

## STATE ROUTE 710 SALES PROGRAM PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("**Agreement**") is entered into as of August 7th, 2024 by and between the State of California, Department of Transportation ("**Caltrans**") and the City of Pasadena ("**Purchaser**"), a Municipal Corporation.

### Recitals

- A. Caltrans owns the real property located in Los Angeles County, California commonly known as: 894/894 B Pasadena Avenue, Pasadena, CA 91105 and more particularly described as set forth in Exhibit "A", respectively, attached hereto ("**Property**").
- B. The parties wish to provide terms and conditions for Purchaser's purchase of the Property from Caltrans. The State Route 710 Sales Program described in Government Code section 54235 et seq. (the "**Act**") and Title 21 Public Works Division 2 Department of Transportation, Chapter 9.5 (the "**Regulations**") provide for the offering of State-owned, surplus residential properties to Housing-Related Public Entities at a Reasonable Price pursuant to 21 CCR § 1483, for the purpose of providing affordable housing to low- and moderate-income households. Purchaser and Caltrans acknowledge the Property is subject to the terms of this Agreement, the aforementioned law and regulations, and the Declaration of Covenants, Conditions, and Restrictions (**CC&Rs**), as defined below, to be recorded against the Property upon the close of escrow hereunder.

**NOW, THEREFORE**, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### SECTION 1. PURCHASE AND SALE

**1.01 Purchase and Sale.** Caltrans shall sell the Property to Purchaser, and Purchaser shall purchase the Property from Caltrans pursuant to the terms, limitations and conditions stated in this Agreement in accordance with the Act, the Regulations and other applicable laws, rules, and regulations (collectively, "**Applicable Laws**").

**1.02 Conditions Precedent to Effectiveness.** This Agreement shall not become effective unless and until all the following conditions precedent are satisfied on or before the sixtieth (60) calendar day from the date Caltrans' sends this Agreement to Purchaser:

- A. Purchaser shall have: (1) executed and returned two original executed counterparts of this Agreement via certified mail, return receipt requested, to Caltrans and sent a copy thereof to the Escrow Holder, and (2) deposited with Escrow Holder the entire Down Payment contemplated by Section 2.02(A) below;

- B. Caltrans thereafter executes this Agreement and delivers a fully executed copy hereof to Escrow Holder; and

A failure of any such conditions to timely occur shall, without further notice or action, result in the full and immediate termination of any offer, obligation, liability or agreement of Caltrans to or with Purchaser or any other person with respect to the Property, whether hereunder or otherwise, immediately upon the expiration of such 60-day period, and Caltrans shall thereafter be free to offer, market and sell the Property to other persons, or otherwise dispose of the same, as Caltrans may, in its sole and absolute discretion determine.

**1.03 Information/Prior Due Diligence.** Purchaser hereby expressly acknowledges and agrees:

- A. that it is a sophisticated real estate purchaser and/or investor;
- B. that it is fully familiar with and understands the Applicable Laws and the CC&Rs, and the risks and obligations associated therewith and imposed on Purchaser and on the Property thereby, including the purchase thereof under this Agreement, and has had the same explained to it by its independent legal counsel and other advisors;
- C. that during the Inspection Period permitted under this Agreement: (A) Purchaser will have full access to the Property and all documents, data, reports and information related thereto requested by Purchaser, and will have the opportunity to undertake and perform any and all additional due diligence, investigation, surveys, reports and studies, with respect thereto, including without limitation the current and past physical and environmental condition of the Property, the condition of title thereto, the compliance thereof with any applicable building codes, permits, approvals, agreements or encumbrances affecting the same (including Applicable Laws), the value thereof, the use, operation, management or occupancy thereof and/or the suitability for Purchaser's intended use thereof, and all other matters referenced in Section 9 below, and (B) Purchaser has obtained any and all financing commitments necessary or desirable to purchase, repair and/or rehabilitate the Property; and
- D. that with the aid of such independent experts, contractors, consultants, advisors and professionals (including independent legal counsel and accountants) that it deems necessary, appropriate or desirable, Purchaser will, prior to the Closing Date hereof, evaluate and assess the Property and conduct such independent inquiry, feasibility investigation, inspections and due diligence with respect thereto as Purchaser and/or its advisors deem necessary, advisable or desirable, and will fully and unconditionally approve of and satisfy itself as to the same. As a result, there shall be no further access to the Property except as set forth in this Agreement and no further feasibility, inspection or similar rights or contingencies with respect to the purchase of the Property.
- E. Notwithstanding anything herein to the contrary, until the date that is sixty (60)

days after the execution of this Agreement by both parties (Inspection Period), upon reasonable notice but without any contingencies hereunder, Purchaser may access the Property and conduct non-invasive inspection, investigations, tests, observations, inquiries and studies as Purchaser deems appropriate. Purchaser shall promptly pay all expenses arising out of such inspections and other work on or about the Property prior to the Closing Date and shall not allow any mechanic's or materialmen's liens to be recorded on the Property (or promptly cause to be removed or bonded over any such liens if recorded on the Property). Purchaser shall promptly repair any damage to the Property caused by Purchaser's investigations. Purchaser shall coordinate with Caltrans any entry on the Property, execute a waiver and indemnity in the form customarily required by Caltrans prior to entry on Caltrans' property and follow applicable health and safety protocols as reasonably required by Caltrans. Following such period, upon Caltrans' reasonable consent and conditions, Purchaser may obtain access to the Property for a limited number of entries.

- F. Purchaser shall promptly notify Caltrans during the Inspection Period of any matters discovered in its review of the Property that would cause Purchaser to terminate this Agreement. If within ten days of such notice, Caltrans notifies Purchaser in writing that it will cure such matters, then Caltrans shall have the opportunity to cure such matters fourteen (14) days prior to the Closing Date. Purchaser has the right to terminate if Caltrans does not agree to cure or if the cure is not completed fourteen (14) (days) prior to the Closing Date. Purchaser has a right to inspect the Property to determine that the discoveries have been cured to its satisfaction. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

## **SECTION 2. PURCHASE PRICE**

**2.01 Purchase Price.** The purchase price for the Property shall be **Twenty-Six Thousand Eight Hundred and Eighty Dollars (\$26,880.00)** (the "**Purchase Price**").

**2.02 Payment.** The Purchase Price shall be paid by Purchaser in cash, lawful money of the United States as set forth below, time being of the essence thereof:

- A. **Deposit.** Immediately upon the execution of this Agreement, Purchaser shall deposit with Escrow Holder the sum of **One Thousand Dollars (\$1,000.00)** (the "**Deposit**") in the form of a cashier's check, wire transfer or other immediately available funds. The entire Deposit shall be applicable to the Purchase Price, without interest, shall be non-refundable except as may be expressly set forth in this Agreement, and shall constitute liquidated damages to Caltrans in the event of Purchaser's default in acquiring the Property. Time is of the essence in making the Deposit into escrow, and as provided above is a condition precedent to the effectiveness of this Agreement.
- B. **Cash at Close.** One (1) day prior to the close of Escrow (or by 1:00 p.m. of the

close of escrow for funds delivered by wire transfer) the Purchaser shall deposit the balance of the Purchase Price in the amount of **Twenty-Five Thousand Eight Hundred and Eighty Dollars (\$25,880.00)** (the "**Cash Balance**") with Escrow Holder in the form of a cashier's check, wire transfer or other immediately available funds for delivery to Caltrans upon close of escrow hereunder.

**2.03 Acknowledgement.** [Deleted.]

**2.04 No Seller Financing.** Purchaser acknowledges this Agreement is not a financing agreement and neither Caltrans nor any other governmental agency or department has at any time made any representations, warranties, promises or undertakings, express or implied, to provide any financing or other assistance with respect to all or any portion of the Purchase Price or any other obligations of Purchaser hereunder or with respect to the Property, or with respect to any repair, rehabilitation, updating or other activity contemplated by Purchaser with respect thereto. Purchaser has performed all due diligence regarding obtaining funding and/or financing with respect to the Property, including the purchase thereof hereunder, as provided in Section 1.03 above, and has satisfied itself as to the same.

**2.05 Change in Financial Condition.** If either: (i) Purchaser ultimately fails to secure funds for the Purchase Price in the timeframe specified herein, or (ii) the financial condition of the Purchaser changes prior to Close of Escrow so that it is unable to purchase the Property, then in either such event Purchaser shall be in default under this Agreement and Caltrans shall be entitled to exercise its rights and remedies pursuant to Section 12.02 below.

**2.06 Bonds, Taxes and Assessments.** Subject to the specific proration provisions set forth in Section 3.05 below, all real property taxes, supplemental taxes, special taxes, bonds and/ or assessments which are liens on or levied with respect to the Property shall be assumed by Purchaser at close of escrow without reduction of or adjustment to the Purchase Price.

**SECTION 3. ESCROW**

**3.01 Opening.** The purchase and sale of the Property shall be consummated by means of Escrow No \_\_\_\_\_ (a single escrow) which has been opened with \_\_\_\_\_ Title Company, \_\_\_\_\_, Suite \_\_\_\_\_, \_\_\_\_\_, CA \_\_\_\_\_ Attn: \_\_\_\_\_ Escrow Officer, email: \_\_\_\_\_, Phone: (\_\_\_\_) \_\_\_\_-\_\_\_\_, Fax (\_\_\_\_) \_\_\_\_-\_\_\_\_ ("**Title Company**" or "**Escrow Holder**").

**3.02 Closing.** The closing shall occur upon the recording of the Director's Deed for the Property, and shall occur when the conditions set forth in Article 5 below have all been satisfied or waived, but in no event later than **5: 00 pm \_\_\_\_\_, 2023** [the one hundred twentieth (120th) calendar day after the full execution of this Agreement]; provided, however, Caltrans shall, upon receipt of written request prior to such date,

grant a one-time thirty (30) calendar day extension to close escrow, (such date, as may be extended, being the “**Closing Date**”).

If at any time prior to the Closing Date, the Property becomes occupied, whether legally or illegally, Caltrans shall notify the Purchaser and Purchaser shall have 30 days to decide whether to proceed with the purchase of the Property. If the 30 days falls outside the Closing Date, the Closing Date shall be extended 10 days past the 30-day expiration. If Purchaser declines to proceed with the purchase of the Property due to the legal or illegal occupation of the Property, this Agreement shall terminate pursuant to the terms hereof. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.

**3.03 Instructions.** This Agreement shall to the extent applicable, also act as escrow instructions. The parties agree to execute any additional escrow instructions required by the Escrow Holder provided the same shall be consistent with the terms of this Agreement and shall provide that as between the parties, in the event there are any inconsistencies between such supplemental instructions and this Agreement, the terms of this Agreement shall prevail. Escrow Holder is hereby designated the “real estate reporting person” for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended, and Treasury Reg. 1.6045-4, and any instructions or settlement statements prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing any Form 1099-S with the Internal Revenue Service.

**3.04 Costs.** Charges and expenses incurred in connection with the closing hereunder shall be borne by the parties as follows:

- A. Purchaser shall pay all: (A) escrow fees, (B) recording fees, (C) transfer taxes, (D) title insurance premiums and fees (whether for ALTA or CLTA coverage), endorsement coverage and survey costs, and (E) any other real estate transaction fees involved in this transaction;
- B. If applicable, Purchaser shall pay for and obtain any city/county required inspections and/or occupancy permits, whether required for closing the sale/escrow transaction or not. Caltrans shall provide Purchaser access to the Property as necessary to comply with this provision; and
- C. Each party shall bear their own legal, tax and professional fees and costs.

**3.05 Prorations.** All real property taxes, special taxes, assessments, bonds, and all other similar charges imposed or levied upon the Property by any governmental agency or special district, organization or body and any other obligations related to the Property shall be prorated at close as of the Closing Date. With respect to any prorations based upon an estimation, if and when the tax, assessment or other charge related thereto is segregated by the appropriate agency or other persons, within fifteen (15) days thereof,

the parties shall adjust said prorations, as necessary, based on such final segregation and pay any such adjustment to the appropriate party. The provisions of this Section 3.05 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs hereunder.

**3.06 Escrow Deposits.** On or before the Closing Date, the parties shall make the following deposits into Escrow:

A. **By Caltrans.** At least one (1) business day prior to such closing, Caltrans shall deposit the following documents with Escrow Holder:

(i) an original **Director's Deed** for the Property duly executed by Caltrans and properly acknowledged and otherwise in recordable form, to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close;

(ii) a counterpart original of the **CC&Rs** for the Property duly executed by Caltrans, and the Monitoring Entity properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for the Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) such Non-Foreign Affidavits pursuant to Sections 1445 and/or 7701 of the Internal Revenue Code, as amended, and such California Form 590s pursuant to applicable sections of the California Revenue and Taxation Code, as necessary to comply with such laws and close escrow hereunder, each in form and content reasonably satisfactory to Purchaser and Caltrans;

(iv) such other agreements or documents reasonably necessary from Caltrans to close escrow as may be expressly provided for herein.

B. **By Purchaser.** At least one (1) business day prior to such closing, Purchaser shall deposit the following funds and documents with Escrow Holder:

(i) the **Cash Balance** as provided in Subsection 2.02(b) above;

(ii) a counterpart original of the **CC&Rs** for the Property executed by Purchaser, properly acknowledged and otherwise in recordable form to be recorded in the Official Records of Los Angeles County, California against the Property described therein at close immediately following the recordation of the Director's Deed for such Property and prior to any financing obtained by Purchaser and to any other encumbrances or agreements being recorded at close with respect to such Property;

(iii) all other sums due from Purchaser as provided herein, including without limitation Purchaser's share of closing costs under Section 3.04 above, in the form of wire transfer or other immediately available funds; to the extent Purchaser is an entity, certified copies of Purchaser's organizational documents and/or other entity resolutions or other authorizing documents authorizing the execution and delivery of this Agreement and the other documents and agreements contemplated herein, the consummation of all transactions contemplated hereby, and authorizing those persons signing on behalf of Purchaser to bind Purchaser; and

(iv) such other agreements, documents, or funds reasonably necessary from Purchaser to close escrow as provided for herein.

**3.07 Cancelling Escrow.** Caltrans may unilaterally cancel escrow if Purchaser fails to comply with Section 3.06(b) and/or Purchaser defaults after opening escrow but before close of escrow and such failure to comply or default is not remedied or cured within three (3) business days of Caltrans providing notice to Purchaser of such failure or default.

#### **SECTION 4. AGREEMENTS**

**4.01 California Transportation Commission Approval and Governing Body Approval.** Purchaser understands and agrees that Caltrans' obligation to sell and convey the Property to Purchaser hereunder is subject to Caltrans first obtaining the written approval of the California Transportation Commission ("**CTC**") to this Agreement and the sale of the Property hereunder prior to the Closing Date (the "**CTC Approval**"). In the event the CTC fails to approve the sale, all monies deposited into escrow hereunder by Purchaser will be refunded without interest. Caltrans makes no representations, assurances, or warranties, express or implied, concerning the CTC's timely or ultimate approval of this sale.

If applicable, Caltrans understands and agrees that, despite any provision in this Agreement to the contrary, Purchaser's obligation to purchase and accept the Property from Caltrans hereunder is subject to Purchaser first obtaining the written approval of its governing body to this Agreement and the purchase of the Property hereunder prior to the Closing Date. In the event the governing body fails to approve the sale, all monies deposited into escrow hereunder by Purchaser shall be refunded without interest. Purchaser makes no representations, assurances, or warranties, express or implied, concerning the timely or ultimate approval of this sale by its governing body.

**4.02 Leases.** [Deleted.]

**4.03 Covenants, Conditions and Restrictions.** Purchaser acknowledges the purchase of the Property shall be subject to a declaration of covenants, conditions, and restrictions

as required by Government Code section 54235 et seq. and the Regulations and agrees that Purchaser and its successors in interest shall be bound by the same. Therefore, prior to close, the parties hereto shall execute a Declaration of Covenants, Conditions and Restrictions agreement in substantially the form of **Exhibit "C"** attached hereto (the "**CC&Rs**") with respect to the Property, which shall, among other things impose certain ongoing restrictions on the use and occupancy of such Property, as well as imposing various limitations on the subsequent resale of such Property both as to whom it may be sold and the amount of equity or other compensation the Purchaser is entitled to retain upon such subsequent transfer. The CC&Rs shall be recorded immediately following the recordation of the Director's Deed for such Property and shall not be subordinated to any financing obtained by Purchaser with respect to such Property or any other agreements recorded against or otherwise first affecting the Property at close of escrow, except as authorized by the CC&Rs. After recordation, the original recorded CC&Rs for the Property shall be returned (mailed) by the Recorder's Office directly to Caltrans, who shall retain possession thereof. The CC&Rs shall constitute covenants and equitable servitudes that run with the land and shall bind Purchaser and all subsequent owners, lessees, occupants, lenders, encumbrancers, and others holding any interest in, lien on or claim to the Property. Purchaser agrees not to challenge or attempt to terminate, limit, or otherwise alter or amend the CC&Rs. The agreements of Purchaser under this Section 4.03 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs hereunder.

**4.04 Title.**

- A. **Generally.** Purchaser understands and agrees that the right, title, and interest in the Property to be conveyed hereunder shall not exceed that currently vested in Caltrans (after taking into account any and all rights that may be reserved by Caltrans pursuant to the Director's Deed, the CC&Rs or any other agreement contained in or contemplated by this Agreement related to such Property), and that Caltrans will furnish no policy of title insurance with respect to the sale of the Property hereunder. If a policy of title insurance, endorsement or survey coverage is desired, Purchaser may obtain the same at Purchaser's sole expense, provided, however, in no event or circumstance shall obtaining any such title, endorsement or survey coverage) constitute any basis for extending the Closing Date contemplated hereunder. No later than ten business days prior to the expiration of the Inspection Period, Purchaser shall notify Caltrans in writing of its objection to any matter in the preliminary title report or on a survey. Caltrans shall have five business days to notify Purchaser of its election to cure the matter or not, and the absence of any notice shall be deemed an election not to cure the matter. Purchaser shall have the right to terminate this Agreement prior to the expiration of the Inspection Period if Caltrans does not agree to cure such matter, or if Caltrans agrees to but fails to cure the matter on or prior to Closing, then Purchaser shall have the right to terminate at such time. Upon any such termination, Escrow Holder shall remit the deposit to Purchaser.
- B. **Permitted Encumbrances.** At close of escrow hereunder the Property shall be conveyed to Purchaser by a Director's Deed in substantially the form of **Exhibit "A"** hereto (a "**Director's Deed**"), with title to the Property being subject to all of the following exceptions and matters (collectively, the "**Permitted Exceptions**"): (1)

a lien to secure payment of real estate taxes, supplemental taxes, and special taxes, bonds and assessments; (2) any reservations or limitations contained in the Director's Deed or any prior deed(s) relating to the Property; (3) the CC&Rs; (4) all title exceptions and other matters shown in the preliminary report for such Property other than any items Caltrans has agreed to cure; (5) any and all other matters apparent from a physical inspection thereof and/or that might be revealed by a survey other than any items Caltrans has agreed to cure; and (6) all other matters created by or with the consent or knowledge of Purchaser, or otherwise disclosed or contemplated in this Agreement. Caltrans shall not have, and does not assume, any liability or obligation whatsoever for any encumbrances or other title matters affecting the Property, or the amendment, removal, or other disposition thereof, provided, however, Caltrans agrees not to encumber the Property or enter into any leases, licenses, and other occupancy agreements with respect to the Property ("Leases") during the Escrow Period without the consent of Purchaser.

**4.05 Operation during Escrow Period.** During the period commencing with the effectiveness of this Agreement until the close of escrow hereunder or termination of this Agreement, Caltrans will continue to operate the Property in substantially the same manner as operated as of the date of this Agreement and will not do, cause, or allow anything to be done with respect to the Property that would materially change, alter or modify the current operation of the Property as a vacant property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, Caltrans shall not under any circumstances be responsible for or have any obligation or liability with respect to any such change, alteration or modification to the extent the same is caused by any tenant or occupant of a Property or any other person without Caltrans' consent or knowledge, or to the extent the same is otherwise beyond Caltrans' reasonable control. Additionally, notwithstanding the foregoing, Caltrans shall be entitled, at its election and without notice to or obtaining the consent of Purchaser, to take any and all actions and make any and all decisions with respect to the Property as Caltrans deems necessary or desirable, in its sole and absolute discretion, in addressing any emergency relating to the Property or the safety of any occupant thereof, making a Property compliant with applicable laws, and/or keeping and maintaining a Property in a safe and habitable condition.

**4.06 Purchaser's Agreements.** With respect to the period prior to the close of escrow Purchaser acknowledges and agrees as follows:

- A. **No Changes.** Purchaser shall have no right to take any action with respect to the Property, including, without limitation changing, renewing or terminating any zoning designations, permits, approvals, certificates or other entitlements related thereto (or applying for any such new matters), giving any notices with respect to or otherwise amending or terminating any Leases related thereto, or making or undertaking any repairs, alterations or additions to the Property and/or any improvements located thereon, in each case without the prior written consent of Caltrans, which may be conditioned or withheld in Caltrans' sole and absolute discretion.

- B. **Restrictions.** Purchaser shall not use or take any actions, or permit or suffer its agents, employees, contractors or consultants (collectively, “Agents”) to use or take actions, with respect to the Property in a manner which would in any way: (i) interfere with any activities thereon, or the use or occupancy thereof; (ii) constitute a nuisance or result in waste; (iii) result in the cancellation of any insurance being maintained by or on behalf of Caltrans or any tenants, in the increase in the premiums for any such insurance or in the increase of any of Caltrans’ other costs; or (iv) damage any improvements or personalty located thereon.
- C. **Compliance with Laws Generally.** Purchaser and its Agents shall not enter any Property, nor shall they take any action with respect thereto (or permit or suffer anything to be done in, on or about the Property) which will in any manner violate any title conditions, maps, entitlements, permits, consents, agreements, Leases or any laws, ordinances, governmental rules or regulations now or hereafter in effect with respect thereto and/or the conduct of any activities thereon by Caltrans or any occupants.
- D. **Liens.** Purchaser shall at all times keep the Property and Caltrans free from any liens and claims arising out of any and all actions taken, work and labor performed, materials or services furnished and/or damages or personal injuries caused by or on behalf of Purchaser in connection with any activity of Purchaser and/or its Agents with respect to the Property, whether occurring prior to or after the date hereof. Caltrans may require Purchaser to post, at Purchaser’s sole cost and expense, a lien release bond or other undertaking, statutory or otherwise, in such amount as necessary to properly bond around any claim filed against Caltrans and/or the Property with respect to such activities (occurring prior to the close of escrow) of Purchaser or its Agents. The bonding obligations of Purchaser under this Subsection 4.06(d) shall be absolute and unconditional and shall survive the close of escrow and the delivery and recordation of the Director’s Deed and CC&Rs hereunder and/or the expiration, revocation, or termination of this Agreement.
- E. **Compliance with the Act & Regulations.** Purchaser shall at all times comply with the requirements of the Act and the Regulations.

## **SECTION 5. CONDITIONS TO CLOSE**

**5.01 Conditions to Purchaser’s Obligation to Close.** The matters set forth in this Section 5.01 are conditions precedent to the close of escrow by Purchaser as contemplated in this Agreement, and the same may be declared satisfied or waived by Purchaser. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Purchaser shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

- A. **Title.** At closing, the Property shall be conveyed to the Purchaser pursuant to a Director's Deed subject to all the Permitted Exceptions applicable to such Property as contemplated by Section 4.04 hereof.
- B. **CTC Approval and Governing Body Approval.** By the Closing Date, the CTC Approval shall and any governing body approval (if applicable) have been unconditionally obtained as contemplated by Section 4.01 hereof.
- C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(a) above shall have all been made by Caltrans, and the Escrow Holder shall be irrevocably committed to record the Director's Deed in the Official Records of Los Angeles County, California.
- D. **Representations/Covenants.** At close: (i) all the representations of Caltrans contained in this Agreement shall be materially true and correct, and (ii) Caltrans shall have materially complied with its covenants contained in this Agreement.

**5.02 Conditions to Caltrans' Obligation to Close.** The matters set forth in this Section 5.02 are conditions precedent to the close of escrow by Caltrans as contemplated in this Agreement, and the same may be declared satisfied or waived by Caltrans. In the event any such condition fails to be satisfied in accordance with the terms hereof through no fault of either party, Caltrans shall have the option of either: (i) waiving such condition and proceeding to close without adjustment of the Purchase Price or any of the other terms of this Agreement, or (ii) terminating this Agreement, in which case the Deposit shall be refunded to Purchaser without interest, and neither party shall have any further rights, liabilities or obligations hereunder except paying their respective share of escrow costs incurred up to such date and observing those obligations expressly stated herein as surviving the termination of this Agreement.

- A. **Balance of Purchase Price.** By the Closing Date, Purchaser shall have deposited the entire Cash Balance of the Purchase Price with Escrow Holder as provided in Section 2.02(b) hereof.
- B. **CTC Approval.** By the Closing Date, the CTC Approval shall have been unconditionally obtained as contemplated by Section 4.01 hereof.
- C. **Documents and Funds.** By the Closing Date, the escrow deposits referenced in Section 3.06(b) above shall have all been made by Purchaser and Escrow Holder shall be irrevocably committed to:
  - (i) disburse the Cash Balance to Caltrans,
  - (ii) record the Director's Deed, and CC&Rs immediately thereafter as contemplated herein, in the Official Records of Los Angeles County, California, and
  - (iii) deliver to Caltrans a fully executed counterpart original any other appropriate documents as contemplated by Section 3.06(b).
- D. **Representations/Covenants.** At close: (i) all the representations of Purchaser contained in this Agreement shall be materially true and correct, and (ii) Purchaser

shall have materially complied with its covenants contained in this Agreement.

## **SECTION 6. POSSESSION**

Possession of the Property shall be delivered to Purchaser on the Closing Date subject to the Permitted Exceptions applicable to the Property.

## **SECTION 7. BROKERS**

**7.01 Caltrans.** Caltrans has retained **Veterans Realty Group** to act as a Consultant in connection with the sale of the Property hereunder, and any compensation due to **Veterans Realty Group** in connection with the transactions contemplated by this Agreement shall be paid by Caltrans.

**7.02 No Other Brokers.** Except for Caltrans' retention of **Veterans Realty Group** above, each party hereby represents and warrants to the other party that no broker, finder, real estate agent or other person has been retained by it or is entitled to any commission, finder's fee or other compensation resulting from any action on its part with respect to the sale of the Property to Purchaser. Purchaser and Caltrans each agree to indemnify, defend, and hold the other and the Property harmless from and against any real estate brokerage commissions or finder's fees, and all costs and expenses (including attorneys' fees and costs) of investigating and defending any such claims, payable or alleged to be payable to any other persons in connection with this Agreement which such indemnifying party may have engaged or is claimed or alleged to have engaged. This section does not prohibit Purchaser from obtaining a broker at his/her own expense. The representations, warranties, indemnification, and other obligations set forth in this Section 7.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs and/or the expiration, revocation, or termination of this Agreement.

## **SECTION 8. REPRESENTATIONS & WARRANTIES**

**8.01 By Caltrans.** Caltrans hereby makes the following representations and warranties to Purchaser:

- A. Authority. Subject to obtaining the CTC Approval, Caltrans has all requisite power and authority to enter into, deliver and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and all other agreements contemplated herein on behalf of Caltrans have been properly authorized to sign on behalf of and bind Caltrans in connection with performing the transactions contemplated herein.
- B. Binding. Subject to obtaining the CTC Approval, this Agreement and all documents to be executed by Caltrans as provided herein, as of the date of execution shall, subject to the operation of any bankruptcy or similar laws, be the legal, valid and binding obligations of Caltrans.
- C. Information. Except as otherwise set forth in this Agreement, Caltrans has no actual

or constructive knowledge of any information affecting the Property that had, has or would have a material effect on Purchaser's ability to use and operate the Property as contemplated by Purchaser. Caltrans has provided to Purchaser all material and factual information requested by the Purchaser and/or as required by law concerning the Property that is in Caltrans' possession, custody and control.

- D. Compliance with the Act and Regulations: Caltrans conduct in this sales transaction has been in compliance with the Act and corresponding Regulations.
- E. Claims. There is no claim, action, suit, arbitration, proceeding (including condemnation proceedings) or any investigation by or before any court or arbitration body, any governmental, administrative or regulatory authority, or any other body pending or, to Caltrans's knowledge, threatened with respect to the Property (collectively, "Allegations"). Caltrans is not aware of any basis or reason for any such Allegations. There is no order, judgment or decree of any court or arbitration body, any governmental, administrative or regulatory authority, or any other body, against Caltrans with respect to the Property or the sales transaction contemplated by this Agreement.
- F. No Violation. Neither the execution and delivery of this Agreement, nor the performance by Caltrans of the sales transaction contemplated hereby, will contravene, conflict with, or result in a breach of any agreement, law, regulation, writ, injunction or decree of any court or governmental authority applicable to Caltrans or by which any of its properties is bound. Except for CTC Approval, Caltrans is not required to obtain any consent or authorization in order to complete the sales transaction contemplated by this Agreement.
- G. Right to Purchase. Except pursuant to this Agreement, no third party has an option, right of first offer, right of first refusal, or other similar right to purchase the Property that currently remains in effect.
- H. Environmental Matters. As requested by Purchaser and/or mandated by law, Caltrans has provided or made available for review copies of any material documents in its possession, custody and control of Caltrans regarding environmental condition of the Property ("Environmental Materials"). Except as set forth in the Environmental Materials, Caltrans is not aware of the existence of any Hazardous Substances (defined in Section 10 below) attributable to or affecting the Property. There have been no settlements reached by or with any third parties alleging the presence, disposal, release or threatened release of any Hazardous Substances from the use or operation of the Property.
- I. Leases. The Property is not subject to any Leases, tenancy and/or similar agreements conferring any right, title or interest in the Property to a third party.
- J. Contracts. Other than as disclosed in the title reports provided by the Title Company and this Agreement, there are no agreements affecting the Property.

Each of the representations made by Caltrans in this Agreement shall be true and correct on the date hereof, and shall be deemed to be made again as of the close of escrow provided for herein, and shall then be true and correct in all

material respects. Caltrans shall promptly provide written notice to Purchaser of any developments or information that would make the representations set forth above untrue. The representations and warranties set forth in this Section 8.01 shall expressly survive the close of escrow as described in Section 13.12 below.

**8.02 By Purchaser.** Purchaser and the specific parties signing this Agreement on behalf of Purchaser hereby makes the following representations and warranties to Caltrans:

- A. Organization. Purchaser is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of California which has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.
- B. Authority. Subject to obtaining governing body approval, Purchaser has all requisite power and authority to enter into, deliver, and perform this Agreement and all the other agreements contemplated herein and to be executed in connection herewith, and the person(s) executing this Agreement and the other agreements contemplated herein on behalf of Purchaser have been properly authorized to sign on behalf of and bind Purchaser in connection with performing the transactions contemplated herein.
- C. Binding. This Agreement and all documents to be executed by Purchaser as contemplated hereunder shall, subject to the operation of any applicable bankruptcy or similar laws, be the legal, valid and binding obligations of Purchaser, and shall not materially violate any law, agreement, order or decree to which Purchaser is a party or is subject.
- D. Litigation. There are no pending or threatened, suits or actions affecting Purchaser which would materially affect Purchaser's ability to enter into or perform its obligations under this Agreement or the documents executed in connection herewith.
- E. Information / Compliance. All applications, information, financial statements, and other materials provided by Purchaser or its Agents to Caltrans pursuant to or in connection with the Act, the Regulations and or this Agreement are true, correct and not materially misleading; and Purchaser is in compliance with the Act and the Regulations as relates to the Property and the purchase thereof under this Agreement.
- F. No Bankruptcy. Purchaser is not the subject of any pending or threatened bankruptcy proceedings, whether voluntary or involuntary.

Each of the representations and warranties made by Purchaser in this Agreement, or on any document or instrument delivered pursuant hereto shall be true and correct on the date hereof, and shall be deemed to be made again as of close of escrow provided for herein, and shall then be true and correct in all material respects. The representations and warranties of Purchaser contained in this Section 8.02 shall survive the close of escrow and the delivery and recordation of the Director's Deed and CC&Rs.

## **SECTION 9. "AS-IS", WAIVERS AND RELEASE**

Purchaser acknowledges and agrees that, except as set forth in this Agreement, neither Caltrans nor any of its respective employees, agents, managers, members, partners, officers, interest holders, attorneys, contractors or consultants, including without limitation the California Department of Housing and Community Development ("**HCD**"), (Caltrans and such other persons being collectively, the "**Seller Parties**") have made or are making, and specifically negate and disclaim making, any representations, warranties, guaranties, promises, covenants or assurances of any kind or character, whether express, implied, written, oral, past, present or future concerning or with respect to the Property, or the condition or status thereof, including without limitation, the suitability for any purpose or the profitability of owning and operating the Property; the value thereof; the existence or non-existence of any patent or latent defects affecting the same; the physical or environmental condition or status thereof (including without limitation the existence of any mold, lead paint, radon gas or other environmental health hazards); the rental or other income generated thereby; the expenses or costs associated therewith; the size and square footage of the parcel or the improvements located thereon, the age or condition of the such improvements, or the location of property lines or setbacks (or the location of the improvements with respect thereto); the zoning thereof; the condition of title thereto; the existence, necessity or satisfaction of any local, state or federal approvals, permits or certificates for the entitlement, ownership, operation, use or occupancy thereof as contemplated by Purchaser or any tenants, occupants or any future owners thereof; the feasibility of or cost associated with obtaining any such approvals; the compliance of the Property with any and all applicable local, state or federal laws, codes and ordinances; or any other matter.

Purchaser further acknowledges that Purchaser, with the help of its independent experts, contractors, consultants, professionals (including independent legal counsel and accountants), and advisors, prior to the Closing Date, will conduct its independent feasibility, investigation, and due diligence inquiry as described in Section 1.03 above with respect to the Property and will fully satisfy itself as to all matters relating thereto. Except for the representations and warranties of Caltrans set forth in this Agreement, Purchaser is relying solely and exclusively on such independent due diligence in executing this Agreement and purchasing the Property hereunder, and not on any representations, warranties, guaranties, promises, covenants or assurances of any kind or character by Caltrans or any other Seller Parties; and the Property is being purchased "**AS-IS**" / "**WHERE-IS**" at close in its present condition with all defects and faults, both patent and latent, whether known or unknown, presently existing or that may hereafter arise.

Effective on the Closing Date, Purchaser hereby fully and expressly releases Caltrans, HCD and all of the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns from any and all demands, claims, liabilities, amounts, actions, costs, judgments, expenses and damages (including, without limitation, attorneys' fees, witness fees and court costs) related to or arising from the Property, or the condition or status of thereof or any other matter relating thereto, including without

limitation the matters referenced in the first paragraph of this Section 9, (collectively, the **"Released Matters"**); and Purchaser hereby covenants not to sue, and hereby fully and expressly waives and relinquishes any and all rights and remedies Purchaser may have against, Caltrans, HCD and the other Seller Parties and their respective agents, employees, attorneys, consultants, successors and assigns, or any of them, at law, in equity or otherwise, related to or arising from the Released Matters. However, nothing contained herein shall release or be deemed to release Caltrans from claims arising from its fraud or a breach of any representation or warranty by Caltrans contained in this Agreement (the "Preserved Matters"). Preserved Matters shall not be considered Released Matters. Purchaser acknowledges and agrees that the release, waiver and discharge given by Purchaser hereunder to Caltrans, HCD and the other released parties extends to all Released Matters described above, whether known or unknown, foreseen or unforeseen, patent or latent, which Purchaser may now or hereafter have against Caltrans, HCD or such other persons; and in connection with such release, waiver and discharge, Purchaser hereby expressly waives the benefit of the provisions of California Civil Code Section 1542, which provides as follows:

**"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Purchaser has read this Section 9, has had the effect and content thereof explained to Purchaser by independent legal counsel, and fully understands and appreciates the same. Purchaser understands and acknowledges that, among other things, the consequence of this waiver of California Civil Code section 1542 is that even if Purchaser should eventually discover any claims or suffer any losses or damages arising from the Released Matters, Purchaser would not be able to make any claim against Caltrans, HCD or the other released persons with respect thereto. Purchaser acknowledges that these consequences apply even as to claims, losses or damages resulting from the Released Matters that may exist as of the date of this Agreement or in the future, but which Purchaser does not know exist, or does not anticipate, and which, if known or anticipated, would materially affect Purchaser's decision to execute this Agreement. The waivers, releases, covenants not to sue and discharges contained in this Section 9 are a material portion of the consideration to Caltrans in agreeing to enter into this Agreement and shall survive the close of escrow and the delivery and recordation of Director's Deed and the CC&Rs in perpetuity.

#### **SECTION 10. INDEMNIFICATION**

Following the closing of the transaction contemplated herein, except as provided below, Purchaser shall, at its sole cost and expense, indemnify, defend and hold Caltrans and its

officers, agents, employees, attorneys and consultants, including without limitation, HCD, and their respective successors and assigns (collectively, the **"Indemnified Parties"**), free and harmless from and against any and all liabilities, demands, claims and costs (including remediation, reimbursement or contribution costs or claims), damages, losses, and expenses (including and without limitation to attorneys' fees, legal expenses and court costs, and consultant's fees, and investigation and remediation costs) of whatever kind or nature incurred or suffered by, or threatened against, any Property or any Indemnified Party(ies) resulting from or arising out of or by reason of any matter pertaining to the condition or status of the Property, including without limitation, the existence of any Hazardous Substances or Hazardous Substance Conditions in, on, under or about the Property (collectively, "Claims"). Except as provided below, this indemnity is intended to address any and all liability for which Caltrans may now or at any time hereafter be partially or entirely responsible in connection with the contamination, environmental or physical condition or status of any Property, including the prior operation thereof, due to its mere ownership or operation of such Property. As used in this Agreement, the term **"Hazardous Substance"** shall mean any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to federal, state, or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, including the Comprehensive Environmental Response Compensation and Liability Act or Resource Conservation and Recovery Act as now in effect; and the term **"Hazardous Substance Condition"** shall mean the existence in, on, under or about the Property of a hazardous substance that requires remediation, removal, mitigation and/or other action pursuant to applicable law. This indemnification shall in no event apply to (i) Claims to which Caltrans representations and warranties apply, (ii) any Claims involving Caltrans' willful misconduct, gross negligence or fraud, and (iii) any Claims relating to challenges to Caltrans' acquisition or disposition of the Property.

Purchaser's indemnification and defense of any matters contemplated in this Section 10 for or on behalf of the Property or any Indemnified Parties shall be made by counsel reasonably acceptable to the Indemnified Parties; shall commence immediately upon any such claim or matter being made, threatened, or asserted against Indemnified Parties or the Property without the necessity of the Indemnified Parties first contesting or defending the same, suffering or incurring any loss or adverse disposition, or otherwise taking or failing to take any other action; and shall apply to all such matters regardless of any action, failure or negligence of the Indemnified Parties, it being the express intent that the indemnification, defense and hold harmless obligations of this Section 10 apply to all matters referenced herein except to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. In the event Purchaser refuses to initiate or continue pursuing to completion any such defense or other obligations hereunder, Indemnitee shall be entitled to undertake, assume, and/or conclude the same, all at Purchaser's sole cost and expense, with counsel selected by Indemnitee. The obligations of Purchaser under this Section 10 shall be absolute and unconditional, and shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs.

## **SECTION 11. CASUALTY/CONDEMNATION**

In the event any casualty or condemnation proceeding occurs or is commenced with respect to the Property after the effectiveness hereof but prior to the close of escrow, Caltrans shall notify Purchaser of the same in writing within ten (10) business days after Caltrans has knowledge of the same, and either of the following shall occur:

(A) If Purchaser does not elect to cancel within seven (7) business days after receipt of such notice by Purchaser, the parties shall continue to proceed under this Agreement and close without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the close of escrow, Caltrans shall assign to Purchaser all of its interest in any such insurance or condemnation proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings; or

(B) If Purchaser elects to cancel, and Purchaser provides written notification to Caltrans of its election to terminate this Agreement within such 7-day period, then this Agreement shall terminate, the Deposit shall be returned to Purchaser without interest, and Caltrans shall retain all proceeds, compensation, awards, payments and other benefits or relief related to such casualty and condemnation with respect to the Property.

## **SECTION 12. REMEDIES**

**12.01 Of Purchaser.** If the closing does not occur as a result of Caltrans' default under this Agreement, then, provided Purchaser is not in default hereunder, Purchaser may, at its election proceed with either of the following mutually exclusive alternatives as its sole and exclusive remedy:

- A. Terminate the Agreement, whereupon: (1) the Deposit shall be returned to Purchaser without interest, (2) Purchaser may seek reimbursement from Caltrans of any and all hard third-party costs and expenses incurred by Purchaser in connection the investigation of the Property or the negotiation and execution of this Agreement, as evidenced by invoices delivered to Caltrans, up to the maximum aggregate amount of fifteen thousand Dollars (\$15,000), and (3) neither party shall have any further obligation or liability to the other under this Agreement except for provisions of this Agreement which expressly state that they shall survive the termination of this Agreement; or
- B. File in a court of competent jurisdiction an action for specific performance to cause Caltrans to convey the Property to Purchaser in accordance with the terms and conditions of this Agreement; but Purchaser shall not be entitled to recover any monetary damages (whether compensatory, consequential, exemplary, punitive or other) from Caltrans in connection with such default other than seeking

its reasonable attorneys' fees in connection with such action.

**PURCHASER ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS ON REMEDIES AGAINST CALTRANS SET FORTH IN THIS SECTION 12.01 ARE A MATERIAL INDUCEMENT FOR CALTRANS TO ENTER INTO THIS AGREEMENT, AND PURCHASER AGREES THAT SUCH LIMITATIONS ARE REASONABLE AND ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**12.02 Of Caltrans. LIQUIDATED DAMAGES. PURCHASER AND CALTRANS AGREE THAT SHOULD PURCHASER FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF PURCHASER, THE PARTIES HERETO, BY INITIALING THIS SECTION 12.02 IN THE SPACE PROVIDED BELOW, AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN OR FIX ACTUAL DAMAGES TO CALTRANS AS A RESULT OF SUCH FAILURE OR DEFAULT BY PURCHASER, THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT THE ENTIRE DEPOSIT PROVIDED FOR IN SECTION 2.03(a)(ii) ABOVE IS A REASONABLE ESTIMATE OF CALTRANS' DAMAGES, AND THAT AS CALTRANS' SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF SUCH BREACH, CALTRANS SHALL BE ENTITLED TO: (1) RETAIN SAID DEPOSIT AS LIQUIDATED DAMAGES FOR SUCH BREACH BY PURCHASER AND (2) TERMINATE THIS AGREEMENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CALTRANS PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

**THE PROVISIONS HEREOF RELATE ONLY TO CALTRANS' DAMAGES FOR PURCHASER'S DEFAULTS IN ITS AGREEMENT TO PURCHASE THE PROPERTY AS PROVIDED HEREIN. NOTHING CONTAINED HEREIN SHALL LIMIT OR PRECLUDE, OR BE DEEMED TO LIMIT OR PRECLUDE, THE EXERCISE OR ENFORCEMENT BY CALTRANS OF ANY RIGHTS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT.**

**Purchaser's Initials: \_\_\_\_\_ Caltrans' Initials: \_\_\_\_\_**

**SECTION 13. MISCELLANEOUS**

**13.01 Headings.** This Agreement shall be construed as a whole, and the subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions or define the provisions in the portions of this Agreement to which they pertain.

**13.02 Assignment.** Purchaser may not assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the express prior written consent of Caltrans, which consent may be conditioned or withheld in Caltrans' sole and absolute discretion, except as set forth herein. Purchaser may, without Caltrans' consent, but upon notice to Caltrans and Escrow Holder, assign any or all of its rights in, to or under this

Agreement to an entity or instrumentality that is wholly controlled by Purchaser. No such assignment (regardless of whether consented to by Caltrans) shall relieve or release Purchaser from any of its obligations hereunder. As a condition to the effectiveness of such assignment, all assignees shall execute an assumption agreement reasonably acceptable to Caltrans under which the proposed assignee agrees to fully assume and be bound by all the terms of this Agreement to be observed or performed by Purchaser.

Caltrans shall be free to assign this Agreement, or any portion hereof or any of its rights or interests hereunder, without the consent or approval of Purchaser.

**13.03 Entire Agreement / Amendment.** This Agreement (including all exhibits and schedules hereto and other agreements referenced herein) constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersede all prior written or oral agreements, representations and understandings of the parties relating to the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, relating to the subject matter which are not fully expressed herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties hereto.

This Agreement does not affect the enforceability of other written contracts related to the use and resale of the Property or to preserving the historic nature of the Property.

**13.04 Counterparts.** This Agreement may be executed simultaneously in one or more identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall be fully effective and binding on all parties hereto, as if one or more copies thereof had been executed by all the parties hereto, when all the parties have executed identical counterparts hereof, even though no single counterpart has been executed by all the parties hereto.

**13.05 Binding / Successor & Assigns.** Except to the extent assignment hereof is prohibited, this Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their successors and assigns.

**13.06 Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought by either party involving a dispute between the parties arising out of the interpretation or enforcement of any condition or provision hereof, or by reason of any breach arising hereunder or the sale of the Property, the prevailing party shall be entitled to recover its reasonable attorneys' fees, court costs and expert witness fees incurred in such action or proceeding in addition to any other relief to which such party may be entitled.

**13.07 Further Acts.** Each party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions in this Agreement.

**13.08 Limited Third-Party Beneficiaries.** Subject to the remainder of this Section 13.08,

this Agreement is for the sole benefit of the parties hereto and there are no third-party beneficiaries, intended or otherwise. Notwithstanding the foregoing, HCD and the other Seller Parties (and other released persons) are intended third-party beneficiaries of Section 9 hereof, and HCD and the other Indemnified Parties are intended third party beneficiaries of Section 10 hereof.

**13.09 Notices.** All notices, requests, demands, and other communications required or desired under this Agreement shall be in writing and shall be given by any of the following methods: (i) personal service at the address set forth below, (ii) email transmission in the manner set forth below, or (iii) depositing such notice in the United States mail postage prepaid, addressed to the other as follows:

Caltrans  
Division of Right of Way – SR-710, MS6  
100 South Main Street  
Los Angeles, CA 90012

City of Pasadena  
Economic Development Div  
100 N. Garfield Ave, 4<sup>th</sup> Floor  
Pasadena, CA 91109-7215  
Attn: Real Estate Manager

Any notice given by personal service shall be deemed given when received, as verified by a written receipt or proof of service. Any notice given by email transmission shall be deemed given when transmitted, as evidenced by printed email; and any notice given by regular mail shall be deemed given on the fifth (5th) business day after its deposit in the United States mail postage prepaid.

Either party may change its address for purposes of this paragraph by giving the other party written notice of the new address to the other party at the address contained herein.

**13.10 Governing Law.** This Agreement has been prepared, negotiated, and entered into in the State of California and shall be governed by, construed and enforced in accordance with the internal laws of the State of California and according to its fair meaning, and not in favor of or against any party. Any action or proceeding relating or arising out of this Agreement shall be filed, if a State action, in the Superior Court of the State of California for the County of Los Angeles.

**13.11 Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid or unenforceable by any court or arbitrator, it is the intent of the parties that all the other provisions of this Agreement, and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be construed to be fully valid, enforceable and binding

on the parties to the fullest extent permitted by law.

**13.12 Survival / No Merger.** All covenants, representations, warranties, and other agreements under this Agreement which are expressly stated herein as surviving the close of escrow shall survive the close of escrow and the delivery and recordation of the Director's Deed and the CC&Rs in perpetuity, and shall not merge with or into the Director's Deed or the CC&Rs (or be terminated, limited or otherwise affected thereby).

**13.13 Time is of the Essence.** Time is of the essence of this Agreement in respect to all provisions of this Agreement that specify a time for performance, including the closing of escrow provided for herein, and failure to comply with this provision shall be a material breach of this Agreement.

**13.14 Days / Saturdays, Sundays, and Holidays.** Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. If any date by which an election or a notice shall be given, or by which an action shall be taken, hereunder falls on a Saturday, Sunday, federal or state holiday, then the date by which such election or notice shall be given or such action shall be taken is extended to 5:00 p.m. on the next business day following such Saturday, Sunday, federal or state holiday.

**13.15 Waiver.** Waiver by one party of the performance of any covenant, condition or promise shall not invalidate this Agreement, nor shall it be a waiver by such party of such covenant, condition or promise in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express, in writing and signed by the waiving party, and shall be delivered to the other party. The exercise by a party of any remedy provided in this Agreement or at law shall not prevent the exercise by that party of any other remedy provided in this Agreement or at law.

**13.16 Construction.** As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. Each party hereto acknowledges and agrees that each has had independent counsel review and participated in the negotiation and drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**13.17 Exhibits.** All exhibits and schedules attached to this Agreement are hereby incorporated by reference herein and specifically made a part of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

CALTRANS:

Recommended for Approval by:

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Angus Chan  
Senior Right of Way Agent

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Heriberto Salazar  
Office Chief, 710 Sales

Approved:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Dan Murdoch  
Deputy District Director, Right of Way

PURCHASER:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Insert Name and Entity)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Insert Name and Entity)

## Attached Exhibits

**Exhibits "A"**

*Director's Deed/Legal Description of Property*

**Exhibit "B"**

*Deleted*

**Exhibit "C"**

*Declaration of Covenants, Conditions & Restrictions*

Recording Requested by  
**DEPARTMENT OF TRANSPORTATION**

When recorded, Mail to:  
**STATE OF CALIFORNIA**  
**DEPARTMENT OF TRANSPORTATION**  
District 7, Right of Way Division  
**Office of R/W Engineering**  
100 South Main Street, MS 13  
Los Angeles, CA 90012

Space above this line for Recorder's Use  
APN: 5719-024-908 EA: 31890  
Address: 894/894B Pasadena Avenue, Pasadena, CA 91105

RWPS: S. Hughey  
Written by: R.G.  
Checked by: J.A.

R/W Map No.: F1534-4  
Date: 7-2-2024

N. of Hurlbut st. and E. of Pasadena Ave.

# DIRECTOR'S DEED GRANT

District	County	Route	Post	Number
07	LA	710	PM 31.6	DD 48216-01-01

THE UNDERSIGNED GRANTOR(S) DECLARE(S)  
**DOCUMENTARY TRANSFER TAX is \$ \_\_\_\_\_**  
**CITY TRANSFER TAX \$ \_\_\_\_\_**

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale.
- Unincorporated area  City of Los Angeles **AND**

The State of California, acting by and through its Director of Transportation, hereinafter called STATE, hereby grants to \_\_\_\_\_

hereinafter called GRANTEE, that real property in the City of Pasadena, County of Los Angeles, State of California, described as follows:

See Exhibit "A", attached.

This conveyance is subject to special assessments, if any, and the Declaration of Covenants, Conditions, and Restrictions for the State Route 710 Sales Program, recorded concurrently herewith.

MAIL TAX  
STATEMENTS TO:

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**DD 48216-01-01**

That real property, in the City of Pasadena, County of Los Angeles, State of California, as acquired by the State of California as State Parcel No. 48216, in deed recorded August 6, 1968, in Book D4090, page 561, of Official Records, described as the North 45 feet of the South half of Lots 33, 35 and 37, of the Re-plat of Barclay's Subdivision of the Gillmore Vineyard Tract, as shown on map recorded in Book 7, page 84, of Miscellaneous Records, in the Office of the Registrar-Recorder/County Clerk of said county.  
EXCEPT the West 10 feet of Lot 37, of said tract.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors' Act.

Signature   
Licensed Land Surveyor

Date 07/25/2024  
DD 48216-01-01



This conveyance is executed pursuant to the authority vested in the Director of Transportation by law and, in particular, by the Streets and Highways Code.

STATE OF CALIFORNIA  
DEPARTMENT OF  
TRANSPORTATION

Dated \_\_\_\_\_

APPROVED AS TO FORM AND  
PROCEDURE

\_\_\_\_\_  
ATTORNEY  
DEPARTMENT OF  
TRANSPORTATION  
*Certificate of Execution  
Required for all Director's  
Deeds*

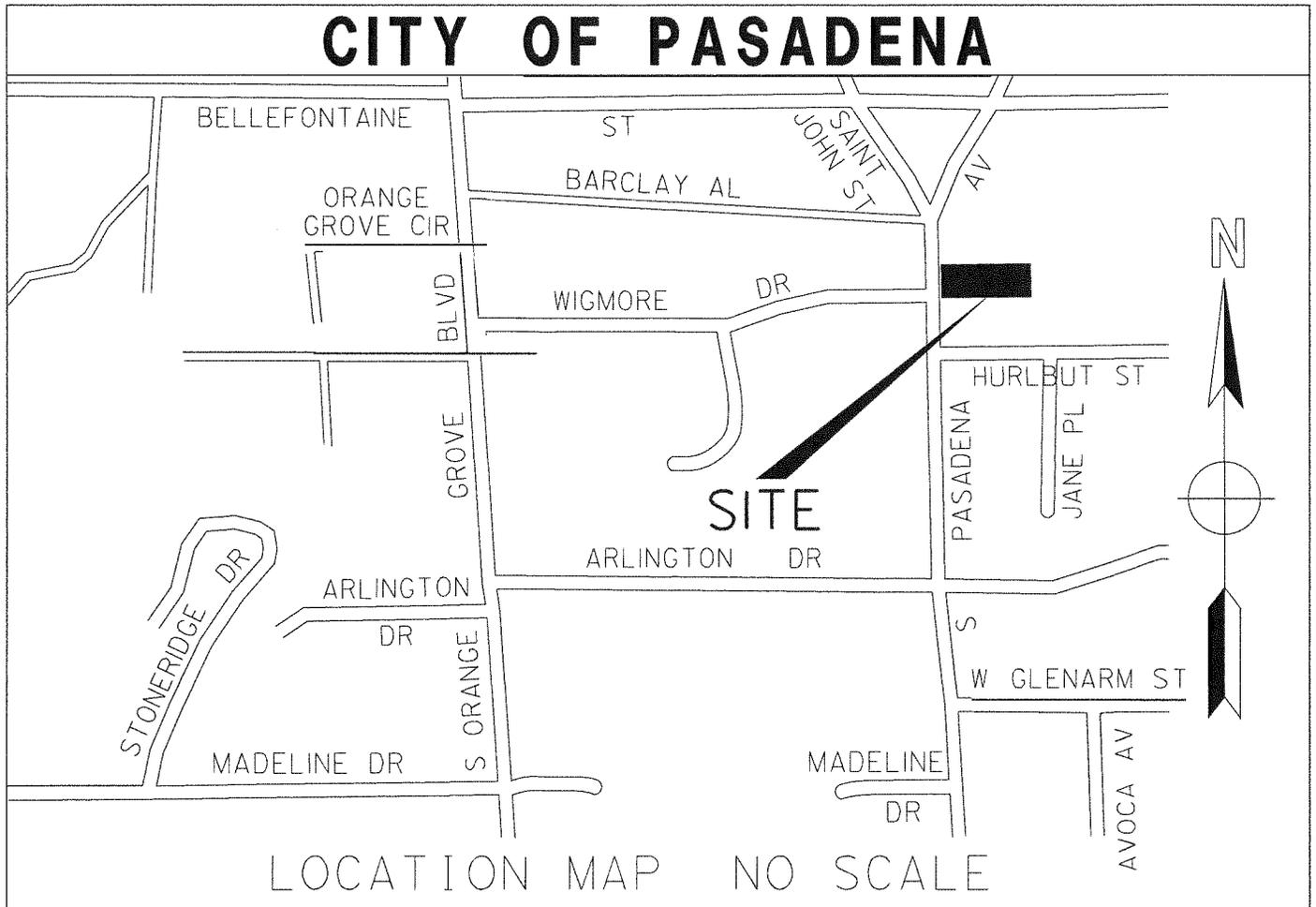
By \_\_\_\_\_  
Director of Transportation

By \_\_\_\_\_  
As Attorney in Fact

*This Space Reserved for  
California Transportation Commission  
Certification*

# INDEX MAP

CITY OF PASADENA



**FOR CTC ONLY NOT  
 PART OF THE DEED**

STATE OF CALIFORNIA  
 CALIFORNIA STATE TRANSPORTATION AGENCY  
 DEPARTMENT OF TRANSPORTATION

**RIGHT OF WAY  
 DIRECTOR'S DEED  
 DD 48216-01-01**

NOT TO SCALE

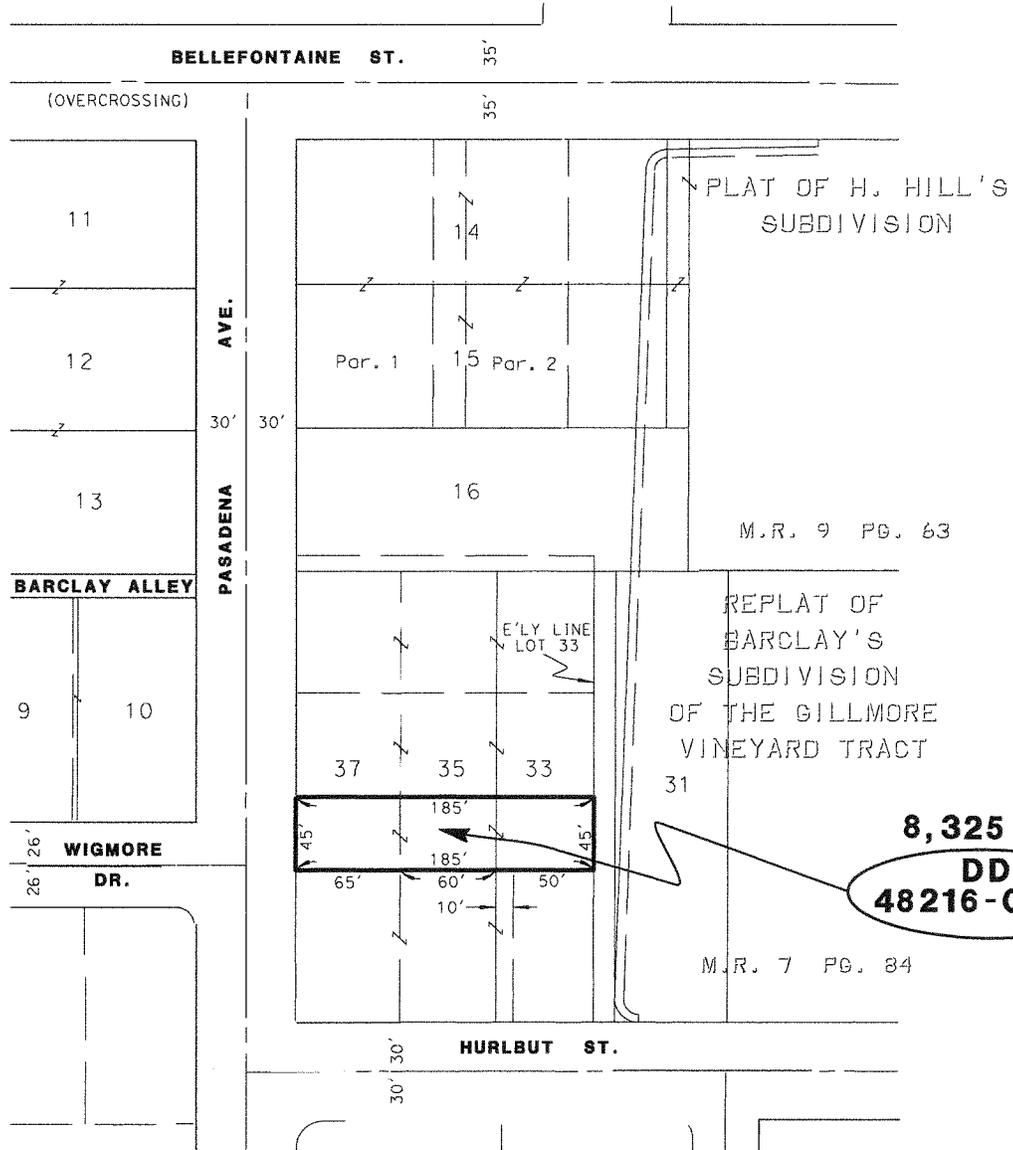
REF.: R/W MAP NO. F1534-4      DATE: 07-16-2024

DISTRICT	COUNTY	ROUTE	SHEET PM	SHEET NO.	TOTAL SHEETS
07	LA	710	31.6	1	1

# PLAT MAP

## CITY OF PASADENA

**PARCEL NO.**            **AREA**  
**DD 48216-01-01**      **8,325 SF**



**CITY OF PASADENA**

**NOTES**

Address:  
 894/894B PASADENA AVE.  
 PASADENA, CA 91105

APN: 5719-024-908

STATE OF CALIFORNIA  
 CALIFORNIA STATE TRANSPORTATION AGENCY  
 DEPARTMENT OF TRANSPORTATION

**RIGHT OF WAY**  
**DIRECTOR'S DEED**  
**DD 48216-01-01**

NOT TO SCALE

REF.: R/W MAP NO. F1534-4			DATE: 07-16-2024		
DISTRICT	COUNTY	ROUTE	SHEET PM	SHEET NO.	TOTAL SHEETS
07	LA	710	31.6	1	1

**FOR CTC ONLY NOT PART OF THE DEED**

Free Recording Pursuant to  
Government Code Section 27383 at the  
Request of the California Department  
of Transportation

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

California Department of Housing and  
Community Development  
P.O. Box 952052  
Sacramento, California 94252-2052  
Attn: General Counsel

**894/894B Pasadena Avenue, Pasadena, CA 91105**

(Space Above This Line for Recorder's Use)

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
(CALTRANS STATE ROUTE 710 SALES PROGRAM)**

**THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (CALTRANS STATE ROUTE 710 SALES PROGRAM)** (“*Use and Resale Covenant*”) is dated August 7<sup>th</sup>, 2024, for reference purposes only, by and among the City of Pasadena, (“*City*”), the California Department of Transportation, a department of the State of California (“*Caltrans*”), and the California Department of Housing and Community Development, a department of the State of California (Monitoring Entity). City is purchasing that certain real property, consisting of land and all buildings thereon, in the City of Pasadena with a street address of 894/894B Pasadena Avenue, Pasadena, California 91105, and a legal description found in Exhibit A attached hereto and made a part hereof (“*Property*”). Capitalized terms used in this Use and Resale Covenant not already defined above have the meanings given to them in Section 2 below. This Use and Resale Covenant is made with reference to the following facts:

**RECITALS**

**A. WHEREAS**, in 1979 the Legislature passed Senate Bill 86, commonly referred to as the “Roberti Act” (herein, as may be amended from time to time, the “*Act*”) which added, in part, Sections 54235 through 54239.5 to the California Government Code wherein the Legislature found and declared that the sale of certain surplus residential properties by Caltrans would directly serve an important public purpose; Caltrans, pursuant to the Act, is selling the Property to the City, subject to the provisions of this document;

**B. WHEREAS**, in accordance with the Act, Caltrans has developed a program as more particularly set forth in Chapter 9.5, Division 2 of Title 21 of the California Code of Regulations

(herein, the “**Regulations**”) to make certain unoccupied surplus residential properties in Pasadena available for sale pursuant to Government Code section 54239.5(b)

C. **WHEREAS**, Caltrans has identified City as being eligible to purchase the Property at Caltrans’ original acquisition price in accordance with the Act;

D. **WHEREAS**, to effectuate the sale of the Property to City, City has agreed to use and resale controls in accordance with the Act and evidenced by this Use and Resale Covenant; and

E. **WHEREAS**, Caltrans has determined the Property is “excess real property” within the meaning of Streets and Highways Code Section 118.6 and approved the sale;

**NOW, THEREFORE**, in consideration of the substantial economic benefits inuring to City and the public purposes to be achieved under the Act, City, Caltrans, and the Monitoring Entity hereby declare and agree as follows:

**Section 1. Extraordinary Provisions.**

**1.1 Purchase Price.** Caltrans and City agree that City’s purchase price for the Property is Caltrans’ original acquisition price. Caltrans and City further agree that City’s purchase price complies with Government Code section 54239.5, subdivision (b)(1) as set forth in the Purchase and Sale Agreement between the parties.

**1.2 City Acknowledgments.**

- (a) City understands and agrees to abide by all the provisions of this Use and Resale Covenant.
- (b) City hereby takes the Property subject to certain restrictions and limitations of the full enjoyment and use of the Property as set forth in this Use and Resale Covenant. City acknowledges that City may not enjoy the same economic benefits from owning the Property that City would enjoy if this Use and Resale Covenant did not exist.
- (c) Absent the assistance provided by Caltrans and the provisions of this Use and Resale Covenant, the Property could not be made available to City.
- (d) In recognition of the acknowledgements and agreements stated herein, City accepts and agrees to the provisions of this Use and Resale Covenant with the understanding that this Use and Resale Covenant will remain in full force and effect to limit the use and transfer of the Property unless terminated pursuant to the terms herein.
- (e) City covenants and agrees for itself, its successors, its assigns, and every successor interest in the Property or any part thereof, that City, such successors and such assignees, shall regularly and continuously use the Property only for the purposes authorized in this Use and Resale Covenant unless otherwise provided herein.

- (f) City further agrees not to challenge the terms and provisions of this Use and Resale Covenant or any right of Caltrans, or the Monitoring Entity under this Use and Resale Covenant and acknowledges that the same are not an unreasonable restraint on any right to transfer the interest of the City in the Property.
- (g) City acknowledges that Government Code section 54239.5, subdivision (b) imposes additional requirements upon City that are not reflected in this Use and Resale Covenant, and that full compliance with this Use and Resale Covenant does not equate to full compliance with Government Code section 54239.5, subdivision (b).
- (h) City acknowledges that Government Code section 54239.5, subdivision (b)(15) authorizes the Monitoring Entity to review, adopt, amend, and repeal standards, forms, or definitions to implement Government Code section 54239.5, subdivisions (b)(3) through (14), inclusive.

## **Section 2. Definitions.**

As used in this Use and Resale Covenant, the capitalized terms set forth below shall have the following meanings:

- (a) “*Event of Default*” is defined in Section 6.1.
- (b) “*Monitoring Entity*” means Department of Housing and Community Development.
- (c) “*Notice*” is defined in Section 7.2.

## **Section 3. Use of the Property.**

**3.1 Resale.** City shall resell the Property within two (2) years of the close of escrow that transfers title of the Property from Caltrans to City. Monitoring Entity may grant the City up to one two-year extension of time to resell the Property if City demonstrates sufficient progress on the sale of the Property. Sufficient progress includes:

- (a) Proof that the Property has been listed for 180 days at a price that does not exceed fair market value based on comparable sales in the City of Pasadena with no offers; or
- (b) Unexpected structural damage to the Property due to a natural disaster or similar occurrence; or
- (c) Other proof of progress at the discretion of the Monitoring Entity’s Director.

**3.2 Affordable Housing.** If City does not resell the Property within the period described in Section 3.1 (including any extension(s) granted by the Monitoring Entity), then City shall cause the Property to be used as either of the following:

- (a) As an affordable rental to lower income and moderate-income households, as defined by Health and Safety Code sections 50052.5 and 50079.5, respectively. Such use shall be for no less than 55 years.
- (b) If the Property is a single-family residence, then as owner-occupied affordable housing for no less than 45 years, with the Property being sold to a person or family of low or moderate income at an affordable price, as defined by Government Code section 62250. The Property may then only be resold at an affordable price to a person or family of low or moderate income.

#### **Section 4. Use of the Proceeds After Resale.**

**4.1 Required Use of Proceeds.** City shall use the proceeds from the resale of the Property described in Section 3.1 to finance the production or acquisition of at least three (3) housing units that meet all the following criteria:

- (a) The housing units must be affordable to persons and families of very-low, low or moderate-income, as defined by Health and Safety Code section 50093; and
- (b) Either through its ownership of the housing units or by regulatory agreement if it does not own the housing units, City shall cause each housing unit to be made available at an affordable sales price or an affordable rent, as defined in Health and Safety Code sections 50052.5 and 50053; and
- (c) If a housing unit is used as a rental, then it shall be available at an affordable rent for no less than 55 years; and
- (d) If a housing unit is used as an owner-occupied affordable housing unit, then it shall be so used for no less than 45 years; and
- (e) Each housing unit shall be within high or highest resource census tracts within the City of Pasadena as identified by the latest edition of the California Tax Credit Allocation Committee's opportunity maps. To the greatest extent possible, units acquired or produced shall be in geographic proximity to the unoccupied homes sold by the City.

**4.2 Monitoring.** City shall monitor compliance with the regulatory agreement described in Section 4.1(b). City may charge a fee to recover the cost of this monitoring.

**4.3 Sites for Housing Units.** The housing units described in Section 4.1 may be produced or acquired on a single site or on multiple sites.

**4.4 Timeline for Production and Acquisition.** City shall commence construction or complete acquisition of all housing units described in Section 4.1 by December 31, 2026. Monitoring Entity may grant the City two two-year extensions if it demonstrates sufficient

progress on the development or acquisition of the housing units. Sufficient progress includes, but is not limited to:

- (a) An executed option agreement or exclusive negotiation agreement for the purchase of property intended for conversion to affordable units; or
- (b) Completed project entitlements or building permits; or
- (c) Executed purchase agreements and draft covenants for the acquisition or rehabilitation of market rate units for the purpose of conversion to affordable units, or a combination thereof; or
- (d) Other proof of progress at the discretion of the Monitoring Entity's Director.

**4.5 Use of Surplus Funds.** Any surplus funds remaining after the completion of the construction of the housing units described in Section 4.1 shall be used at the discretion of City for the production or acquisition of rental or for-sale housing affordable to persons and families of very-low, low or moderate-income, as defined by Health and Safety Code section 50093.

## **Section 5. Termination.**

**5.1 Termination of Use and Resale Covenant.** This Use and Resale Covenant shall cease to encumber the Property upon resale pursuant to Section 3.1 and the parties agree to execute and record a Release of the Declaration of Covenants, Conditions, and Restrictions within seven days of resale of the property. However, the terms of the Use and Resale Covenant shall remain enforceable under applicable law and as a contract between Monitoring Entity and City to ensure compliance of Sections 4.1 through 4.5.

## **Section 6. Default and Remedies.**

**6.1 Event of Default.** The occurrence of any one of the following events or circumstances shall constitute an "*Event of Default*" by City under this Use and Resale Covenant.

- (a) City's failure to comply with the requirements in Sections 4.1 through 4.5, or Section 3.2, as applicable.
- (b) City's failure to comply with Government Code section 54239.5, subdivision (b)(9).
- (c) City's failure to comply with Government Code section 54239.5, subdivision (b)(10).

**6.2 Remedies.** Upon the occurrence of an Event of Default by City, the Monitoring Entity may exercise the remedy set forth below:

The City shall pay a fine to the Monitoring Entity of an amount equal to the funds generated through the resale of the Property, pursuant to Section 3.1- minus the purchase price described in

Section 1.1. Fines shall be deposited into an account held by the Monitoring Entity pursuant to Government Code section 54239.5(b)(11).

**6.3 Not Subject to Appeal.** Pursuant to Government Code section 54239.5(b)(14), an Event of Default shall be determined by the Monitoring Entity and is not subject to appeal.

**Section 7. Miscellaneous.**

**7.1 Nondiscrimination.** City covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or a group of persons on account of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, gender, gender identity, gender expression, familial status, source of income, veteran or military status, or sexual orientation in the transfer, use, or occupancy of the Property, nor shall City, any person claiming under or through City, establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Property.

**7.2 Notices.** Notice shall be in writing and sufficiently given or delivered if transmitted by (a) registered or certified United States mail, postage prepaid, return receipt requested, (b) personal delivery, or (c) nationally recognized private courier services, in every case addressed as follows:

If to City:	City of Pasadena Economic Development Division/RE 100 N. Garfield Ave., 4 <sup>th</sup> Floor Pasadena, CA 91109-7215
If to the Monitoring Entity	California Department of Housing and Community Development P.O. Box 952052 Sacramento, CA 94252-2052 Attn: General Counsel

Any such Notice transmitted in accordance with this Section 7.2 shall be deemed delivered upon receipt, or upon the date delivery was refused. Any party may change its address for notices by written Notice given to the other party in accordance with the provisions of this Section 7.2.

**7.3 Attorneys' Fees for Enforcement.** If any action or legal proceeding is instituted by City or the Monitoring Entity arising out of this Use and Resale Covenant, the prevailing party therein shall recover reasonable attorneys' fees and costs in connection with such action or proceeding. For purposes of this Use and Resale Covenant, reasonable fees for the Monitoring Entity include the fees and costs of any in-house counsel for the Monitoring Entity, which shall be based on: (i) the employee's hourly rate on the employee's salary, (ii) forty-one and eight-tenths percent (41.8%) of the employee's hourly salary rate to reflect non-salary direct and indirect costs, and (iii) five percent (5%) of the employee's hourly salary rate to reflect central service costs.

**7.4 Integration.** This Use and Resale Covenant constitutes an integration of the entire understanding and agreement of Caltrans, City, and the Monitoring Entity with respect to the subject matter hereof. Any representations, warranties, promises, or conditions, whether written or oral, not specifically and expressly incorporated in this Use and Resale Covenant, shall not be binding on any of the parties, and City and the Monitoring Entity each acknowledge that in entering into this Use and Resale Covenant they have not relied upon any representation, warranty, promise or condition, not specifically and expressly set forth in this Use and Resale Covenant. All prior discussions and writings have been, and are, merged and integrated into, and are superseded by, this Use and Resale Covenant.

**7.5 Severability.** In the event that any provision of this Use and Resale Covenant is determined to be illegal or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions hereof, all of which shall remain in full force and effect.

**7.6 Headings.** The headings within this Use and Resale Covenant are for the purpose of reference only and shall not limit or otherwise affect any of the terms of this Use and Resale Covenant.

**7.7 Time for Performance.** Time is of the essence in the performance of the terms of this Use and Resale Covenant. All dates for performance or cure shall expire at 5:00 p.m. on the performance or cure date. Any performance date which falls on a Saturday, Sunday, or a holiday specified in Code of Civil Procedure section 135 is automatically extended to the next day that is not a Saturday, Sunday, or holiday.

**7.8 Amendments.** Any modification or waiver of any provision of this Use and Resale Covenant or any amendment thereto shall be in writing and signed by the authorized representatives of both the Monitoring Entity and the City.

**7.9 Controlling Use and Resale Covenant.** City covenants that City has not executed and will not execute any other agreement with provisions contradictory to or in opposition to the provisions of this Use and Resale Covenant. City understands and agrees that this Use and Resale Covenant shall control the rights and obligations between City and the Monitoring Entity with respect to the subject matter contained herein.

**7.10 Exhibits.** The Exhibits and Attachments attached hereto are a material part of this Use and Resale Agreement and are incorporated herein by this reference.

**7.11 Governing Law.** This Use and Resale Covenant shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

**7.12 Counterparts.** This Use and Resale Covenant may be signed in counterparts, each of which shall constitute an original.

**7.13 Recordation.** Caltrans shall cause this Use and Resale Covenant to be recorded in the Official Records.

**7.14 Interpretation.** Each party hereto acknowledges and agrees that each has had independent counsel review and participate in the negotiation and drafting of this Use and Resale Covenant, and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation Civil Code section 1654, to the effect that any ambiguities are to be construed against the drafting party.

**7.15 Assignment by Caltrans to the Monitoring Entity.** Upon this Use and Resale Covenant being recorded in the Official Records, Caltrans assigns all the rights, duties, and benefits granted to it by this Use and Resale Covenant to the Monitoring Entity, and the Monitoring Entity accepts such assignment.

**IN WITNESS WHEREOF**, City, Monitoring Entity, and Caltrans have executed this Use and Resale Covenant as of the date written above.

**CITY:**

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

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

**MONITORING ENTITY:**

California Department of Housing and Community Development, an agency of the State of California

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

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

**CALTRANS:**

California Department of Transportation, an agency of the State of California

By: \_\_\_\_\_  
Anthony F Tavares  
Director of Transportation  
State of California

By: \_\_\_\_\_  
As Attorney in Fact

ALL SIGNATURES MUST BE NOTARIZED.

----- Attach All Purpose California Notary Acknowledgment -----

**EXHIBIT A – LEGAL DESCRIPTION**