corporate and politic ("Agency"), Robert L. Mayer, as Trustee of the Robert L. Mayer Trust of 1982, dated June 22, 1982, as amended ("Mayer Trust"), and Waterfront Construction #1, a California limited partnership
Recording Date:	September 1, 1995
Recording No:	95-0384750, of Official Records

Reference is hereby made to said document for full particulars.

Matters contained in that certain document

Entitled:	Assignment and Assumption of Easements
Dated:	July 30, 1997
Executed by:	Waterfront Construction #1, a California Limited Partnership and the Waterfront Hotel, LLC, a California Limited Liability Company
Recording Date:	August 1, 1997
Recording No:	19970367563, of Official Records

Reference is hereby made to said document for full particulars.

Matters contained in that certain document

Entitled:	Easement Agreement (Reaffirmation)
Dated:	August 29, 2006
Executed by:	The Redevelopment Agency of the City of Huntington Beach, a public body corporate and politic, The Waterfront Hotel, LLC, a California Limited Liability Company and Mayer Financial, L.P., a California limited partnership
Recording Date:	August 30, 2006
Recording No:	2006000582101, of Official Records

Reference is hereby made to said document for full particulars.

EXCEPTIONS
(Continued)

7. Matters contained in that certain document

Entitled:	Amended and Restated Development Agreement
Dated:	September 21, 1998
Executed by:	City of Huntington Beach and Mayer Financial, LTD., a California limited partnership, and The Waterfront Hotel, LLC, a California limited liability company
Recording Date:	October 21, 1998
Recording No:	1998-0711512, of Official Records

Reference is hereby made to said document for full particulars.

and Re-Recording Date:	December 7, 1998
and Re-Recording No:	98-838602, of Official Records

8. An unrecorded Amended and Restated Disposition and Development Agreement adopted by the Agency on September 14, 1998 executed by and between the Redevelopment Agency of the City of Huntington Beach, Mayer Financial LTD., a California limited partnership and The Waterfront Hotel, LLC, a California limited liability company, upon the terms, covenants, conditions and restrictions therein provided, as disclosed by the Amended and Restated Development Agreement recorded December 7, 1998 as Instrument No. 19980838602, Official Records. Reference is hereby made to said document for full particulars.

Matters contained in that certain document entitled "Estoppel Agreement Regarding Development Agreement and Property Agreements" dated May 15, 2004, executed by and between City of Huntington Beach, PCH Beach Resort, LLC, a California limited liability company, PCH Resort Holding, LLC, a Delaware limited liability company, GMAC Commercial Mortgage Bank, a Utah Industrial bank, GMAC Commercial Mortgage Corporation, a California corporation recorded October 15, 2004, Instrument No. 2004000934786, of Official Records.

Reference is hereby made to said document for full particulars.

9. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose:	Pedestrian access
Affects:	As shown on said Tract Map 15535

10. The fact that the ownership of said land does not include rights of access to or from the street, highway, or freeway abutting said land, such rights having been relinquished by the map of said Tract.

Affects: Pacific Coast Highway, Beach Boulevard, Twin Dolphin Drive and Pacific View Avenue except at locations approved by the traffic engineer.

11. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled:	Memorandum of Interim Short-Term Lease and Parking Easement Agreement
Lessor:	The Redevelopment Agency of the City of Huntington Beach, a public body corporate and politic
Lessee:	The Waterfront Hotel, LLC, a California limited liability company
Recording Date:	April 19, 1999
Recording No:	19990285625, Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

EXCEPTIONS
(Continued)

and Recording Date: April 07, 2000
and Recording No: 20000179415, Official Records

12. Matters contained in that certain document entitled "Memorandum of Interim Short-Term Lease and Parking Easement Agreement" dated March 16, 1999, executed by and between The Redevelopment Agency of The City of Huntington Beach, a public body corporate and politic, and The Waterfront Hotel, LLC, a California Limited Liability Company recorded April 7, 2000, Instrument No. 20000179415, of Official Records, which document, among other things, contains or provides for: In the event that the Lease expires or terminates for certain reasons described in the Lease, the Parking Easement Agreement shall become operative and shall burden the Site, as the servient tenement, in favor and for the benefit of certain real property in the City of Huntington Beach, County of Orange, State of California, adjacent to the Site which is more particularly described on Exhibit B therein (the "Waterfront Hilton Parcel").Reference is hereby made to said document for full particulars.

13. Matters contained in that certain document

Entitled:	License Agreement to Provide Landscaping and Other Improvements in the Public Right-Of-Way
Dated:	February 20, 2001
Executed by:	The City of Huntington Beach, a municipal corporation of the State of California, The Waterfront Hotel, LLC, a California limited liability company and Mayer Financial, L.P., a California limited partnership
Recording Date:	April 18, 2001
Recording No:	2001-0232765, Official Records

Reference is hereby made to said document for full particulars.

Matters contained in an Assignment of License Agreement to provide Landscaping and other Improvements in the public right of way, recorded August 30, 2006 as Instrument No. 2006000582102, Official Records.

14. Matters contained in that certain document

Entitled:	Estoppel Agreement Regarding Ground Lease
Dated:	July 27, 2006
Executed by:	The Redevelopment Agency of the City of Huntington Beach, a public body, corporate and politic, The Waterfront Hotel, LLC, a California Limited Liability Company and Capmark Finance Inc., a California corporation (formerly known as GMAC Commercial Mortgage Corporation
Recording Date:	July 27, 2006
Recording No:	2006000503301, of Official Records

Reference is hereby made to said document for full particulars.

15. Matters contained in that certain document

Entitled:	Estoppel Agreement Regarding Development Agreement
Dated:	July 27, 2006
Executed by:	The City of Huntington Beach, a public body, corporate and politic, The Waterfront Hotel, LLC, a California Limited Liability Company and Capmark Finance Inc., a California corporation (formerly known as GMAC Commercial Mortgage Corporation
Recording Date:	July 27, 2006
Recording No:	2006000503302, of Official Records

Reference is hereby made to said document for full particulars.

EXCEPTIONS
(Continued)

16. Matters contained in that certain document

Entitled:	Waterfront Parking Easement Agreement
Dated:	August 29, 2006
Executed by:	The Waterfront Hotel, LLC, a California limited liability company and Mayer Financial, L.P., a California limited partnership
Recording Date:	August 30, 2006
Recording No:	2006000582103, Official Records

17. Matters contained in that certain document

Entitled:	Parcel C Parking Easement Agreement
Dated:	August 29, 2006
Executed by:	The Waterfront Hotel, LLC, a California limited liability company and Mayer Financial, L.P., a California limited partnership
Recording Date:	August 30, 2006
Recording No:	2006000582104, Official Records

Reference is hereby made to said document for full particulars.

18. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency:	The Redevelopment Agency of the City of Huntington Beach
Recording Date:	July 25, 2007
Recording No:	2007000464564, of Official Records

19. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

20. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

21. Intentionally deleted.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. The requirement that this company be furnished proper regulatory statutes authorizing this transaction and appropriate documentation indicating who may execute on behalf of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach.

2. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

   The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.

2. The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Commercial properties, known as 21100 Pacific Coast Highway - Hilton Fee, located within the city of Huntington Beach, California, , to an Extended Coverage Loan Policy.

3. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

4. Note: The only conveyance(s) affecting said Land, which recorded within 24 months of the date of this report, are as follows:

Grantor:	The City of Huntington Beach, a California Municipal Corporation
Grantee:	The Successor Agency to the Redevelopment Agency of the City of Huntington Beach
Recording Date:	December 20, 2012
Recording No:	2012000789960, Official Records

5. Note: The current owner does NOT qualify for the $20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs, for the herein described Land.

END OF INFORMATIONAL NOTES

Curtis Taplin (MA)/en0

FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice. The provision of this Privacy Notice to you does not create any express or implied relationship, or create any express or implied duty or other obligation, between Fidelity National Financial, Inc. and you. See also **No Representations or Warranties** below.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

How Information is Collected

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (*e.g.*, name, address, phone number, email address); (2) demographic information (*e.g.*, date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may send a "cookie" to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the Third Party Opt Out section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the Third Party Opt Out section below.

Unique Identifier. We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of certain online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at http://www.networkadvertising.org.

- You can opt-out via the Consumer Choice Page at http://www.aboutads.info.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at http://www.youronlinechoices.com.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

Use of Personal Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

When Information Is Disclosed By FNF

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Information From Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

Choices With Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2015 will receive information regarding 2014 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

No Representations or Warranties

By providing this Privacy Notice, Fidelity National Financial, Inc. does not make any representations or warranties whatsoever concerning any products or services provided to you by its majority-owned subsidiaries. In addition, you also expressly agree that your use of the Website is at your own risk. Any services provided to you by Fidelity National Financial, Inc. and/or the Website are provided "as is" and "as available" for your use, without representations or warranties of any kind, either express or implied, unless such warranties are legally incapable of exclusion. Fidelity National Financial, Inc. makes no representations or warranties that any services provided to you by it or the Website, or any services offered in connection with the Website are or will remain uninterrupted or error-free, that defects will be corrected, or that the web pages on or accessed through the Website, or the servers used in connection with the Website, are or will remain free from any viruses, worms, time bombs, drop dead devices, Trojan horses or other harmful components. Any liability of Fidelity National Financial, Inc. and your exclusive remedy with respect to the use of any product or service provided by Fidelity National Financial, Inc.

including on or accessed through the Website, will be the re-performance of such service found to be inadequate.

Your Consent To This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354
privacy@fnf.com

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EFFECTIVE AS OF: JANUARY 6, 2015

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company
FNTC - Fidelity National Title Company
FNTCCA –Fidelity National Title Company of California

FNF Underwriter
FNTIC - Fidelity National Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (FNTIC)
Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

DISASTER LOANS (FNTIC)
The charge for a lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (FNTIC)
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)

   a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 23057599-997-MAT-CT1 for full legal description (the "Land").

   b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 23057599-997-MAT-CT1 for full legal description (the "Land").

2. (Fill in the applicable paragraph and strike the other)

   a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.

   b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of $_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.

3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.

4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.

5. The Land is currently in use as _____; _____occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

   _____

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.

7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on ____ at _____.

Signature: _____

Attachment One (Revised 06-05-14)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990 (04-08-14)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE–SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;

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c. land use;
d. improvements on the Land;
e. land division; and
f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$5,000.00

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;

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(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

Except as provided in Schedule B - Part II, this policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

PART I

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

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4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. Variable exceptions such as taxes, easements, CC&R's, etc. shown here.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

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9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

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THIS MAP WAS PREPARED FOR ORANGE COUNTY ASSESSOR DEPT. PURPOSES ONLY. THE ASSESSOR MAKES NO GUARANTEE AS TO ITS ACCURACY NOR ASSUMES ANY LIABILITY FOR OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED.
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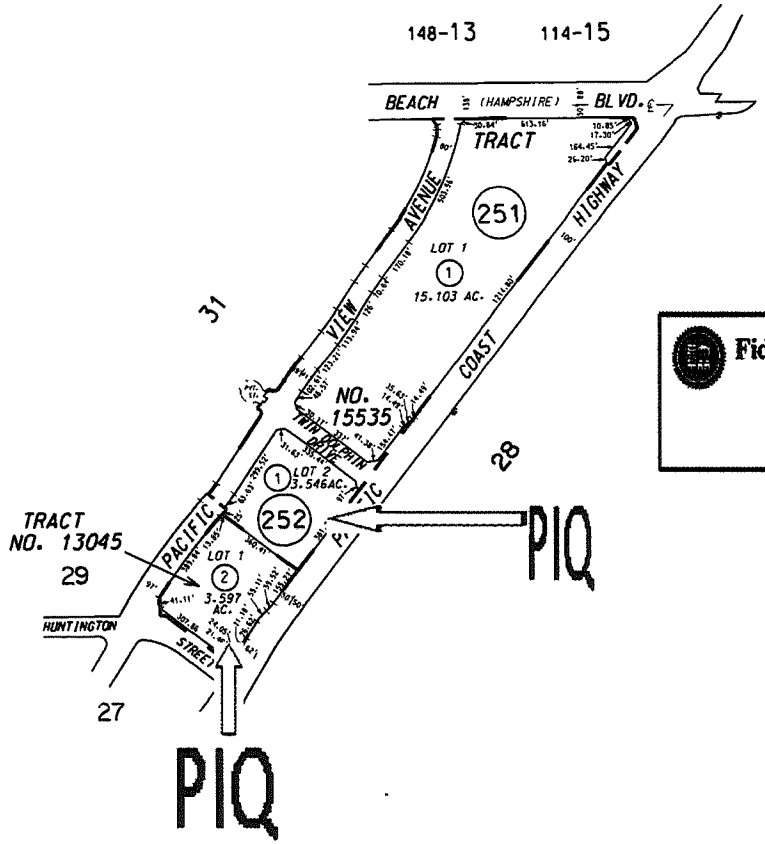
POR. E 1/2, SE 1/4, SEC. 11, T 6 S, R 11 W



1" = 400'

Fidelity National Title Insurance Company

This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct; Fidelity National Title Insurance Company assumes no liability for any loss occuring by reason of reliance thereon.

* PRIVATE STREET

MARCH 1948

TRACT NO. 13045 M.M. 628
TRACT NO. 15535 M.M. 790-44 to 50 incl.

NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 024 PAGE 25 COUNTY OF ORANGE

OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)

   a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 23057599-997-MAT-CT1 for full legal description (the "Land").

   b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 23057599-997-MAT-CT1 for full legal description (the "Land").

2. (Fill in the applicable paragraph and strike the other)

   a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.

   b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of $_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.

3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.

4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.

5. The Land is currently in use as _____; _____occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

   _____

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.

7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on ____ at _____.

Signature: _____

OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)

   a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 23057599-997-MAT-CT1 for full legal description (the "Land").

   b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 23057599-997-MAT-CT1 for full legal description (the "Land").

2. (Fill in the applicable paragraph and strike the other)

   a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.

   b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of $_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.

3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.

4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.

5. The Land is currently in use as _____; _____occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

   _____

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This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on ____ at _____.

Signature: _____

EXHIBIT "D"

GRANT DEED

OFFICIAL BUSINESS
Document entitled to free recording
per Government Code Section 27383

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO AND SEND
TAX STATEMENTS TO:

SPACE ABOVE THIS LINE FOR RECORDING USE

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH, herein called "Grantor," hereby grants to THE WATERFRONT HOTEL, LLC, a California limited liability company, herein called "Grantee," that certain real property located in the City of Huntington Beach, County of Orange, State of California (the "Property"), more particularly described in the legal description attached hereto as Exhibit A and incorporated herein by this reference, in accordance with and subject to the covenants, conditions and restrictions set forth in this Grant Deed.

Grantor and Grantee agree as follows:

1. Use of Property. Grantee covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any portion thereof, that during construction of the Hotel Addition and thereafter for a period of thirty (30) years from the date of this Grant Deed, Grantee, such successors, and such assignees shall not use or suffer to be used the Property other than as a hotel without the City of Huntington Beach's prior written consent. Uses normally incidental to a hotel use, including without limitation a restaurant, cocktail lounge, cleaning and laundry service, banquet and catering facilities, meeting rooms, gift shop, spa, resort retail, magazine stand, barber or beauty shop, travel agency, airline ticket office, automobile rental operation, and recreational facilities shall also be permitted.

Not by way of limitation of the foregoing, the hotel to be operated by Grantee on the Property shall be operated as a "first-class hotel." As used herein, the term "first-class hotel"

shall mean that, subject to any limitations imposed by the physical structure and configuration of the improvements on the Property as initially constructed or changed or altered as permitted by the City of Huntington Beach, the improvements on the Property shall be maintained and the hotel shall be operated in a manner at least comparable to the standard of quality for full service hotels operated and maintained from time to time by any of the following hotel companies: Hilton, Sheraton, Marriott, Hyatt, or any subsidiaries thereof. The designation "first-class" is intended to reflect the highest standard of hotel operation other than deluxe, luxury, or resort hotels. It is recognized that not all services and facilities available in one first-class hotel will necessarily be provided by all first-class hotels, but that the composite of service and facilities provided by each first-class hotel will cause the same to be deemed to constitute a first-class hotel. The City of Huntington Beach and/or Grantee may request additions or deletions to such list, subject to the reasonable approval of the other; provided, however, in no event shall there be fewer than four (4) hotel companies on such list at any one time.

2. Obligation to Refrain from Discrimination. There shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, creed, religion, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, and Grantee itself or any person claiming under or through it shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property.

3. Form of Nondiscrimination and Non-segregation Clauses. Grantee shall refrain from restricting the rental, sale, or lease of the Property, or any portion thereof, on the basis of sex, marital status, race, color, creed, religion, ancestry, or national origin of any person. All such deeds, leases, or contracts pertaining to the foregoing matters shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

a. In deeds: "The grantee herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, marital status, race, color, creed, religion, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, and this lease is made and accepted upon and subject to the following conditions:
That there shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, creed, religion, national origin, or ancestry, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or

practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of sex, marital status, race, color, creed, religion, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land."

4. All conditions, covenants and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by the Grantor, its successors and assigns, and the City and its successors and assigns, against the Grantee, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

5. The conditions contained in paragraph (1) of this Grant Deed shall terminate and become null and void thirty (30) years from the date of this Grant Deed. The conditions contained in paragraphs (2) and (3) of this Grant Deed shall remain in effect in perpetuity.

6. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that the Grantor and City shall each be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor and City, and such covenants shall run in favor of the Grantor and City for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor or the City is or remains an owner of any land or interest therein to which such covenants relate. The Grantor and the City shall each have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

7. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security; provided, however, that any subsequent owner of the Property shall be bound by the covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

8. None of the terms, covenants, agreements or conditions heretofore agreed upon in writing in other instruments between the parties to this Grant Deed with respect to obligations to

be performed, kept or observed by the Grantee or the Grantor in respect to the Property or any part thereof after this conveyance of the Property shall be deemed to be merged with this Grant.

9. The covenants contained in this Grant Deed shall be construed as covenants running with the land.

[signatures on following page]

[remainder of page intentionally left blank]

Grantor:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH

By: _____
Its: Chairperson

ATTEST:

By: _____
Its: Secretary

APPROVED AS TO FORM:

By: _____
Its: General Counsel

Grantee:

THE WATERFRONT HOTEL, LLC

By: Waterfront Development, Inc., a California corporation, its Managing Member

By: _____
Robert L. Mayer, Jr., President

12-16-15
V8

Oversight Board of the Huntington Beach Successor Agency to the Redevelopment Agency

Agenda Item #3

Special Meeting Minutes
City of Huntington Beach Oversight Board of the Successor Agency
of the Former City of Huntington Beach Redevelopment Agency

Tuesday, December 22, 2015
3:30 PM - Room B-8
Civic Center, 2000 Main Street
Huntington Beach, California 92648

3:30 PM – ROOM B-8
CIVIC CENTER, 2000 MAIN STREET
HUNTINGTON BEACH, CA 92648

BOARD MEMBERS: City of Huntington Beach appointee **Councilmember Jill Hardy**; County Board of Supervisors appointees **Lucy Dunn** and **Steve Bone**; Community Colleges Districts appointee **W. Andrew "Andy" Dunn**; Orange County Office of Education appointee **Carrie Delgado**; Former Huntington Beach Redevelopment Agency employee representative **Kellee Fritzal**; Special District – Orange County Sanitation District appointee **Jim Katapodis**

CALLED TO ORDER – 3:55 PM

ROLL CALL

PRESENT: Bone, L. Dunn, Fritzal, Hardy, Katapodis
ABSENT: Delgado, A. Dunn

PLEDGE OF ALLEGIANCE: Led by Mayor Katapodis

SUPPLEMENTAL COMMUNICATIONS: None

PUBLIC COMMENTS: *This is the portion of the meeting for any member of the public to address the Oversight Board on any matter that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss unagendized issues brought forth under Public Comments. Comments should be limited to 3 minutes per person.*
None

BUSINESS:

1. **Election of a Chair and Vice Chair for the Oversight Board and administration of Oath of Office**

   A motion was made by Hardy, second L. Dunn to elect Jim Katapodis as Chair to the Successor Agency to the dissolved Huntington Beach Redevelopment Agency for the 2016 calendar year.

   The motion carried by the following vote:

   AYES: Bone, L. Dunn, Fritzal, Hardy, Katapodis
   NOES: None
   ABSENT: Delgado, A. Dunn

   A motion was made by Katapodis, second L. Dunn to elect Jill Hardy as Vice Chair to the Successor Agency to the dissolved Huntington Beach Redevelopment Agency for the 2016 calendar year.

DRAFT

The motion carried by the following vote:

AYES: Bone, L. Dunn, Fritzal, Hardy, Katapodis
NOES: None
ABSENT: Delgado, A. Dunn

Assistant Secretary Estanislau administered the Oath of Office to Chair Katapodis and Vice Chair Hardy.

2. **Adopted Resolution Nos. 2015-08 and 2015-09 of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach approving Purchase and Sale Agreements for the Hilton/Parcel C Property, 21100 Pacific Coast Highway (APN 024-252-01 and 02) and the Hyatt Property, 21500 Pacific Coast Highway (APN 024-251-01)**

Board Member Bone recused himself from participating in the item due to a potential conflict of interest. Board Member Bone made the announcement and left the meeting room.

Assistant City Manager Ken Domer provided a brief explanation of negotiations that led to the proposed purchase and sale agreements, and was available for questions.

A motion was made by Hardy, second Katapodis to adopt Resolution No. 2015-08, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving a Purchase and Sale Agreement and Escrow Instructions and Directing the Conveyance of Real Property to Waterfront Hotel LLC" (Hilton/Parcel Property APN 024-252-01/02); and, adopt Resolution No. 2015-09, "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Approving a Purchase and Sale Agreement and Escrow Instructions and Directing the Conveyance of Real Property to PCH Beach Resorts LLC" (Hyatt Property, APN 024-251-01).

The motion carried by the following vote:

AYES: L. Dunn, Fritzal, Hardy, Katapodis
NOES: None
RECUSE: Bone
ABSENT: Delgado, A. Dunn

At the conclusion of the above item and vote, Board Member Bone was recalled to the meeting room for the duration of the meeting.

3. **Approved and adopted the minutes of the Oversight Board Special Meeting of September 28, 2015**

A motion was made by L. Dunn, second Bone to approve and adopt the minutes of the Oversight Board Special Meeting of September 28, 2015, as written and on file in the office of the Secretary of the Board.

The motion carried by the following vote:

AYES: Bone, L. Dunn, Fritzal, Hardy, Katapodis
NOES: None
ABSENT: Delgado, A. Dunn

MEMBER REPORTS/ANNOUNCEMENTS: None

ADJOURNMENT: The meeting was adjourned by Chair Katapodis at 4:01 PM**.**
The next Regular Meeting is scheduled for Monday, April 11, 2016, 4:30 PM at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8.

_____
Joan L. Flynn
Secretary of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency

_____
Jim Katapodis
Chair of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency