



## OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY AGENDA REPORT



**DEPARTMENT:** City Manager's Office

**MEETING DATE:** August 11, 2016

**PREPARED BY:** Oliver Chi, City Manager /  
Lauren Vasquez, Deputy City Manager

**AGENDA LOCATION:** OB AR-1

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**TITLE:** Purchase and Sale Agreement with T.P. Heritage Inn of Monrovia, LLC in the Amount of \$2,850,000.00 for Real Property Located at the Southwest Corner of Myrtle Avenue and Huntington Drive (Assessor Parcel Nos. 8508-010-901 through 8508-010-906) and Related Revision to the Successor Agency to the Monrovia Redevelopment Agency Long Range Property Management Plan, Resolutions Nos. OB 2016-03 and OB 2016-04

**OBJECTIVE:** To update the Long Range Property Management Plan and authorize the sale of Successor Agency owned real property located at Southwest Corner of Myrtle Avenue and Huntington Drive for fair market value to T.P. Heritage Inn of Monrovia, LLC (TPHI) for the development of a hotel project at the identified site

**BACKGROUND:** Between 2002 and 2005, the former Monrovia Redevelopment Agency acquired six adjacent parcels of property located at the southwest corner of Myrtle Avenue and Huntington Drive (Site). In total, those six parcels combine to make up around +/- 77,222 square feet (+/- 1.77 acres) of land.

Given the dissolution of redevelopment agencies in California in 2012, the properties in question are now owned by the City's Successor Agency to the former Monrovia Redevelopment Agency (Successor Agency) and staff has for the past several months assessed several different development options for the Site. After reviewing a variety of alternatives, it was identified that a hotel use would be the most realistic and feasible development option to consider.

A Request for Qualifications (RFQ) to identify the most qualified development team for the proposed project was issued. The RFQ was released on March 2, 2016, and five responses were received from qualified bidders by the March 24, 2016, deadline. After a thorough assessment process, TPHI was identified as the preferred project partner for the Site. To that end, the City, acting in its capacity as the Successor Agency to the Monrovia Redevelopment Agency, entered into an Exclusive Negotiating Agreement (ENA) with TPHI on May 3, 2016, to pursue the development of a hotel project at the Site.

Pursuant to the terms of the ENA, staff and TPHI have for the past two months been working to finalize a PSA for Successor Agency Board consideration that would coordinate the sale of the Site to TPHI for development of the proposed hotel project. Through the process of developing the PSA document, the parties engaged in detailed discussions and have also completed the following activities:

- An appraisal of the subject property has been completed to determine the current fair market value of the Site, which has been established at \$2,850,000.
- TPHI has finished assembling their overall development team, which now includes the environmental consulting firm LSA.

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- The City has begun the entitlement process for the overall project, which includes rezoning the subject site to from its current zoning of Business Enterprise (BE) to Office / Research Development / Light Manufacturing (O / RD / LM), in order to allow for the hotel use at the site.
- TPHI has developed very preliminary hotel site designs and the overall project is currently being assessed as follows:
  - Concept involves a 113-room TownePlace Suites by Marriott branded hotel
  - Surface parked (1 space / guest room)
  - Hotel's anticipated opening date is Q1 of 2018
- Pursuant to the PSA that has been developed, the close of escrow date for completing the transaction of selling the Site to TPHI is estimated to occur on or before April 2, 2017, which is when we expect building permits to be issued for the project
  - This component of the PSA provides both the City and TPHI with assurances that the project will be entitled and ready for construction prior to completing the actual land sale
  - In that manner, the Successor Agency will be able to cancel the transaction if TPHI does not follow-through on their stated plans to entitle and build the hotel

In order to complete this transaction, it will also be necessary to update the City's approved Long Range Property Management Plan (LRPMP). With the elimination of redevelopment agencies, the California State Department of Finance (DOF) developed a detailed process for disposing of former redevelopment agency properties that are held by a successor agency. The process requires that every successor agency catalogue and inventory all properties owned by the former redevelopment agency through a LRPMP.

The Successor Agency and the Oversight Board approved Monrovia's LRPMP back August 2013, and that document was subsequently approved by DOF. In order to execute the PSA with TPHI, it will also be necessary to update the LRPMP designation for the six parcels that make up the Site. Currently, the LRPMP identifies the six parcels as "Retention of the property for future development." Given the negotiated PSA, it will be necessary to update the LRPMP to reflect the new status of the properties in question, which will be, "Sale of property at fair market value."

Given these factors, in order to complete the sale of the Site to TPHI for the hotel project, staff is recommending that the Oversight Board approve both the negotiated PSA with TPHI and recommend approval to the State Department of Finance (DOF), to enter into a Purchase and Sale Agreement with T.P. Heritage Inn of Monrovia, LLC for the site.

**OPTIONS:** The following options are presented for consideration:

- 1) Adopt Resolution No. OB2016-03 and Resolution No. OB2016-04 to approve the revised Long Range Property Management Plan and to approve the Purchase and Sale Agreement with T.P. Heritage Inn of Monrovia, LLC, while recommending that the State Department of Finance do the same.
- 2) Do not adopt Resolution No. OB2016-03 and Resolution No. OB2016-04, and provide staff with additional direction.

**RECOMMENDATION:** Staff recommends Option 1, thereby approving the revised Long Range Property Management Plan and approving the Purchase and Sale Agreement with T.P. Heritage Inn of Monrovia, LLC.

**BOARD ACTION REQUIRED:** If the Oversight Board concurs, the appropriate action would be a motion to adopt Oversight Board Resolution No. OB2016-03 and Resolution No. OB2016-04.

**RESOLUTION NO. OB2016-04**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY APPROVING A REVISION TO THE LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED BY THE SUCCESSOR AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5, DETERMINING THAT APPROVAL OF THE LONG-RANGE PROPERTY MANAGEMENT PLAN IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH.**

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in California Redevelopment Association, et al. v. Ana Matosantos, et al. (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Monrovia Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency to the Agency (the "Successor Agency") by operation of law.

B. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency must prepare a long-range property management plan which addresses the disposition and use of the real properties of the former Agency, and which must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the Department of Finance (the "DOF") for approval no later than six months following the issuance by the DOF to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7.

C. Pursuant to Health and Safety Code Section 34179.7, DOF issued a finding of completion to the Successor Agency on April 18, 2013.

E. Pursuant to Oversight Board Resolution No OB2013-05, the Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, has deemed it necessary or advisable to modify the LRPMP.

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY (THE "BOARD"), HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

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

Section 2. The revision to the LRPMP will reflect that the stated planned disposition for the parcels identified as "Vacant Property on Myrtle and Huntington" and located at 1109 South Myrtle Avenue, 102 West Huntington Drive, 116 West Huntington Drive, 120-124 West Huntington Drive, and 132-140 West Huntington Drive, will be changed from "Retention of the property for future development," to "Sale of property at

fair market value.” Furthermore, the proceeds from the sale of the property will be held by the Successor Agency and used to pay enforceable obligations in the Recognized Obligation Payment Schedule.

Section 3. Pursuant to Health and Safety Code Section 34180(j), Staff of the Successor Agency is hereby authorized and directed to transmit the revision to the LRPMP to the Oversight Board, the County Administrative Officer, the County Auditor, and DOF.

Section 4. Staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

Section 5. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.)(the “Guidelines”), the Successor Agency has determined that the approval of the LRPMP is not a project pursuant to CEQA and is exempt therefrom because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)). Further, it can be seen with certainty that there is no possibility that approval of the LRPMP may have a significant effect on the environment, and thus the action is exempt from CEQA (Guidelines Section 15061(b)(3)). Staff of the Successor Agency is hereby directed to prepare and post a notice of exemption pursuant to Guidelines Section 15062

**APPROVED AND ADOPTED** this 11<sup>th</sup> day of August, 2016.

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Tom Adams, Chair  
Oversight Board of the Successor Agency to  
the Monrovia Redevelopment Agency

ATTEST:

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Alice D. Atkins, CMC, Secretary  
Oversight Board of the Successor Agency  
to the Monrovia Redevelopment Agency

**Revised Long Range Property Management Plan**  
(Properties are Grouped by Location)

<b>Park and Ride Lot</b>				
	Address	<b>1613 S. Myrtle Ave</b>	<b>1617 S. Myrtle Ave</b>	<b>1621 S. Myrtle Ave</b>
<b>HSC 34191.5 (c)(1)(C)</b>	APN	8507-003-907	8507-003-908	8507-003-909
	Lot Size	7,562	7,951	7,565
	Current Zoning	PD-12 (Planned Development-Area 12)	PD-12(Planned Development-Area 12)	PD-12(Planned Development-Area 12)
	Acquisition Date	03/14/89	06/22/89	06/22/89
<b>HSC 34191.5 (c)(1)(A)</b>	Value at Time of Purchase	\$ 217,305	\$ 100,330	\$ 100,317
	Estimated Current Value #	\$ 189,050	\$ 198,775	\$ 189,125
	Date of Estimated Current Value	01/31/12	01/31/12	01/31/12
<b>HSC 34191.5 (c)(1)(B)</b>	Proposed Sale Value	Property would be appraised prior to disposition.	Property would be appraised prior to disposition.	Property would be appraised prior to disposition.
	Proposed Sale Date	This property is currently utilized as a public parking lot. No proposed date for sale has been contemplated.	This property is currently utilized as a public parking lot. No proposed date for sale has been contemplated.	This property is currently utilized as a public parking lot. No proposed date for sale has been contemplated.
	Purpose for which property was acquired	Property was acquired for development of transit oriented development.	Property was acquired for development of transit oriented development.	Property was acquired for development of transit oriented development.
<b>HSC 34191.5 (c)(1)(D)</b>	Estimate of Current Parcel Value	\$ 189,050	\$ 198,775	\$ 189,125
<b>HSC 34191.5 (c)(1)(E)</b>	Estimate of Income/Revenue	none	none	none
	Contractual requirements for use of income/revenue	n/a	n/a	n/a
<b>HSC 34191.5 (c)(1)(F)</b>	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.
<b>HSC 34191.5 (c)(1)(G)</b>	Description of property's potential for transit oriented development	This site is directly adjacent to a multi-modal transit stop and is currently utilized for a public park and ride lot.	This site is directly adjacent to a multi-modal transit stop and is currently utilized for a public park and ride lot.	This site is directly adjacent to a multi-modal transit stop and is currently utilized for a public park and ride lot.
	Advancement of planning objectives of the successor agency	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.
<b>HSC 34191.5 (c)(1)(H)</b>	History of previous development proposals and activity	There are no development proposals for this site. This property is currently a public parking lot but is suitable for alternate commercial development.	There are no development proposals for this site. This property is currently a public parking lot but is suitable for alternate commercial development.	There are no development proposals for this site. This property is currently a public parking lot but is suitable for alternate commercial development.
<b>HSC 34181(a)</b>	Planned disposition for site	Retention of the property for future development	Retention of the property for future development	Retention of the property for future development
<b>HSC 34180(f)(1) 34180(f)(2)</b>	Compensation Agreement	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.

**Residential Units in Station Square Transit Village**

	<b>Residential Units in Station Square Transit Village</b>			
<b>HSC 34191.5 (c)(1)(C)</b>	Address	220 W. Evergreen	145 W. Pomona	202 W. Evergreen
	APN	8507-002-900	8507-002-901	8507-002-905
	Lot Size	6,049	5,504	5,024
	Current Zoning	PD-12 (Planned Development-Area 12)	PD-12(Planned Development-Area 12)	PD-12(Planned Development-Area 12)
<b>HSC 34191.5 (c)(1)(A)</b>	Acquisition Date	06/26/07	09/05/07	07/07/08
	Value at Time of Purchase	\$ 478,210	\$ 465,031	\$ 430,267
	Estimated Current Value #	\$ 286,926	\$ 279,018	\$258,160
	Date of Estimated Current Value	01/31/12	01/31/12	01/31/12
<b>HSC 34191.5 (c)(1)(B)</b>	Proposed Sale Value	Property would be appraised prior to disposition.	Property would be appraised prior to disposition.	Property would be appraised prior to disposition.
	Proposed Sale Date	This property is currently utilized as residential unit. No proposed date for a sale has been contemplated.	A vacant residential unit is currently on the site. No proposed date for a sale has been contemplated.	This property is currently utilized as residential unit. No proposed date for a sale has been contemplated.
	Purpose for which property was acquired	Property was acquired for development of transit oriented development.	Property was acquired for development of transit oriented development.	Property was acquired for development of transit oriented development.
<b>HSC 34191.5 (c)(1)(D)</b>	Estimate of Current Parcel Value	\$ 286,926	\$ 279,018	\$258,160
<b>HSC 34191.5 (c)(1)(E)</b>	Estimate of Income/Revenue	\$800/month	none	\$800/month
	Contractual requirements for use of income/revenue	n/a	n/a	n/a
<b>HSC 34191.5 (c)(1)(F)</b>	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	None	None	None
<b>HSC 34191.5 (c)(1)(G)</b>	Description of property's potential for transit oriented development	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.
	Advancement of planning objectives of the successor agency	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.
<b>HSC 34191.5 (c)(1)(H)</b>	History of previous development proposals and activity	There are no development proposals for this site. This property is currently occupied and utilized as a single family resident unit.	There are no development proposals for this site. This property is currently vacant and consists of a single family resident unit.	There are no development proposals for this site. This property is currently occupied and utilized as a single family resident unit.
<b>HSC 34181(a)</b>	Planned disposition for site	Retention of the property for future development	Retention of the property for future development	Retention of the property for future development
<b>HSC 34180(f)(1) 34180(f)(2)</b>	Compensation Agreement	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.

<b>Hamby Park Industrial Units in Station Square Transit Village</b>				
<b>HSC 34191.5 (c)(1)(C)</b>	Address	124-126 W. Pomona	132 W. Pomona	142 W. Pomona
	APN	8507-003-923, 924	8507-003-922	8507-003-921
	Lot Size	9,346	4,673	4,673
	Current Zoning	PD-12 (Planned Development-Area 12)	PD-12(Planned Development-Area 12)	PD-12(Planned Development-Area 12)
<b>HSC 34191.5 (c)(1)(A)</b>	Acquisition Date	05/12/08	05/08/08	03/26/08
	Value at Time of Purchase	\$ 894,364	\$ 478,589	\$ 443,619
	Estimated Current Value #	\$ 495,000	\$ 280,000	\$ 280,000
	Date of Estimated Current Value	01/31/12	01/31/12	01/31/12
<b>HSC 34191.5 (c)(1)(B)</b>	Proposed Sale Value	Property would be appraised prior to disposition.	Property would be appraised prior to disposition.	Property would be appraised prior to disposition.
	Proposed Sale Date	This property is currently utilized as an industrial unit. A proposal for development has been received from Eagle Rock Brewery for the purpose of utilizing the site as a microbrewery. Terms of purchase are currently in negotiation.	This property is currently utilized as an industrial unit. No proposed date for sale has been contemplated.	This property is currently utilized as an industrial unit. No proposed date for sale has been contemplated.
	Purpose for which property was acquired	Property was acquired for development of transit oriented development.	Property was acquired for development of transit oriented development.	Property was acquired for development of transit oriented development.
<b>HSC 34191.5 (c)(1)(D)</b>	Estimate of Current Parcel Value	\$ 495,000	\$ 280,000	\$ 280,000
<b>HSC 34191.5 (c)(1)(E)</b>	Estimate of Income/Revenue	none	none	none
	Contractual requirements for use of income/revenue	n/a	n/a	n/a
<b>HSC 34191.5 (c)(1)(F)</b>	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	None	None	None
<b>HSC 34191.5 (c)(1)(G)</b>	Description of property's potential for transit oriented development	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.
	Advancement of planning objectives of the successor agency	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.
<b>HSC 34191.5 (c)(1)(H)</b>	History of previous development proposals and activity	There is a proposal for a lease to buy option for this property to Eagle Rock Brewery.	There are no development proposals for this site. This property is currently vacant.	There are no development proposals for this site. This property is currently vacant.
<b>HSC 34181(a)</b>	Planned disposition for site	Sale of property at fair market value	Retention of the property for future development	Retention of the property for future development
<b>HSC 34180(f)(1) 34180(f)(2)</b>	Compensation Agreement	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.

<b>Commercial/Industrial Property in Station Square Transit Village</b>			
<b>HSC 34191.5 (c)(1)(C)</b>	Address	137 W. Pomona	123 W. Pomona
	APN	8507-002-902, 903	8507-002-904
	Lot Size	21,927	38,215
	Current Zoning	PD-12 (Planned Development-Area 12)	PD-12(Planned Development-Area 12)
<b>HSC 34191.5 (c)(1)(A)</b>	Acquisition Date	04/02/08	04/01/08
	Value at Time of Purchase	\$1,698,045	\$ 2,984,925
	Estimated Current Value #	\$548,175	\$ 955,375
	Date of Estimated Current Value	01/31/12	01/31/12
<b>HSC 34191.5 (c)(1)(B)</b>	Proposed Sale Value	Property would be appraised prior to disposition.	Property would be appraised prior to disposition.
	Proposed Sale Date	This property is currently utilized as a commercial use. No proposed date for sale has been contemplated.	This property is currently utilized as a commercial use. No proposed date for sale has been contemplated.
	Purpose for which property was acquired	Property was acquired for development of transit oriented development.	Property was acquired for development of transit oriented development.
<b>HSC 34191.5 (c)(1)(D)</b>	Estimate of Current Parcel Value	\$548,175	\$ 955,375
<b>HSC 34191.5 (c)(1)(E)</b>	Estimate of Income/Revenue	\$5,850/month	\$5,224/month
	Contractual requirements for use of income/revenue	n/a	n/a
<b>HSC 34191.5 (c)(1)(F)</b>	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.
<b>HSC 34191.5 (c)(1)(G)</b>	Description of property's potential for transit oriented development	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.
	Advancement of planning objectives of the successor agency	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.
<b>HSC 34191.5 (c)(1)(H)</b>	History of previous development proposals and activity	There is one development proposal for this site. This property is currently occupied.	There is one development proposal for this site. This property is currently occupied.
<b>HSC 34181(a)</b>	Planned disposition for site	Sale of property at fair market value	Sale of property at fair market value
<b>HSC 34180(f)(1) 34180(f)(2)</b>	Compensation Agreement	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.

**Vacant Property on Magnolia Avenue and Chestnut**

<b>HSC 34191.5 (c)(1)(C)</b>	Address	820 S. Magnolia Avenue
	APN	8508-005-900
	Lot Size	26,351
	Current Zoning	Manufacturing
<b>HSC 34191.5 (c)(1)(A)</b>	Acquisition Date	12/15/06
	Value at Time of Purchase	\$1,023,473
	Estimated Current Value #	\$475,000
	Date of Estimated Current Value	01/31/12
<b>HSC 34191.5 (c)(1)(B)</b>	Proposed Sale Value	Property would be appraised prior to disposition.
	Proposed Sale Date	This property is currently vacant. No proposed date for sale has been contemplated.
	Purpose for which property was acquired	Property was acquired for relocation of industrial units for development of transit oriented project.
<b>HSC 34191.5 (c)(1)(D)</b>	Estimate of Current Parcel Value	\$474,318
<b>HSC 34191.5 (c)(1)(E)</b>	Estimate of Income/Revenue	none
	Contractual requirements for use of income/revenue	n/a
<b>HSC 34191.5 (c)(1)(F)</b>	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	None
<b>HSC 34191.5 (c)(1)(G)</b>	Description of property's potential for transit oriented development	This site is in the vicinity of a multi-modal transit stop.
	Advancement of planning objectives of the successor agency	Property would be sold according to Zoning guidelines.
<b>HSC 34191.5 (c)(1)(H)</b>	History of previous development proposals and activity	There are two development proposals for this site. This property is currently vacant.
<b>HSC 34181(a)</b>	Planned disposition for site	Sale of property at fair market value
<b>HSC 34180(f)(1) 34180(f)(2)</b>	Compensation Agreement	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.

**Vacant Property on Myrtle and Huntington**

<b>HSC 34191.5 (c)(1)(C)</b>	Address	1109 S. Myrtle	102 W. Huntington Drive	116 W. Huntington Drive	120-124 W. Huntington Drive	132-140 W. Huntington Drive
	APN	8508-010-901	8508-010-902	8508-010-904	8508-010-903	8508-010-905, 8508-010-906
	Lot Size	8,356	15,679	16,774	16,835	19,575
	Current Zoning	Business Enterprise				
<b>HSC 34191.5 (c)(1)(A)</b>	Acquisition Date	06/11/02	07/10/03	10/02/03	09/24/03	02/16/05
	Value at Time of Purchase	\$ 829,839	\$615,752	\$721,132	\$ 758,789	\$ 791,541
	Estimated Current Value #	\$ 208,900	\$391,975	\$419,350	\$ 420,875	\$ 489,375
	Date of Estimated Current Value	01/31/12	01/31/12	01/31/12	01/31/12	01/31/12
<b>HSC 34191.5 (c)(1)(B)</b>	Proposed Sale Value	Property would be appraised prior to disposition.				
	Proposed Sale Date	This property is a vacant lot. Three proposals for development have been received for the purpose of developing the site as a hotel, a university or housing/retail use.	This property is a vacant lot. Three proposals for development have been received for the purpose of developing the site as a hotel, a university or housing/retail use.	This property is a vacant lot. Three proposals for development have been received for the purpose of developing the site as a hotel, a university or housing/retail use.	This property is a vacant lot. Three proposals for development have been received for the purpose of developing the site as a hotel, a university or housing/retail use.	This property is a vacant lot. Three proposals for development have been received for the purpose of developing the site as a hotel, a university or housing/retail use.
	Purpose for which property was acquired	Property was acquired for the purpose of enhancing development of key area.	Property was acquired for the purpose of enhancing development of key area.	Property was acquired for the purpose of enhancing development of key area.	Property was acquired for the purpose of enhancing development of key area.	Property was acquired for the purpose of enhancing development of key area.
<b>HSC 34191.5 (c)(1)(D)</b>	Estimate of Current Parcel Value	\$ 208,900	\$391,975	\$419,350	\$ 420,875	\$ 489,375
<b>HSC 34191.5 (c)(1)(E)</b>	Estimate of Income/Revenue	none	none	none	none	none
	Contractual requirements for use of income/revenue	n/a	n/a	n/a	n/a	n/a
<b>HSC 34191.5 (c)(1)(F)</b>	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.
<b>HSC 34191.5 (c)(1)(G)</b>	Description of property's potential for transit oriented development	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.	This site is in the vicinity of a multi-modal transit stop.
	Advancement of planning objectives of the successor agency	Property would be sold according to Monrovia Redevelopment Strategic Plan	Property would be sold according to Monrovia Redevelopment Strategic Plan	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals	Property would be sold according to Monrovia Redevelopment Strategic Plan

		Goals and Zoning guidelines.	Goals and Zoning guidelines.	and Zoning guidelines.	and Zoning guidelines.	Goals and Zoning guidelines.
<b>HSC 34191.5 (c)(1)H</b>	History of previous development proposals and activity	There are currently three proposals that are in the preliminary stages.	There are currently three proposals that are in the preliminary stages.	There are currently three proposals that are in the preliminary stages.	There are currently three proposals that are in the preliminary stages.	There are currently three proposals that are in the preliminary stages.
<b>HSC 34181(a)</b>	Planned disposition for site	<u>Sale of property at fair market value</u> Retention of the property for future development	<u>Sale of property at fair market value</u> Retention of the property for future development	<u>Sale of property at fair market value</u> Retention of the property for future development	<u>Sale of property at fair market value</u> Retention of the property for future development	<u>Sale of property at fair market value</u> Retention of the property for future development
<b>HSC 34180(f)(1) 34180(f)(2)</b>	Compensation Agreement	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.	Successor Agency intends to reach a Compensation Agreement with all taxing entities, as applicable.

<b>Park Lot Adjacent to Civic Center</b>			
<b>HSC 34191.5 (c)(1)(C)</b>	Address	<b>139 E. Lime Ave</b>	<b>147 E. Lime Ave</b>
	APN	8516-012-903	8516-012-902
	Lot Size	7,985	10,968
	Current Zoning	PQP- Public/ Quasi Public	PQP- Public/ Quasi Public
<b>HSC 34191.5 (c)(1)(A)</b>	Acquisition Date	08/22/1997	07/12/1985
	Value at Time of Purchase	\$ 225,000	\$ 175,638
	Estimated Current Value #	\$ 199,875	\$ 274,200
	Date of Estimated Current Value	1/31/12	1/31/12
<b>HSC 34191.5 (c)(1)(B)</b>	Proposed Sale Value	N/A	N/A
	Proposed Sale Date	This property is currently utilized as a public parking lot. No proposed date for sale has been contemplated.	This property is currently utilized as a public parking lot. No proposed date for sale has been contemplated.
	Purpose for which property was acquired	Property was acquired as part of the Old Town 300 block specific plan to enhance the area with a mixed use development and a parking structure.	Property was acquired as part of the Old Town 300 block specific plan to enhance the area with a mixed use development and a parking structure.
<b>HSC 34191.5 (c)(1)(D)</b>	Estimate of Current Parcel Value	\$ 199,875	\$ 274,200
<b>HSC 34191.5 (c)(1)(E)</b>	Estimate of Income/Revenue	none	none
	Contractual requirements for use of income/revenue	n/a	n/a
<b>HSC 34191.5 (c)(1)(F)</b>	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Phase 1 remediation has been performed at the site.	Phase 1 remediation has been performed at the site.
<b>HSC 34191.5 (c)(1)(G)</b>	Description of property's potential for transit oriented development	This site is directly adjacent to the Monrovia Police Department and City Hall and is currently utilized for a public parking lot for employees and the public.	This site is directly adjacent to the Monrovia Police Department and City Hall and is currently utilized for a public parking lot for employees and the public.
	Advancement of planning objectives of the successor agency	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.	Property would be sold according to Monrovia Redevelopment Strategic Plan Goals and Zoning guidelines.
<b>HSC 34191.5 (c)(1)(H)</b>	History of previous development proposals and activity	There are no development proposals for this site. This property is currently a public parking lot for the Civic Center.	There are no development proposals for this site. This property is currently a public parking lot for the Civic Center.
<b>HSC 34181(a)</b>	Planned disposition for site	Retention of the property for government use	Retention of the property for government use

## RESOLUTION NO. OB2016-03

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY APPROVING A PURCHASE AND SALE AGREEMENT WITH T.P. HERITAGE INN OF MONROVIA, LLC, FOR THE SALE OF REAL PROPERTY LOCATED AT THE SOUTHWEST CORNER OF MYRTLE AVENUE AND HUNTINGTON DRIVE (IDENTIFIED BY ASSESSOR PARCEL NOS. 8508-010-901 THROUGH 8508-010-906) FOR THE APPRAISED FAIR MARKET VALUE OF \$2,850,000.**

WHEREAS, In 2011 The California State Legislature passed ABx1 26 and was later signed by the Governor, which ordered all Redevelopment Agencies be dissolved and created new governing bodies and guidelines for current redevelopment projects and the disposition of properties held by the Redevelopment Agencies.

WHEREAS, The Successor Agency to the Redevelopment Agency was established to conduct the wind down affairs of the former Redevelopment Agency, including the disposition of property.

WHEREAS, An Oversight Board comprised of representatives of the local agencies that serve the redevelopment project area was established to oversee the Successor Agency and its actions, including establishment of a Recognized Obligation Payment Schedule (ROPS) and disposition of properties.

WHEREAS, Between 2002 - 2005, the former Redevelopment Agency Board authorized the acquisition of six adjacent parcels of real property located at the southwest corner of Myrtle Avenue and Huntington Drive (Site).

WHEREAS, On August 2, 2016, the Successor Agency to the Monrovia Redevelopment Agency (Successor Agency) approved a Purchase and Sale Agreement with T.P. Heritage Inn of Monrovia, LLC, for the sale of the Site.

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE MONROVIA REDEVELOPMENT AGENCY (THE "BOARD"), HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

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

Section 2. The Oversight Board hereby approves the Purchase and Sale Agreement with T.P. Heritage Inn of Monrovia, LLC, for the sale of real property located at the southwest corner of Myrtle Avenue and Huntington Drive (Assessor Parcel Nos. 8508-010-901 and 8505-010-902 through 8505-010-906) at the appraised fair market value of \$2,850,000.

Section 3. The Oversight Board hereby recommends that the Department of Finance approve the Purchase and Sale Agreement with T.P. Heritage Inn of Monrovia, LLC, for the sale of real property located at the southwest corner of Myrtle Avenue and Huntington Drive (Assessor Parcel Nos. 8508-010-901 through 8508-010-906) at the appraised fair market value of \$2,850,000.

**APPROVED AND ADOPTED** this 11<sup>th</sup> day of August, 2016.

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Tom Adams, Chair  
Oversight Board of the Successor Agency to  
the Monrovia Redevelopment Agency

ATTEST:

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Alice D. Atkins, CMC, Secretary  
Oversight Board of the Successor Agency  
to the Monrovia Redevelopment Agency

**ATTACHMENT A**  
**Purchase and Sale Agreement**

**AGREEMENT FOR PURCHASE AND SALE  
AND ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of August 2, 2016, and is entered into by and between T.P. Heritage Inn of Monrovia, LLC, a Nevada limited liability company ("Buyer"), and the Successor Agency to the Monrovia Redevelopment Agency ("Seller"). Upon the execution of this Agreement by Seller, Seller shall promptly email a copy of this executed Agreement to Buyer in accordance with Section 10 below.

**RECITALS**

A. Seller is the owner of six parcels of vacant land located at the southwest corner of Huntington Drive and Myrtle Avenue in the City of Monrovia (the "Property"). The Property includes six adjacent connected parcels that total +/- 77,222 square feet (or around 1.77 acres) and are identifiable as APN 8508-010-901 through -906, and are further described in "Exhibit A" attached hereto.

B. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller.

C. Seller desires to see the development and operation of a hotel project ("Project") on the Property, which is further described in "Exhibit B" attached hereto. Buyer intends to construct and operate the Project on the Property.

NOW, THEREFORE, in consideration of the mutual terms and covenants herein, and other consideration, the sufficiency of which is hereby acknowledged, Buyer and Seller hereby agree as follows:

1. **CONDITIONS PRECEDENT.** The effectiveness of this Agreement is conditioned upon the approval of this Agreement by the Oversight Board of Seller, and the approval by the California Department of Finance ("DOF") of such action/approval by the Oversight Board ("OB"). If, despite the good faith efforts of Seller after approval of the OB, the approval of DOF is not obtained within five (5) months after the date of this Agreement, then either party may terminate this Agreement by not less than fifteen (15) days' written notice to the other. As used herein, the term "Effective Date" shall mean the date on which the DOF approves the OB's action and/or this Agreement, or the date on which the DOF expressly declines to review the OB's action (as applicable). Seller shall promptly inform Buyer in writing of the Effective Date.

2. **PURCHASE PRICE; DEPOSIT.**

2.1 **Sale and Purchase.** Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property upon the terms and conditions hereafter set forth.

2.2 **Purchase Price.** The purchase price ("Purchase Price") for the Property shall be the greater of (i) TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$2,850,000) (which is the fair market value of the Property based on a current appraisal obtained by the Seller); or (ii) the amount shown as the fair market value of the Property in an update to said appraisal that is dated no earlier than six (6) months prior to the actual Closing Date (and which will be obtained by the Seller). In the event the purchase price materially

increases above \$2,850,000, Buyer may terminate this Agreement by written notice to Seller given on or before April 2, 2017.

2.3 Deposit. Within five (5) business days after the opening of escrow under Section 5.2 below, Buyer shall deposit the sum of FIFTY THOUSAND DOLLARS (\$50,000) into the escrow with Escrow Holder (with acquired interest, the "Deposit"). Escrow Holder shall hold the Deposit in an interest-bearing account. Upon the Close of Escrow, the Deposit shall be credited against the Purchase Price. If the Close of Escrow does not occur as a result of a termination of this Agreement due to the failure of a condition to closing or the default of the Seller, the Deposit shall be returned to Buyer. If the Close of Escrow does not occur due to a default by Buyer, then the Deposit shall be delivered to Seller as liquidated damages under Section 2.4 below.

2.4 If Buyer breaches any obligation hereunder, and fails to cure such breach within ten (10) business days after receipt of written notice from Seller, then Seller may terminate this Agreement and the Escrow by giving notice, in writing, of such termination to Buyer and Escrow Holder, and the Deposit shall be delivered by Escrow Holder to Seller to retain as liquidated damages for Buyer's failure to purchase the Property, as Seller's sole and exclusive remedy.

**IF CLOSING FAILS TO OCCUR SOLELY BECAUSE OF BUYER'S DEFAULT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BOTH BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT, THEN THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE AND FINAL ESTIMATE OF SELLER'S DAMAGES AND SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AS SELLER'S SOLE AND EXCLUSIVE REMEDY. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.**

**THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

\_\_\_\_\_  
BUYER'S INITIALS

\_\_\_\_\_  
SELLER'S INITIALS

3. TITLE.

3.1 General. Title to the Property shall be conveyed by grant deed and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance, the cost of which will be borne by Seller, or an ALTA Extended Coverage Form Policy if Buyer elects such coverage as provided in Section 3.3 hereof ("Title Policy"), the cost of which shall be borne

by Buyer, issued by a licensed title insurance company ("Title Company") selected by Buyer, subject to the consent of Seller's City Manager, which consent will not be unreasonably withheld or delayed, with liability in the full amount of the Purchase Price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title to the Property, except the following (which shall constitute "Approved Title Exceptions" under Section 3.4 below):

3.1.1 Non-delinquent real property taxes;

3.1.2 The fact that the Property is (or was) located in a Redevelopment Project Area; and

3.1.3 Such other matters as are approved by Buyer.

3.2 Acts After Date of Agreement. During the period from the date of this Agreement through the Close of Escrow, Seller shall not record, or file for record or permit to be recorded or filed for record any document or instrument which will affect the title to or use of the Property without the prior written consent of the Buyer, which consent shall not be unreasonably withheld.

3.3 Option for ALTA Coverage. Buyer shall have the option of obtaining an ALTA Extended Coverage Form Policy of Title Insurance or a CLTA Standard Coverage Form Owners Policy of Title Insurance. In such event, Buyer shall, at its expense, procure the ALTA Extended Coverage Survey (the "Survey"). The cost of an ALTA Extended Coverage Form Policy of Title Insurance and the survey for such extended coverage shall be borne by Buyer.

3.4 Title Review. Not later than ten (10) days after the Effective Date, Buyer shall obtain a current title report from Title Company for the Property and copies of the title exception documents and, except as otherwise provided in Section 3.1 above, Buyer shall have the right to disapprove the title report and title exceptions and terminate this Agreement by written notice to Seller given within thirty (30) days after Title Company delivers the title report and title exceptions to Buyer ("Title Delivery Date"). If Buyer desires ALTA title insurance, Buyer shall conduct a survey and shall deliver it to the Title Company and shall have the right to disapprove matters disclosed by the survey and terminate this Agreement by written notice to Seller within forty-five (45) days after the Title Delivery Date. If Buyer does not timely terminate, then the following (in addition to the matters described in Section 3.1) shall be "Approved Title Exceptions": (i) all matters in said title report and the Survey, (ii) if Buyer fails to obtain a title report, then all matters affecting title then of record, and (iii) if Buyer fails to obtain a survey, all matters that would have been revealed or disclosed by an accurate ALTA survey (the "Approved Title Exceptions").

#### 4. RIGHT OF ENTRY.

4.1 Seller hereby grants Buyer and its agents, employees, contractors and subcontractors (collectively "Representatives") the right of entry to the Property at reasonable times after the Effective Date (the "Inspection Deadline") for the purpose of conducting soils and geological investigation and testing for toxic or hazardous substances and other contamination. Such investigation shall be at Buyer's expense. If Buyer desires to terminate this Agreement as a result of its inspection, Buyer may do so by written notice to Seller given on or before the Inspection Deadline.

4.2 Buyer shall deliver advance written notice to the Seller of its intention to enter the Property to conduct activities pursuant to this Section 4 at least one (1) business day prior to any entry onto the Property. Such notice of entry shall include the proposed dates and times of such entry, and the nature, specific location and scope of any test, investigation, or other activity upon the Property. Seller and its representatives shall have the right to accompany and observe all of Buyer's and its Representatives' activities on the Property.

4.3 All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with all regulatory and good management standards and the requirements of any governmental agency or entity and all applicable laws.

4.4 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any "Hazardous Materials", as defined in Section 7.4, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

4.5 Buyer and its Representatives shall remove from the Property any wastes and Hazardous Materials used in or generated by the activities of Buyer or its Representatives on the Property no later than the date of completion of their environmental investigation activities and operations on the Property.

4.6 In connection with the use of the Property by Buyer and its Representatives, Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personalty thereon, in good order and repair and safe condition to the extent that such Property, improvements or personalty were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

4.7 Buyer agrees, at its sole cost and expense, to defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever ("Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section 4, except for that portion or percentage of a Claim against an Indemnitee based on the comparative negligence, gross negligence or willful misconduct of such Indemnitee.

5. ESCROW.

5.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a copy hereof shall be deposited with the Escrow Holder for this purpose.

5.2 Escrow Holder. The escrow shall be opened with Title Company, ("Escrow Holder"), within five (5) business days after the execution of this Agreement by Buyer and Seller depositing a copy of this Agreement (or copies of executed counterparts of this Agreement) with Escrow Holder. This document shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder requires in order to clarify the duties and responsibilities of Escrow Holder. If Escrow Holder shall require further escrow instructions, Escrow Holder shall promptly prepare such escrow instructions on its usual form for the purchase and sale of the Property upon the terms and provisions hereof. Provided such further escrow instructions are consistent with this Agreement, they shall be promptly signed by Buyer and Seller within five (5) business days after delivery thereof to each party. The further escrow instructions shall incorporate each and every term of this Agreement and shall provide that in the event of any conflict between the terms and conditions of this Agreement and such further escrow instructions, the terms and conditions of this Agreement shall control.

5.3 Close of Escrow. For the purposes of this Agreement, "Close of Escrow" shall be the date on which a grant deed for the Property in favor of Buyer, is recorded in the Official Records of the Los Angeles County Recorder's Office. Provided all of Seller's and Buyer's obligations to be performed on or before Close of Escrow have been performed and all the conditions to the Close of Escrow set forth in this Agreement have been satisfied, escrow shall close as soon as possible, but in no event later than April 2, 2017, unless extended in writing by the Executive Director of Seller ("Closing Date"). All risk of loss or damage with respect to the Property shall pass from Seller to Buyer at the Close of Escrow. Possession of the Property shall be delivered to Buyer upon the Close of Escrow.

5.4 Buyer Required to Deliver. On or before the Close of Escrow, Buyer shall deposit into escrow the following (properly executed and acknowledged, if applicable):

5.4.1 The Purchase Price;

5.4.2 Costs to be paid by Buyer under Section 5.9 below;

5.4.3 All other documents contemplated by this Agreement and required by Escrow Holder to be deposited by Buyer to carry out this escrow.

5.5 Seller Required to Deliver. Before the Close of Escrow, Seller shall deposit into escrow the following:

5.5.1 A grant deed conveying the Property to Buyer, in the form attached hereto as "Exhibit C" and duly executed by Seller and acknowledged (the "Grant Deed");

5.5.2 A California 593 certificate and a federal non-foreign affidavit with respect to Seller, if required by Escrow Holder; and

5.5.3 Any other documents contemplated by this Agreement or required by Escrow Holder or the Title Company to be deposited by Seller to carry out this escrow.

5.6 Conditions to the Close of Escrow. Escrow shall not close unless and until both parties have deposited with Escrow Holder all sums and documents required to be deposited as provided in this Agreement. The failure of a party to timely deposit any such sums and/or documents shall constitute a default by such party. Buyer's obligation to proceed with the transaction contemplated by this Agreement is subject to the satisfaction of all of the following conditions precedent, which are for Buyer's benefit and may be waived only by Buyer:

5.6.1 Seller shall have performed all agreements to be performed by Seller hereunder;

5.6.2 As of the Close of Escrow, there shall have been no material adverse changes in the physical condition of the Property caused by Seller since Buyer's inspection; and

5.6.3 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the Purchase Price showing fee title to the Property to be vested in Buyer, subject only to the Approved Title Exceptions.

5.6.4 All municipal entitlements and building permits necessary to allow for the construction and operation of the Project on the Property shall have been issued by the City of Monrovia.

In the event that the conditions to Close of Escrow are not timely satisfied for a reason other than a default of Buyer or Seller under this Agreement, then upon termination of this Agreement, Escrow Holder shall promptly return to Buyer all funds (and all interest accrued thereon) and documents deposited by Buyer in escrow and to return to Seller all funds and documents deposited by Seller in escrow and which are held by Escrow Holder on the date of the termination (less, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party under Section 5.11 below).

5.7 Recordation of Grant Deed; Delivery of Funds; Delivery of Possession. Upon receipt of the funds and instruments described in this Section 5, Escrow Holder shall cause the Grant Deed and then the Operating Covenant and Memorandum of Option to be recorded in the office of the County Recorder of Los Angeles County, California. Thereafter, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges) to Seller. Upon Close of Escrow, Seller shall deliver possession of the Property to Buyer, free and clear of any leases or occupancies.

5.8 Prorations. All real and personal property taxes and shall be prorated between Buyer and Seller as of the Close of Escrow, which in the case of taxes and assessments shall be based on the latest available tax information. Any supplemental or escape real estate taxes and assessments on the Property attributable to the period prior to the Close of Escrow shall be paid by Seller outside of the escrow. All prorations shall be determined on the basis of a 360-day year.

5.9 Costs of Escrow.

5.9.1 Seller shall pay:

- (a) The premium for the CLTA Standard Title Policy;
- (b) One-half (1/2) of the escrow fees; and
- (c) Any other closing costs or charges not expressly provided for herein and customarily paid by a Seller of real property in Los Angeles County, California.

5.9.2 Buyer shall pay:

- (a) One-half (1/2) of the escrow fees;
- (b) The cost of recording the Grant Deed, if any;
- (c) The cost of documentary transfer taxes in connection with the recordation of the Grant Deed, if any;
- (d) The excess cost of an ALTA extended title policy, if Buyer has so elected; and
- (e) Any other closing costs or charges not expressly provided for herein and customarily paid by a Buyer of real property in Los Angeles County, California.

5.10 Broker's Commission. Buyer and Seller represent to one another that except for CCP Real Estate Advisors (which represents Buyer), no broker or finder has been engaged in connection with the transaction contemplated by this Agreement, or to its knowledge is in any way connected with such transaction. Buyer shall pay CCP Real Estate Advisors a broker's commission pursuant to separate terms established between the Buyer and CCP Real Estate Advisors. Seller shall not be responsible for paying any broker's commission associated with the transaction contemplated by this Agreement. Each party covenants and agrees that any other broker fee or commission, which may be due or payable in connection with the closing of the transaction contemplated by this Agreement through its dealings with that party, shall be borne solely by that party. Each party agrees to indemnify, defend, protect and hold harmless the other party and its respective employees, agents, representatives, council members, attorneys, successors and assigns, from and against all claims of any agent, broker, finder or other similar party arising from or in connection with its activities relating to the sale of the Property to Buyer.

5.11 Escrow Cancellation Charges. In the event that this escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow and title cancellation charges. In the event that the escrow shall fail to close for any other reason, each party shall pay one-half (1/2) of all escrow and title cancellation charges.

6. EMINENT DOMAIN OR TAKING; PHYSICAL DAMAGE OR DESTRUCTION.

6.1 If, prior to the Close of Escrow, any material portion of the Property is taken or if the access thereto or available parking area therefor is reduced or restricted by eminent domain or otherwise (or becomes the subject of a pending, threatened or contemplated taking which has not been consummated, other than any such taking prosecuted by or on behalf of the Buyer), Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over to Buyer, and the Buyer shall be entitled to receive and keep, all awards for the taking by eminent domain which accrue to Seller, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price. Unless and until this Agreement is terminated, Seller shall take no action with respect to any eminent domain proceeding without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

6.2 If, prior to the Close of Escrow, any material portion of the Property is physically damaged or destroyed due to any cause, natural or otherwise, including, without limitation, (i) fire or flooding, (ii) any destructive seismic or geological conditions such as any earthquake or tremor, subsidence, or unstable subsurface conditions; or (iii) a condition arising from any discharge of Hazardous Materials or other violation of any Environmental Laws, Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over, and the Buyer shall be entitled to receive and keep, all insurance proceeds paid by Seller's insurer in connection with such damage or destruction, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price. Unless and until this Agreement is terminated, Seller shall take no action with respect to any such damage and destruction without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

7. CONDITION OF PROPERTY; "AS-IS" SALE; INDEMNITY AND RELEASE.

7.1 There are no representations or warranties of any kind whatsoever, express or implied, made by Seller, including, without limitation, any representation or warranty concerning the potential use, development or physical condition of the Property (including the presence of any hazardous or toxic substances or the structural condition of any buildings or improvements) or any income, expenses, or any other matter or thing arising or related to the Property. Except as otherwise provided for herein, the purchase of the Property hereunder is and will be made on an "AS IS AND WITH ALL FAULTS" basis. Seller shall not be required to make any repairs, alterations or improvements to the Property. The Buyer shall fully investigate the Property, including, but not limited to, analysis of soils and hazardous materials, zoning and use issues and other matters which a prudent purchaser would deem necessary, and in the event Buyer shall purchase the Property, Buyer will be relying entirely on its own investigation of the Property.

7.2 BUYER HEREBY WAIVES ITS RIGHT TO RECOVER FROM AND FULLY AND IRREVOCABLY RELEASES SELLER, AND ITS OFFICERS, BOARD MEMBERS, EMPLOYEES, REPRESENTATIVES, AGENTS AND CONTRACTOR'S (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, RESPONSIBILITY AND/OR LIABILITY THAT BUYER MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY OF THE RELEASED PARTIES FOR ANY COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES, CLAIMS, DEMANDS, ACTION OR CAUSE OF ACTION ARISING FROM HAZARDOUS MATERIALS IN, ON OR UNDER THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF THE RELEASED PARTIES. IF THE PROPERTY IS NOT IN A CONDITION SUITABLE FOR THE INTENDED USE OR USES, THEN IT IS THE SOLE RESPONSIBILITY AND OBLIGATION OF BUYER TO TAKE SUCH ACTION AS MAY BE NECESSARY TO PLACE THE PROPERTY IN A CONDITION SUITABLE FOR DEVELOPMENT.

THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

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

BY INITIALING BELOW, DEVELOPER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Buyer's Initials

\_\_\_\_\_

The waivers and releases by Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7.3 Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, losses, damages, costs and expenses arising from or relating to the presence of Hazardous Materials in, on or under the Property, other than those known by Seller to be present at the Close of Escrow but not disclosed to Buyer prior to the Inspection Deadline. This Section 7.3 shall survive the Close of Escrow and the recordation of the Grant Deed.

7.4 The term "Hazardous Materials" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq; asbestos and asbestos-containing materials, PCBs and other substances regulated under the

Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. Section 1910.1200 et seq; industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; any substance defined as a "hazardous substance" in California Civil Code Section 2929.5(e)(2) or California Code of Civil Procedure Section 736(f)(3); and any other substance or material regulated by any Environmental Laws, defined below.

7.5 The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect on or prior to the date hereof relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq; the Clean Water Act, 33 U.S.C. Section 1251 et seq; and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act 7 U.S.C. Section 136 et seq; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq; the Noise Control Act, 42 U.S.C. Section 4901 et seq; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq; the Resource Conservation and Recovery Act 42 U.S.C. Section 6901 et seq; as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et seq; as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et seq; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq; and state and local environmental statutes and ordinances, and implementing regulations and rules.

8. INCORPORATION OF EXHIBITS. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

9. ATTORNEYS' FEES. In any action between Buyer and Seller seeking enforcement of any of the terms and provisions of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

10. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid, return receipt requested, or sent by a nationally recognized courier service such as Federal Express, duly addressed to the parties as follows:

To Seller: Successor Agency to the Monrovia Redevelopment Agency  
415 S. Ivy Avenue  
Monrovia, CA 91016  
Attn: Oliver Chi, Executive Director

To Buyer: T.P. Heritage Inn of Monrovia, LLC  
c/o Tharaldson Hospitality Development  
4255 Dean Martin Drive, Suite J

Las Vegas, NV 89149  
Attn: Don Cape, Director of Development

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

11. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party; provided, however, that Buyer may assign its interest to an entity directly or indirectly owned and controlled by the principal owner(s) of T.P. Heritage Inn of Monrovia, LLC.

12. BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their successors and assigns.

13. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended, supplemented or in any way modified except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

14. HEADINGS. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

16. EMAIL DELIVERY. This executed Agreement (and executed counterparts of this Agreement), may be delivered by email.

17. TIME OF THE ESSENCE. Time is of the essence of this Agreement.

18. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

19. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement and the escrow upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability. In the event of such termination, all funds

deposited with Escrow Holder by Buyer and any interest accrued thereon shall be returned to Buyer.

20. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

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

**BUYER:**

T.P. HERITAGE INN OF MONROVIA, LLC,  
a Nevada limited liability company

By: \_\_\_\_\_  
Gary D. Tharaldson  
Manager

**SELLER:**

SUCCESSOR AGENCY TO THE MONROVIA  
REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Oliver Chi  
Executive Director

Attest:

\_\_\_\_\_  
Alice Atkins, Successor Agency Clerk

APPROVED AS TO FORM:  
Richards, Watson & Gershon

\_\_\_\_\_  
Craig Steele, Successor Agency Counsel

**EXHIBIT A**  
**DESCRIPTION OF THE PROPERTY**

The subject property is comprised of six vacant parcels located at the southwest corner of Huntington Drive and Myrtle Avenue in the City of Monrovia, County of Los Angeles, State of California. The addresses for the properties in question are 102-132 West Huntington Drive and 1109 South Myrtle Avenue. The Assessor's Parcel Numbers for the parcels in question are 8508-010-901, 8508-010-902, 8508-010-903, 8508-010-904, 8508-010-905, and 8508-010-906.

The legal description for each of the six parcels that make up the property are as follows:

**1109 SOUTH MYRTLE AVENUE**

(APN 8508-010-901)

MR 10-5 S 60 FT OF LOTS 22 AND 23 AND S 60 FT EX OF ST OF LOT 24 BLK 11

**102 WEST HUNTINGTON DRIVE**

(APN 8508-010-902)

MR 10-5 N 128 FT EX OF STS LOT 24 AND N 128 FT EX OF ST LOTS 22 AND 23 BLK 1

**124 WEST HUNTINGTON DRIVE**

(APN 8508-010-903)

MR 10-5 EX OF ST LOTS 18 AND 19 BLK 11

**116 WEST HUNTINGTON DRIVE**

(APN 8508-010-904)

MR 10-5 EX OF ST LOTS 20 AND 21 BLK 11

**140 WEST HUNTINGTON DRIVE**

(APN 8508-010-905)

PASADENA SUB OF BLKS 6 AND 11 MONROVIA POR OF LOTS 15 AND 16 BLK 11

**132 WEST HUNTINGTON DRIVE**

(APN 8508-010-906)

PASADENA SUB OF BLKS 6 AND 11 MONROVIA EX OF ST LOT 17 BLK 11



**EXHIBIT C**  
**FORM OF GRANT DEED**

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO  
(AND SEND TAX STATEMENTS TO):

Tharaldson Hospitality Development  
4255 Dean Martin Drive, Suite J  
Las Vegas, NV 89149  
Attn: Don Cape

APNs: 8508-010-901, 902, 903, 904, 905 and 906

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[SPACE ABOVE FOR RECORDER'S USE ONLY]

**GRANT DEED**

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is \$\_\_\_\_\_.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged [Successor Agency to the Monrovia Redevelopment Agency] **[VERIFY WITH TITLE COMPANY]** ("**Grantor**") hereby grants to \_\_\_\_\_ ("**Grantee**"), the land and located in the County of Los Angeles, State of California, more particularly described on **Exhibit A** attached hereto and incorporated herein by reference and all improvements thereon (collectively, the "Property").

SUBJECT TO:

General and special real property taxes and assessments and supplemental assessments for the current fiscal year;

All liens, encumbrances, easements, covenants, conditions and restrictions of record;  
and

All matters which would be revealed or disclosed in an accurate ALTA survey of the Property.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: \_\_\_\_\_, 2016

Successor Agency to the Monrovia Redevelopment Agency

By: \_\_\_\_\_  
Oliver Chi  
Executive Director



**Exhibit A to Grant Deed**

**1109 SOUTH MYRTLE AVENUE**

(APN 8508-010-901)

MR 10-5 S 60 FT OF LOTS 22 AND 23 AND S 60 FT EX OF ST OF LOT 24 BLK 11

**102 WEST HUNTINGTON DRIVE**

(APN 8508-010-902)

MR 10-5 N 128 FT EX OF STS LOT 24 AND N 128 FT EX OF ST LOTS 22 AND 23  
BLK 1

**124 WEST HUNTINGTON DRIVE**

(APN 8508-010-903)

MR 10-5 EX OF ST LOTS 18 AND 19 BLK 11

**116 WEST HUNTINGTON DRIVE**

(APN 8508-010-904)

MR 10-5 EX OF ST LOTS 20 AND 21 BLK 11

**140 WEST HUNTINGTON DRIVE**

(APN 8508-010-905)

PASADENA SUB OF BLKS 6 AND 11 MONROVIA POR OF LOTS 15 AND 16 BLK 11

**132 WEST HUNTINGTON DRIVE**

(APN 8508-010-906)

PASADENA SUB OF BLKS 6 AND 11 MONROVIA EX OF ST LOT 17 BLK 11